

CHAPTER-I PERFORMANCE REVIEWS

DEPARTMENT OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

1.1 Public Distribution System

Highlights

A review on Public Distribution System (PDS) was undertaken to assess the performance of various functionaries involved in identifying the targeted beneficiaries, allocation and distribution of foodgrain to various Fair Price Shops, supervision and monitoring of the activities at ground level with the ultimate objective of providing and ensuring timely availability of foodgrain to the public at affordable prices and for ensuring food security for the poor. There was short lifting of wheat and sugar against the allocation made by Government of India. There were instances of diversion of rice, wheat and kerosene. Monitoring, inspection and the activities of the vigilance committee at State and District level were found to be inadequate. Monitoring mechanism and inspection of FPS at different levels needs strengthening to prevent pilferage of commodities.

The State Government did not formulate guidelines for identification of beneficiaries and review of households.

(Paragraph 1.1.7)

The PDS items meant for identified beneficiaries were diverted.

(Paragraphs 1.1.9.2, 1.1. 9.4, 1.1.9.7 and 1.1.9.11)

PDS consumers were denied of the intended benefit of having PDS items at prescribed scale and affordable price in a timely manner.

(Paragraph 1.1.9.5)

Bank interest on Cash Credit Account was charged from the beneficiaries even when credit facilities were not availed of.

(Paragraph 1.1.9.6)

Instead of availing of transport subsidy and Hill Transport Subsidy Scheme, the State Government charged the cost of transportation to the beneficiaries by fixing high end retail price.

(Paragraph 1.1.11.2)

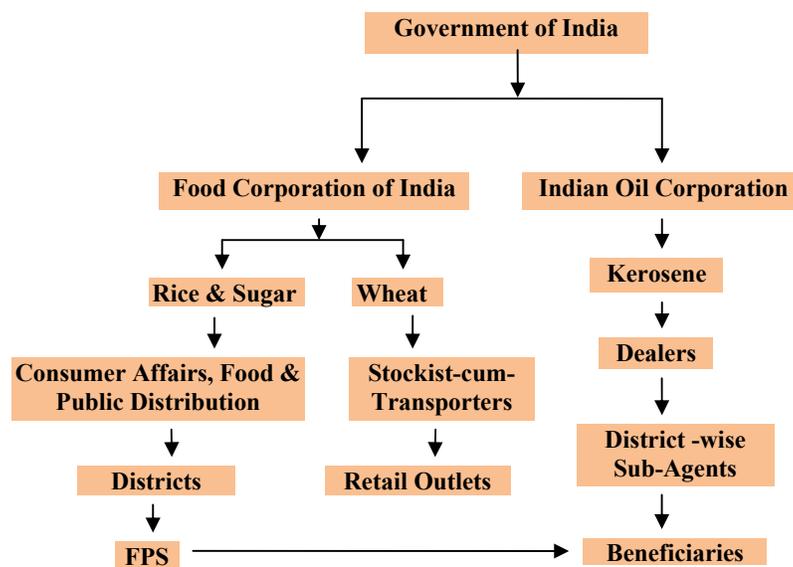
Monitoring mechanism as envisaged in the PDS (Control) Order, has not been established and no evaluation was carried out by the Department to assess the impact of implementation of the Public Distribution System.

(Paragraph 1.1.19)

1.1.1 Introduction

The Public Distribution System (PDS) was evolved to ensure timely availability of foodgrain at affordable price to enhance food security particularly to the weaker sections of society. A Revamped Public Distribution System (RPDS) was launched (June 1992) and the Targeted Public Distribution System (TPDS) was introduced (June 1997). The system is regulated under the provisions of Public Distribution System (Control) Order, 2001 and is operated under joint responsibility of the Central and State Government. Manipur being a deficit State in foodgrain, the scheme of Decentralised Procurement was not implemented in the State. Therefore, the Central Government has assumed responsibility for procurement, storage, transportation, and bulk allocation of foodgrain through Food Corporation of India (FCI). The operational responsibility of lifting and distribution of foodgrain within the State, identification of families, issue of ration cards and supervision and control of the functioning of Fair Price Shops (FPS) rest with the State Government.

Flow-Chart of PDS items is given below:



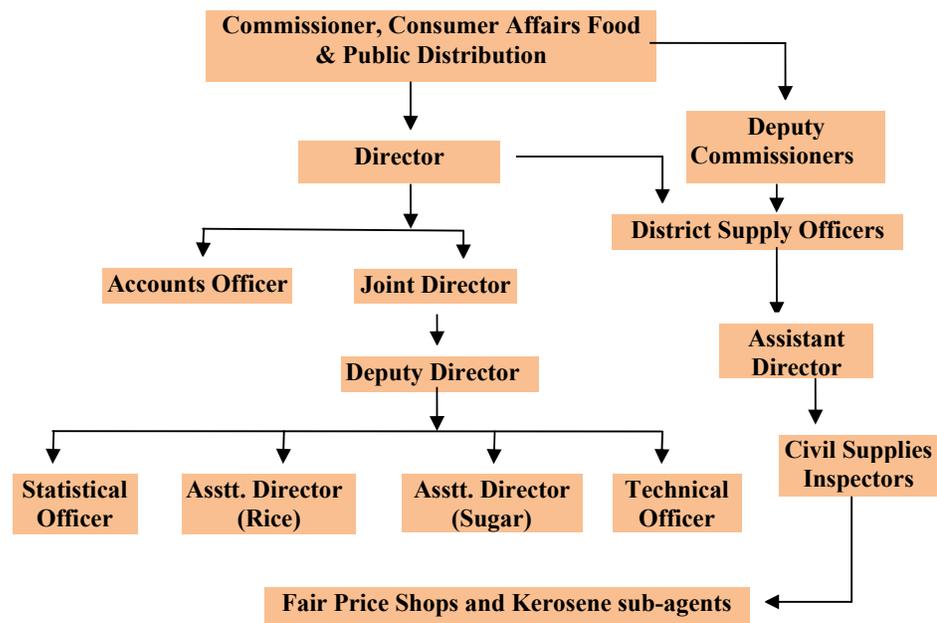
In Manipur, three FCI godowns are located at Imphal, Jiribam and Ukhrul for supply of foodgrain and distributed through a network of 47 Food and Civil Supply (FCS) godowns of 2551 FPSs. The IOC depot Imphal, supplies kerosene to 85 kerosene dealers with 2,747 kerosene sub-agents for distribution.

In 2005-06, total number of beneficiary households in the State was 4,06,593, of which there were 2,40,593 APL households, 1,15,600 BPL households and 50,400 AAY households on the basis of the projected population taken by the Planning Commission of India for the purpose of PDS. From February 2008 the number of BPL and AAY households were 102400 and 63600 respectively.

1.1.2 Organisational set up

The Director of Consumer Affairs, Food and Public Distribution (CAF&PD) is the Head of the Department and responsible for implementation of the scheme at the state level. He is assisted by the Joint Director and the District Supply Officers (DSOs) at the district level. The concerned District Administration has to ensure proper distribution of the essential commodities through the network of FPSs manned by the rationing agents. The FPSs, in turn, sell the commodities to the beneficiaries, at prices fixed by the State Government.

The Organogram of the Department is given in the chart below:



1.1.3 Scope of audit

The performance audit on Public Distribution System (PDS) covering the period from 2005-10 was conducted (June to September 2010) covering the Directorate office, three¹ out of nine districts, seven blocks² from the selected districts, and 36 FPSs (out of 1108 FPSs) from selected seven blocks were selected through a Simple Random Sampling Without Replacement (SRSWOR) method.

1.1.4 Audit methodology

Audit methodology included briefing the management of the objectives of the review through an Entry Conference (June 2010), issue of questionnaire, holding meetings and discussions with the management. To assess the impact

¹ (1) Imphal West, (2) Thoubal and (3) Churachandpur

² (1) Wangoi, (2) Haorangshabal ; (3) Thoubal, (4) Kakching (5) Singhat, (6) Saikot and (7) Churachandpur.

of PDS in the State, the satisfaction level of the PDS beneficiaries on different parameters was evaluated through interviews of 808 beneficiaries and verification of documents of 36 FPS. Questionnaire were also framed on various parameters of PDS and issued to PDS beneficiaries/FPS. Photographic evidence and physical verification were also taken into consideration to substantiate audit conclusion. The Exit Conference was held (October 2010) with the Commissioner, Director and the District Officers. The reply of the Government/Department had been incorporated in the report at appropriate places.

1.1.5 Audit objectives

The performance audit was conducted with a view to assess the:

- Efficacy of the system for identification of beneficiaries and targeted beneficiaries were identified in a transparent manner.
- Effectiveness of allocation and distribution of foodgrain by Government to ensure that all people have access to foodgrain in time at prescribed quantity and rates.
- Effectiveness of Consumer awareness programmes and redressal of public grievances.
- Internal Control mechanism and Infrastructure development schemes were implemented effectively.
- Adequacy and effectiveness of the monitoring system adopted.

1.1.6 Audit criteria

Audit findings were benchmarked against the following criteria:

- Guiding principles prescribed by the GOI relating to identification of beneficiaries.
- Provisions of the Public Distribution System (Control) Order, 2001.
- Scale and issue rate of foodgrain prescribed by the GoI.
- Orders/instructions of State Government for issue of ration cards, weeding out bogus ration cards, scale and issue rates, monitoring over the functioning of FPSs.
- Government norms for payment of transportation/incidental charges of foodgrain.
- Government instructions regarding quality of foodgrain.
- Prescribed monitoring mechanism.

Audit findings

Important audit findings are discussed in the succeeding paragraphs.

1.1.7 Planning

1.1.7.1 Identification of beneficiaries

As per the PDS (Control) Order, 2001 the State Government is to formulate suitable guidelines for identification of BPL and AAY beneficiaries. Actual identification of beneficiaries should be done by involving Gram Sabha/Village Authorities. AAY guidelines suggested step by step process for identification of AAY families from Gram Sabha/Village Authority level to State level.

The third expansion of AAY (May 2005) increased the percentage of AAY beneficiaries to 38.18 *per cent* of BPL. The AAY guidelines was further amended (March 2009) to include all eligible BPL families living with HIV positive persons on priority, as per the directives of the Supreme Court.

However, the State Government did not formulate any such guideline on the ground that the central guidelines were being followed in *toto* in implementation of the scheme in the State. The third expansion of AAY beneficiaries was made to identify AAY beneficiaries from among the poorest of the poor of BPL families. Identification was completed in February 2008 with undue delay. However, expansion for inclusion of HIV affected persons was yet to be finalised (December 2010).

The Department stated (November 2010) that third expansion of AAY beneficiaries was delayed due to law and order problem. A review of beneficiaries would be made with the latest electoral rolls published by the State Election Commission to detect bogus ration cards.

Thus, due to delay in third expansion of AAY, 13200 beneficiaries included subsequently were deprived of the benefit of the scheme for thirty two months (May 2005 to January 2008). HIV affected beneficiaries were also being denied the benefit of the schemes (December 2010).

1.1.7.2 Review of households

The State Government is required to get the lists of beneficiaries reviewed every year so as to delete ineligible beneficiaries and inclusion of new eligible families. However, no review was conducted during 2005-10.

The Department stated (November 2010) that review was conducted by the Department to identify bogus ration cards in all the districts and no bogus cards, ineligible families were identified. The reply of the Department is not acceptable as there was no record in the Department for reviews of household either by the district authorities or by any NGO during 2005-10. Such records were not produced to audit despite repeated requests and hence the claim of the Department of an error-free beneficiaries list could not be vouchsafed.

1.1.7.3 Issue of ration cards

As per clause 2 (7) of the Annexure to the PDS (Control) Order, 2001 as amended in 2004, a ration card under the scheme had a validity of five years from the date of its issue unless it is suspended or cancelled earlier. A ration card should be issued afresh or renewed after fresh verification of antecedent and such other checks as may be prescribed by the State Government in this regard.

The projected population of the State was taken as 25.18 lakh since 2001 for the purpose of implementation of the scheme with 4.07 lakh households and from February 2008, the number of BPL and AAY was changed to 1,02,400 and 63,600 respectively and however, there was no change in APL families. The following table shows the total number of household and number of beneficiaries under each category during 2005-10:

Table 1

Year	Number of households	Number of APL families	Number of BPL families	Number of AAY families
2005-06	4,06,593	2,40,593	1,15,600	50,400
2006-07	4,06,593	2,40,593	1,15,600	50,400
2007-08	4,06,593	2,40,593	1,15,600	50,400
2008-09	4,06,593	2,40,593	1,02,400	63,600
2009-10	4,06,593	2,40,593	1,02,400	63,600

(Source: Departmental records)

The above table shows that the number of population during the period remained static and the ration cards were not renewed and no action plan was prepared to renew the ration cards as of December 2010, except increase of AAY beneficiaries due to third expansion and decrease in BPL families during 2008-09. It indicates that the inclusion of new deserving household and deletion of undeserving household was not made in the right earnest.

1.1.7.4 Issue of un-authorized ration cards

As per guidelines, the District Authority is competent to issue ration cards to the identified households. During joint physical verification of 182 beneficiaries along with Departmental representatives in Saikot block of Churachandpur district, audit noticed that the Chief Chairman of the village issued slips to the households and on production of the slips, PDS items were issued. None of the beneficiaries in the selected block of Churachandpur and Saikot produced the ration cards issued by the District Authority.

As the PDS items were issued by the FPS on production of the slip for drawing PDS items from FPS, no entry could be recorded in the slip in token of issue of PDS items to the beneficiaries. Thus, issue of the prescribed quantity of PDS items to the beneficiaries could not be ensured.

The Department stated (November 2010) that they have noted audit observation and would take necessary action and further added that more care would be taken up to avoid such ill practice in future.

1.1.7.5 Requisition of PDS items by the State Government

The State Government is to submit their foodgrain requirement to the GoI, who, after considering certain factors like population, should accordingly allocate foodgrain to the State for distribution under PDS.

The GoI allocated the foodgrain during 2005-10 based on the projected population of 25.18 lakh. The population of Manipur has since been increasing and therefore, the demand of foodgrain is also increasing. In order to cope with the demands of the increasing population, the State Government wrote to the GoI only in October 2009 for more allocation of foodgrain. The year-wise increase in projected population of the State is shown below:

Table 2

(in lakh)

District	Year				
	2005	2006	2007	2008	2009
Imphal East	4.28	4.36	4.45	4.54	4.63
Imphal West	4.80	4.89	4.99	5.09	5.19
Bishnupur	2.02	2.25	2.28	2.32	2.35
Thoubal	3.99	4.09	4.19	4.29	4.39
Chandel	1.42	1.47	1.55	1.61	1.68
Churachanpur	2.57	2.64	2.72	2.81	2.89
Senapati	3.25	3.37	3.49	3.61	3.74
Tamenglong	1.26	1.29	1.33	1.37	1.41
Ukhrul	1.56	1.60	1.64	1.68	1.72
Total	25.15	25.96	26.64	27.32	28.00
Shortfall (-)/ Excess (+) of population against 25.18 lakh	(-) 0.03	(+) 0.78	(+) 1.46	(+) 2.14	(+) 2.82

(Source: Departmental records)

As the Department failed to submit request to the Government of India in time to allot more foodgrain to meet the demand of the increasing population, beneficiaries ranging from 0.78 lakh to 2.82 lakh were denied the benefits of the scheme during 2006-10. Thus, the State Government failed in their commitment to ensure food security for the poor at subsidised rates and deprived them of the benefits under the scheme during 2006-10.

1.1.8 Financial management

The State Government has not made any budget allocation during 2005-10 for implementation of the scheme except allotment of one time budgetary allocation of ₹ 3 crore for purchase of levy sugar. Audit however, noticed that during review period the funds for lifting of PDS rice was arranged by obtaining Cash Credit Account (CCA) amounting to ₹ 4 crore from the Reserved Bank of India (RBI) on quarterly basis at an interest rate ranging from 9.35 to 14.25 *per cent* per annum. The CCA was used for payment of the cost of rice to FCI and subsequently recouped from the sale proceeds of the FPSs.

CCA was not extended from April 2009. Though the GoI conveyed (July 2009) the consent for availing CCA, it could not be made operational due to non-finalisation of necessary procedure for its operation (December 2010). During this period, the State Government issued orders to all FPS, to deposit

the cost of their monthly quota of rice in advance for payment to FCI. Further points on these issues were discussed in the succeeding paragraph 1.1.9.6.

Further, lifting of rice from FCI to main godown and to the districts was done by engaging transport contractors. The cost for transportation was paid out of the margin money which was included to the cost of rice. Details of margin money received during the period by the Department were not furnished to Audit.

1.1.9 Allocation and lifting of PDS items

1.1.9.1 Difference in quantity of rice allocated and lifted between the GoI and State Government

The year-wise allocation and lifting of APL, BPL and AAY rice as per records of GoI and State Government during 2005-10 are as follows:

Table 3

(In MT)

Year	Type of beneficiary	Allocation			Lifting		
		GoI	GoM	Diff.	GoI	GoM	Diff.
2005-06	APL	32052	32052	0	710	600	110
	BPL	35352	37002	-1650	29970	32409	-2439
	AAY	19436	17692	1744	13960	15912	-1952
	Total	86840	86746	94	44640	48921	-4281
2006-07	APL	33228	33228	0	15895	13512	2383
	BPL	45064	45064	0	35824	45060	-9236
	AAY	21180	21180	0	18411	21180	-2769
	Total	99472	99472	0	70130	79752	-9622
2007-08	APL	28175	26175	2000	26025	25985	40
	BPL	45894	46356	-462	44113	45068	-955
	AAY	22566	22104	462	21447	21935	-488
	Total	96635	94635	2000	91585	92988	-1403
2008-09	APL	26184	26184	0	27361	26113	1248
	BPL	41736	41736	0	36000	41604	-5604
	AAY	26724	26724	0	22905	26655	-3750
	Total	94644	94644	0	86266	94372	-8106
2009-10	APL	29596	26184	3412	32089	26184	5905
	BPL	41736	41736	0	46954	41736	5218
	AAY	26724	26724	0	28787	26724	2063
	Total	98056	94644	3412	107830	94644	13186
Grand total for 5 years	APL	149235	143823	5412	102080	92394	9686
	BPL	209782	211894	-2112	192861	205877	-13016
	AAY	116630	114424	2206	105510	112406	-6896
	Total	475647	470141	5506	400451	410677	-10226

(Source: Departmental records and website of the Ministry of CAF&PD)

During 2005-10, the GoI's allocation of rice was 4,75,647 MT however, the State Government shown the allocation as 4,70,141 MT showing a short allocation of 5506 MT of rice. Whereas, there was an excess lifting of rice by the State Government than the quantity of rice shown by the GoI by 10,226 MT of rice. Reasons for the difference in quantities were not recorded in the Departmental records. Hence, the excess/less lifting of rice by the State Government *vis-a-vis* GoI figures needs to be reconciled.

Lack of proper reconciliation of stocks and lack of monitoring shows that the system was deficient leaving ample scope for leakage and diversion of foodgrain.

1.1.9.2 Issue of rice to district authorities

The Department lifted 4,10,677 MT of rice (BPL=2,05,877 MT; AAY=1,12,406 MT and APL=92,394 MT) during 2005-10. The details are as shown below:

Table 4

					(In MT)
Year	State/District	BPL	AAY	APL	Total
2005-06	FCI to State	32409	15912	600	48921
	State to District	32406	15912	200	48518
	Difference	3	0	400	403
2006-07	FCI to State	45060	21180	13512	79752
	State to District	42012	19690	10915	72617
	Difference	3048	1490	2597	7135
2007-08	FCI to State	45068	21935	25985	92988
	State to District	47905	22878	18976	89759
	Difference	-2837	-943	7009	3229
2008-09	FCI to State	41604	26655	26113	94372
	State to District	41604	27287	17151	86042
	Difference	0	-632	8962	8330
2009-10	FCI to State	41736	26724	26184	94644
	State to District	41049	25979	17680	84708
	Difference	687	745	8504	9936
Total:	FCI to State	205877	112406	92394	410677
	State to District	204976	111746	64922	381644
	Difference	901	660	27472	29033

(Source: Departmental records)

Audit noticed from the above table that during 2005-10, the State Government lifted 410677 MT of rice out of which 381644 MT of rice was issued to the districts, leaving 29033 MT of rice with the Department.

The Department stated (November 2010) that out 29033 MT of rice, 26,246 MT of APL rice had been distributed and 2028 MT of rice is lying in the godown as of March 2010. As such, 759 MT³ is still not accounted for. The reply is silent on actual distribution of rice to bonafide beneficiaries/households. Hence, the possibility of diversion of rice (26,246 MT) could not be ruled out.

1.1.9.3 Unaccounted direct lifting of rice

As per prevailing system in the State, the PDS rice is lifted by the Department from the FCI and stored in departmental godowns for issue to the districts.

As per statement furnished by the Department, 84,247 MT of rice valuing ₹ 48.38 crore⁴ was lifted (2005-10) directly from the FCI godown to districts.

³ Total quantity in the Department is 29,033 MT – (26,246 MT: Distributed by the Department + 2028 MT: Closing stock)

⁴ 16067 MT x ₹ 3000 (AAY) + 46294 MT x ₹ 5650 (BPL) + 21886 MT x ₹ 7950 (APL) = ₹ 48.38

However, the details of receipt of the quantity on direct lifting was not maintained in stock and issue register maintained at the departmental godowns at Sangaiporou and to the selected district offices. The detail of the quantity of rice directly lifted from FCI is shown in the table below:

Table 5

(In MT)

Year	Category of beneficiaries			Total
	BPL	AAY	APL	
2005-06	10862	1267	200	12329
2006-07	15112	4862	6554	26528
2007-08	12284	4875	9998	27157
2008-09	4476	2906	1830	9212
2009-10	3560	2157	3304	9021
Total:	46294	16067	21886	84247

(Source: Departmental records)

The Department stated (November 2010) that direct lifting was done on the basis of the orders issued by the Inspector (Release Order) and quantity lifted were accounted for. The reply was not acceptable as the information of direct lifting was neither reflected in the stock/issue register of the Department nor recorded in the stock register of district offices.

1.1.9.4 Diversion in distribution of rice

The PDS (Control) Order, 2001 stipulates that the State Governments shall not divert the allocation of PDS items made by the Central Government for distribution under PDS. In Churachandpur district, audit noticed that there was short receipt of 5721 MT of rice than the quantity furnished by the Department.

The DSO Churachandpur stated (August 2010) that 23232 MT of rice were lifted during 2005-10 for distribution to the beneficiaries against 28953 MT of foodgrain as reported by the Government thereby showing a shortfall of 5721 MT (28953 MT - 23232 MT).

The difference in the quantity shown by the Directorate and District Supply Officer, Churachandpur needs reconciliation. PDS items lifted from the Department and not reaching the district office amounts to diversion of foodgrain.

1.1.9.5 Overcharging of foodgrain distributed to the targeted groups

The end retail price of rice was fixed by the State Government as below:

Table 6

Sl. No	Particulars of charge	₹ per quintal		
		AAY	BPL	APL
1	Central Issue Price	300.00	565	795.00
2	Handling charges	0.25	0.25	0.25
Landed cost		300.25	565.25	795.25
3	Administrative and transportation charges	25.75	25.75	25.75
4	CCA Interest charge	10.50	19.80	27.80
Ex-godown price		336.50	610.80	848.80
5	Retailers margin for FPS	10.00	10.00	10.00
Retail Price		346.50	620.80	858.80

(Source: Departmental records)

According to GoI's instructions, the end retail price of AAY rice should not exceed ₹ 3 per kg. However, the State Government fixed the price for AAY rice at ₹ 3.47 per kg. Thus, instead of providing subsidized rice, the Government put extra financial burden on the poorest of the poor by increasing the end retail price by 47 paise per kg. The total overcharging of AAY rice from beneficiaries worked out to ₹ 5.28 crore⁵ for issue of 112406 MT of AAY rice during 2005-10.

Similarly, the end retail price of BPL rice should not be more than 50 paise per kg over the central issue price of ₹ 5.65 per kg. However, the State Government fixed the price at ₹ 6.21 per kg for BPL rice, ₹ 0.06⁶ higher than the prescribed limit per kg. This resulted in overcharging the BPL beneficiaries by ₹ 1.24⁷ crore for 205877 MT of rice.

Overcharging to AAY and BPL beneficiaries by ₹ 6.52 crore during 2005-10 has defeated the very purpose of providing foodgrain to the poorest of the poor at subsidized and at affordable prices as stipulated by the GoI.

In their reply, the Department stated (November 2010) that the instructions from the Central Government could not be implemented due to State's financial hardships. The reply is not tenable because issue of foodgrain should have been implemented as per scheme guidelines and additional charges, if required should be borne by the State instead of putting the burden on the shoulders of the poor families.

1.1.9.6 Charging of bank interest to beneficiaries

Funds for lifting of rice were initially made from the Cash Credit Accounts of the RBI of ₹ four crore, bearing interest ranging from 9.35 to 14.25 per cent per annum. The bank interest on CCA for lifting of AAY, BPL and APL rice was charged to the families over and above the Central Issue Price of the FCI.

During 2009-10 CCA was not extended to the Department, as such the FPS deposited the ex-godown price of rice in advance in the accounts of the Department. However, the Government continued to charge the interest component of ₹ 10.50 per quintal from AAY families, ₹ 19.80 per quintal

⁵ 112406 MT of AAY rice X ₹ 0.47 per kg = ₹ 5,28,30,820

⁶ (CIP ₹ 5.65 + ₹ 0.50) - ₹ 6.21 = ₹ 0.06

⁷ 205877 MT of BPL rice X ₹ 0.06 per kg = ₹ 1,23,52,620

from BPL and ₹ 27.80 per quintal from APL during 2009-10 and the total quantity of rice lifted by the FPSs was 25979 MT for AAY families, 41049 MT for BPL families and 17680 MT for APL. As a result, the State Government injudiciously overcharged ₹ 1.58 crore (AAY-₹ 27.28 lakh; BPL-₹ 81.28 lakh and APL ₹ 49.15 lakh) during the year.

The Department stated (November 2010) that when the Cash Credit Account was not extended, the interest component was excluded on depositing the cost of rice. The reply of the Department is not acceptable because bank interest had been charged from the beneficiaries during 2009-10.

1.1.9.7 Wheat

Under PDS (Control) Order, 2001 unauthorised movement or delivery of essential commodities not reaching the intended beneficiaries shall be treated as diversion. Though no demand of wheat was placed by district authorities, the quantity of BPL and APL wheat lifted⁸ by the State Government during 2005-2010 is shown below:

Table 7

Year	APL wheat		BPL wheat		Total	
	Allocation	Lifting	Allocation	Lifting	Allocation	Lifting
2005-06	26660	15702	12140	4856	38800	20558
2006-07	16860	7372	13200	3488	30060	10860
2007-08	5000	6000	1060	1272	6060	7272
2008-09	5000	6000	1060	1272	6060	7272
2009-10	5000	6000	1060	1272	6060	7272
Total:	58520	41074	28520	12160	87040	53234

(Source: Departmental records)

As can be seen from the above table, the GoI allotted 87040 MT of wheat against which 53234 MT of wheat was lifted by the State, short lifting being 33806 MT of wheat (39 per cent).

As per GoI's revised policy (January 2008), the State Governments are to distribute wheat/atta through FPS. However, against the policy, the State Government appointed (February-March 2008) 27 Stockist-cum-Transporters and distributed *atta* to retail outlets instead of selling it through FPS. As the wheat flour was not sold through FPSs, it could not be ensured whether wheat flour was sold to the intended beneficiaries. Since the wheat was distributed to open market through Stockists-cum-Transporters, diversion of wheat without involving FPSs could not be ruled out.

The Department stated (November 2010) that wheat flour was sold through Retail Outlet Shops to APL and BPL beneficiaries only. The reply is not acceptable because when commodities were sold through open market, reaching the commodities to eligible beneficiaries could not be ensured.

⁸ No AAY wheat was lifted during 2005-10

1.1.9.8 Sugar

GoI fixed the scale for distribution of sugar to the beneficiaries at 700 grams per head per month and allocated 1,09,516 MT of sugar during 2005-10 for the State. The following table shows the position of allocation, lifting and issue of sugar during 2005-10:

Table 8

(In MT)

Year	Allocation	Opening balance	Quantity lifted	Total	Issued to district	Issued to others ⁹	Total issued	Closing stock	FCI figure ¹⁰
2005-06	21902	67.02	4546.54	4613.56	3059.50	1497.00	4556.50	57.06	5351
2006-07	21904	57.06	6190.51	6247.57	4236.17	1402.23	5638.40	609.17	7789
2007-08	21922	609.17	4006.06	4615.23	1804.21	2775.23	4579.44	35.79	4156
2008-09	21838	35.79	4754.13	4789.92	2733.78	1887.81	4621.59	168.33	5434
2009-10	21950	168.33	7914.76	8083.09	4370.38	3626.07	7996.45	86.64	9101
Total:	109516		27412.00		16204.04	11188.34	27392.38		31831

(Source: Departmental and FCI records)

The above table shows that out of the allocated quantity of 1,09,516 MT during 2005-10, the quantity of sugar lifted as per FCI record was 31,831 MT (29 per cent) while it was 27,412 MT as per Departmental records (25 per cent). The difference of short lifting of 4419 MT of sugar as per Departmental records *vis-a-vis* FCI records involved ₹ 5.89 crore¹¹ calculated on the basis of Central Issue Price.

The Department stated (November 2010) that there was short lifting of sugar against allocation as the FCI could not supply the full quota of sugar to the State. The reply is evasive because no reason for difference between Departmental and FCI figures was offered by the Department. Further, short lifting by more than 70 per cent is indicative of the fact that allocation of sugar was grossly exaggerated and not made on realistic basis.

The mismatch in figures of lifting of sugar between Departmental and FCI records in all the five years during 2005-10, involving a total quantity of 4419 MT amounting ₹ 5.89 crore is a matter of concern and needs reconciliation.

1.1.9.9 Scale and issue price of sugar

During 2005-10, an average of 6.45 kg¹² of sugar was distributed against the prescribed quantity of 42 kg per person. The State Government fixed the end retail price of sugar at ₹ 13.50 per kg. However, as per joint beneficiary survey conducted by Audit with the representatives of the Department, it was revealed that the FPS charged between ₹ 15 to ₹ 18 per kg to the beneficiaries.

⁹ Others include para military, rehabilitation and mobile sale, individuals etc.

¹⁰ Quantity of sugar supplied to the State Government as furnished by FCI

¹¹ ₹ 13336 (FCI price of sugar) X 4419 MT = ₹ 5,89,31,787.

¹² As per Planning Commission, the projected population was 25.18 lakh based on 2001 census. Thus on an average 16242844 kg /25.18 lakh *i.e.* 6.45 kg per person was admissible per person during 2005-10.

In the sample district of Thoubal, Audit noticed that during 2005-10 sugar was distributed only in 21 months to the beneficiaries against the prescribed 60 months.

In their reply, the Department stated (November 2010) that the Directorate was unable to release the allocated quantity of Levy sugar to the district due to irregular and less supply by the FCI. It was also stated that the marginal profit given by the Government of India was very less. As such, the FPS sold sugar at the range of ₹ 15 to ₹ 18 per kg to the beneficiaries. The reply of the Department is not tenable since selling of PDS items to the beneficiaries at rates higher than the prescribed rate is in contravention of PDS Control Order and defeated the objective of the scheme for issuing PDS items at affordable rate to the beneficiaries.

1.1.9.10 Superior kerosene oil

As per PDS norms, allocation of kerosene was made at the rate of five litres per month per household. As per information furnished by IOC, 1,19,447 KL of kerosene was issued to the Department, however the Department recorded receipt of 1,18,282 KL *i.e.* short receipt of 1,165 KL than IOC's recorded figure.

Further, the Department allowed a margin of 3 *per cent* as compensation of dealers' losses due to losses/shortages/pilferages/leakages. Thus, the balance quantity of 1,14,733 KL only was available for issue to the beneficiaries. The details are as follows:

Table 9

(In KL)

Year	Quantity of kerosene lifted as per		Compensation allowed to dealers 3 <i>per cent</i> of Col. 3	Quantity available for distribution to beneficiaries (3 - 4)
	IOC	Department		
(1)	(2)	(3)	(4)	(5)
2005-06	24063	24105	723	23382
2006-07	23673	25627	769	24858
2007-08	23706	24755	743	24012
2008-09	23961	21876	656	21220
2009-10	24044	21919	658	21261
Total	119447	118282	3549	114733

(Source: Departmental records and records from IOC)

Audit noticed that four litres per household per month was allotted to the districts against the prescribed norm of five litres; depriving one litre to each family during 2005-10. The Department also diverted kerosene to ineligible individuals/institutions like the MLAs, Municipal Councils, educational institutions and individuals on special permission issued by the District authorities. The action of the Department has defeated the objectives of issue of PDS items only to the identified beneficiaries. Compensation of 3 *per cent* at flat rate allowed for leakages, pilferages, shortages *etc.* instead of booking at actual losses has resulted in undue benefit of 3,549 MT of kerosene to the dealers. As such the departmental action of allowing compensations at flat rate needs re-examination.

1.1.9.11 Illegal diversion of PDS kerosene

As per PDS (Control) Order 2001, all possible steps must be taken to ensure that essential commodities meant for distribution reach the poor and do not get diverted to the open market. The position of allocation, lifting and distribution of kerosene during the period in the test-checked districts is as follows:

Table 10

(In KL)

District	Lifting	3 per cent pilferage	Lifted by dealers	Issued to sub-agents	Issued to others
Imphal West	25940	778	25162	15374	9788
Thoubal	16932*	508	16424	14974	1450
Churachandpur	11287	339	10948**	9173	1587
Total:	54159	1625	52534	39521	12825

* Allocation made for 17033 KL; of which 101 KL had lapsed and hence not taken into account.

** 188 KL of kerosene lapse during the period was not accounted for hence the quantity lifted has been shown excess by 188 KL.

(Source: Departmental records)

Out of the total lifted quantity of 54,159 KL, a quantity of 39,521 KL (73 per cent) only was issued to kerosene sub-agents for distribution to beneficiaries. The State Government diverted 12,825 KL (24 per cent) to others¹³ depriving of the eligible ration card holders.

1.1.10 Joint physical verification of FPS and beneficiaries

Audit verified (June-September 2010) 36 FPS and surveyed 808 beneficiaries in three districts (Imphal West, Thoubal and Churachandpur) along with Departmental representatives to assess the proper delivery of PDS items at the beneficiary level. The survey was based on interview and questionnaire framed on various parameters of PDS. The findings of the verification are discussed as follows:

In six FPSs surveyed in Churachandpur district, 5 to 10 kg of BPL rice was issued at ₹ 8 per kg per month against the prescribed norms of 35 kg at ₹ 6.20 per kg in a month to BPL families. AAY families were issued 5 to 20 kg per month at ₹ 6 to ₹ 8 per kg against the prescribed monthly norms of 35 kg at ₹ 3 per kg. Kerosene of 2 to 4 litres was sold at ₹ 15 per litre against the norms of 5 litres per family at ₹ 9.50 to ₹ 10.50 per litre per month.

In 11 FPSs surveyed in Thoubal district, 2 kg to 8 kg of BPL rice were issued only in 3 to 4 occasions in a year at a higher rate of ₹ 9 to ₹ 10 per kg. AAY rice was issued ranging from 5 kg to 20 kg at a higher price of ₹ 5 to ₹ 10 per kg in a month. It was also noticed that 200 beneficiaries were issued a trivial quantity of kerosene at an average of 5.64 litre in a year at a higher rate of ₹ 13 to ₹ 15 per litre.

Further, 109 AAY beneficiaries out of 324 AAY card holders in three Gram Panchayats¹⁴ of Imphal West were not found in the corrected electoral roll of

¹³ MLAs, NGOs, educational institutions, State security forces, Para military forces etc.

¹⁴ Heinoukhongnemi, Naoria Pakhanglakpa and Sagolband.

January 2010; which indicates that continuous review of beneficiaries lists to eliminate bogus ration cards was not done during 2005-10.

In their reply, the Government stated (November 2010) that the matter was noted and the State Government would instruct the District Authority to clarify the matter. It was also stated that the same action would cover all districts of Manipur.

1.1.11 Transportation of PDS items

1.1.11.1 Avoidable expenditure on lifting charges

During 2005-07, the Department shifted rice direct from FCI godown to district godowns and incurred an expenditure of ₹ 13.78 lakh as labour charges in shifting 128,673 MT of rice.

However, from 2007-08 onwards the system of direct lifting from FCI godown to district godowns was discontinued, and transporters were engaged to lift foodgrain first from FCI godown to the adjacent main godown of FCS and subsequently to the districts. The location of FCI and State FCS godowns is adjacent to each other, as evident from the photograph as shown below:



During 2007-10 the Department lifted 282,004 MT of rice from FCI godown to State FCS godown and then to the districts; incurring an expenditure of ₹ 39.91 lakh as labour charges. Thus, against labour charge of ₹ 10.71 per MT incurred during 2005-07 when rice was lifted directly from FCI godown to the districts, the Department had to incur an expenditure of ₹ 14.15 per MT as labour charge during 2007-10. This change in the system in lifting rice resulted in avoidable expenditure of ₹ 9.70 lakh¹⁵ for lifting 282,004 MT of rice in 2007-10.

In the reply, the Department stated (November 2010) that the FCI has a system of releasing of stocks of Last In First Out (LIFO). The reply of the Department is evasive as lifting of rice on LIFO basis will not have any impact in lifting rice directly from FCI godown to the districts as it was done during 2005-07.

¹⁵ ₹ (14.15 – 10.71) per MT x 282,004 MT = ₹ 9.70 lakh.

1.1.11.2 Non-availing of Hill Transport Subsidy Scheme

As per Hill Transport Subsidy Scheme (HTS), the FCI is required to open godown at Principal Distribution Centres (PDCs) wherever possible or reimburse the State Government the cost of transportation of foodgrain on actual basis for lifting of foodgrain from base depots of FCI to designated PDCs of the State Government.

The Department is responsible for transportation of foodgrain to 10 PDCs in five hill districts. The cost of transportation from FCI godown at Imphal to PDCs of hill districts is initially to be borne by the State Government and subsequently to be reimbursed by the GoI through FCI. Audit noticed that the State Government has not provided any budget allocation for transportation charges of the foodgrain and payment for transportation was made by collecting ₹ 26 per quintal of rice from the FPS and incurred an expenditure of ₹ 1.61 crore towards hill transportation during 2005-10. Instead of availing of the Hill Transport Subsidy Scheme, the State Government increased the price of foodgrain by adding the cost of transportation charge to the poor beneficiaries.

The Department stated (November 2010) that pending reimbursement of ₹ 1.56 crore for the period from 1996 to 1999, further claims from 2000 to date was not made. As the State Government had not made any funds for meeting expenses on transportation of foodgrain, further claims for reimbursement cannot be done. Thus, PDS rice at subsidised rate as prescribed by GoI could not be availed of to the beneficiaries.

1.1.11.3 Non-implementation of door step delivery of PDS commodities

GoI directed the State Government to ensure door step delivery of PDS commodities to the FPS instead of engaging private transporters to transport goods as one of the points of Nine Point Action Plan for strengthening of TPDS. The Department have 15 fleet of serviceable trucks, however, the transportation works were entrusted to the private transporters. Hence, the objective of providing leakage free transportation of the PDS items to FPS could not be ensured.

The Department stated (November 2010) that door step delivery of PDS commodities could not be implemented in Manipur till then because of the fund constraint and law and order problem. However, despite the fund constraint the Department could engage private transportation contractors at a cost of ₹ 3.40 crore, which could have been avoided had the departmental trucks been utilised. The law and order problem in distribution network was equally applicable to private transports as well as to the Department. Further, in reply to another audit observation, the Department had stated that the law and order problem was under control for implementation of the scheme smoothly. Thus, the reply is not acceptable.

1.1.12 Non-accounting of transit and storage losses

The State Government did not prescribe any permissible limit of transit and storage losses in respect of PDS rice and sugar. Audit noticed that 1494.308

MT of rice and 13.642 MT of sugar involving ₹ 78 lakh¹⁶ were accounted for as storage losses by the store-in-charge of the FCS main godown at Sangaiporou during the period from 2005-08 as shown below:

Table 11

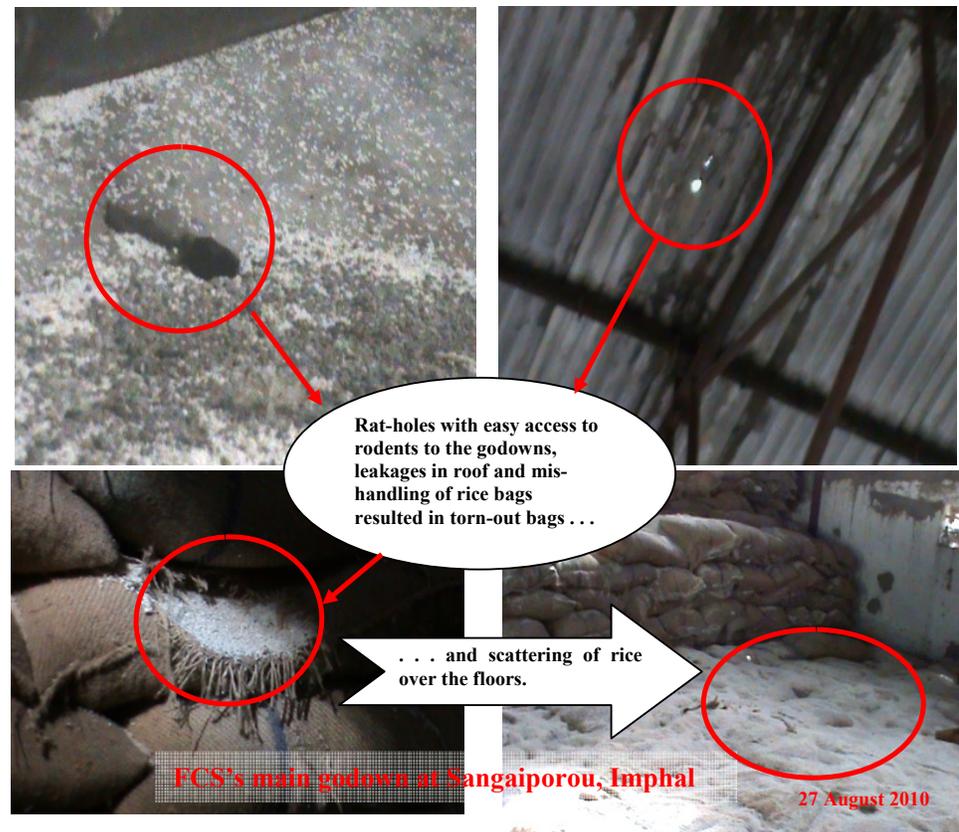
					(In MT)	
Year	APL	BPL	AAY	Total Rice	Sugar	
2005-06	8.084	120.989	48.932	178.005	4.700	
2006-07	13.165	142.338	40.289	195.792	4.608	
2007-08	218.727	484.738	417.046	1120.511	4.334	
Total:	239.976	748.065	506.276	1494.308	13.642	

(Source: Departmental records)

Due to non-fixing of any prescribed limit, the justification of storage losses could not be ascertained. In reply, the Department stated (November 2010) that a committee would examine the case regarding transit and storage losses.

1.1.13 Foodgrain storage facilities in the district

The State Government has 47 godowns having storage capacity of 26,000 MT. The photograph of physical status of one godown (Shed No. 4 at Sangaiporou) is given below:



Five godowns, out of 47 godowns in the State, were jointly verified with the representatives of the Department in order to verify adequacy of storage

¹⁶ APL: 239.976 MT x ₹7950 = ₹ 1907809; BPL: 748.065 MT x ₹5650 = ₹ 4226567; AAY: 506.276 MT x ₹3000 = ₹ 1518828 and Sugar 13.642 MT x ₹13336.30=₹ 181934

facilities for storage of foodgrain. The results of verification revealed the following shortcoming:

- Out of 5 inspected storages, one storage (Shed No.4) at the Directorate complex at Sangaiporou had leakage on the roof.
- The floors of all storages were broken and rat holes were visible.
- Around 80 bags of sugar were dumped in shed No.1 of FCS godown at Sangaiporou. The sugar is stated to be unfit for human consumption as leakages from bags were sweeping from floors and refilled in the bags.
- Rotten and fungus rice visible between the piles of rice bags implied that no scientific system of storage existed.
- Mechanism for testing the quality of foodgrain was not available in the Department.

1.1.14 Village Grain Bank

The main objective of the Village Grain Bank Scheme is to provide safeguard against starvation during the period of natural calamity or during lean season when the marginalized food insecure households do not have sufficient resources to purchase rations. Such people in need of foodgrain will be able to borrow foodgrain from the Village Grain Bank (VGB). The grain banks are to be set up in food scarcity areas such as drought prone areas, tribal areas and inaccessible hilly areas which remain cut off because of natural calamities like floods *etc.* These villages are to be notified by the State Government.

The scheme envisaged about 30-40 BPL/AAY families to form a Grain Bank to ensure sustainable household food security. The scheme has two components of foodgrain and cash. Under this scheme, four MT of foodgrain and cash component of ₹ 14000 for weight and measures, storage bin, rentals, training, transportation (equal sharing between Centre and State), administrative and monitoring expenses was released to each Village Grain Bank.

As of 2010, the State Government established 93 VGBs in five hill districts. In Churachandpur district, Audit noticed that 100 MT of rice was distributed equally to 25 VGBs during October 2009. The foodgrain so distributed were given as loan to the villagers as per the norm of the scheme. However, the rice issued to the villagers as loans from VGB were not recouped (September 2010), hence the VGBs were remained dysfunctional (September 2010).

1.1.15 Fair Price Shops

Fair Price Shops (FPSs) are the end point of the PDS network responsible for efficient distribution of foodgrain to the ration card holders as per entitlement and at the retail prices fixed by the Government. During the physical verification of selected 36 FPS the following irregularities were observed:

- 15 FPS (42 *per cent*), had not displayed the signboards;

- All the FPSs were functioning at the residence of the FPS owner and not from a separate premise;
- All the FPS sold PDS items at higher price;
- The FPS owners failed to sell the essential commodities as per the entitlement fixed by the State Government;
- None of the FPSs displayed samples of foodgrain; and
- None of the FPS displayed list of BPL and AAY beneficiaries, entitlement of essential commodities, scale of issue, retail issue prices, timings of opening and closing of the fair price shop, stock of essential commodities received during the month and opening and closing stock of essential commodities.

The Department accepted the audit observation and stated (November 2010) that special instructions would be made to the concerned District Authorities to look into the matter so that the distribution of TPDS items to the concerned consumers to be effective, transparent and accountable.

1.1.16 Alternative distribution system

Many beneficiaries filed complaint cases in the Consumer Court and the High Court, alleging short issue of BPL and AAY rice and kerosene, by FPS agents and kerosene sub-agents. To address the leakages and diversions, the State Government issued memorandum (July 2009) allowing the BPL and AAY card holders to collect the entitled quantity of rice directly from concerned District Supply Officers/Additional Directors on production of demand draft through SBI, on or before 15 of every month. Further, kerosene could also be collected from concerned oil depots in person.

The system has not yet commenced in the State (November 2010). In the reply the Government stated (November 2010) that the matter is under examination.

1.1.17 Role of Members of Legislative Assembly in implementation of TPDS in the State

As per PDS (Control) Order, 2001, State Governments should make arrangements for taking delivery of essential commodities issued by the Central Government by their designated agencies or nominees from the FCI depots/godown and ensure further delivery to the fair price shop within the first week of the month for which allocation is made and shall exercise necessary checks to ensure that full quantity lifted by them reaches their godown and in turn the fair price shops.

However, the State Government, in order to streamline the existing system of PDS, issued order during October 2003 to August 2008 to revise the system of implementation with the following:

- Indent of PDS items is to be placed by the DCs. to the Director, FCS.
- The Director, FCS would issue allocation order for the indent made by the DCs.

- The concerned MLA will sign on the permit and deposit the cost of APL, BPL and AAY rice and sugar and other items for the agent concerned of his constituency.
- MLA would issue permit to the agent/ nominee to lift the PDS items from the official representative of the district
- MLA would issue PDS items to all FPS under his constituency
- Lifting of PDS items from the godown to the PDCs/PDSCs should be done by the nominee of MLA concerned through official representative of DC concerned.
- Transport of all PDS items from PDC to PDSCs and FPS should be the responsibility of the DC concerned.
- DCs would issue Utilization Certificate on receipt of MLA or his authorized nominee's Report on Receipt and Distribution of PDS items.

The above prescribed procedure was implemented in the State however, the system is not in consonance with the PDS (Control) Order, 2001. As the lifting and distribution of PDS items were passed on to the representatives of MLAs, the necessary Stock and Issue Registers to be maintained in the office of the District Supply Officer was deficient.

The Government stated (November 2010) that decision to involve MLAs to support the PDS by special orders was to ensure effective and transparent distribution so that concerned consumers could get their quota under the prevailing law and order situation in the State. The reply is not acceptable as involvement of MLAs had led to dilution of established process and distortion in administrative control in distribution system. In absence of vital records, transparency in implementation of PDS could not be ensured.

The involvement of the MLA in distribution of PDS items resulted in total dilution of established procedure in distribution, supply chain of the districts and distortion in administrative control and accountability.

1.1.18 Consumer affairs

(i) Consumer court

For increasing the awareness of all stakeholders including setting up Consumer Court to address public grievances, the State Government needs to establish Consumer Forum.

The State Government has established the State Level Consumers Protection Council, State Consumer Redressal Commission and Eight numbers of District Level Consumer Redressal Fora in the State under Consumers' Protection Act, 1986 to protect the interest of the consumers in the State. The State Commission and three District Fora are re-activated from September 2006 in order to protect the interest of the Consumers. During 2008-09 the Department has constituted District Level consumers/Advisory Council with Deputy Commissioner concerned as the Chairman. During 2009-10, 56 cases had been

filed and 36 cases had been disposed of including previous pending cases leaving 16 cases as pending. Further, 153 cases had been filed in the 3 District Fora and 202 cases had been disposed of including previous cases and 19 cases were pending. Further information about number of cases filed and disposed off during 2009-10 could not be furnished to audit.

(ii) Infrastructure development

The GoI had sanctioned (January 2010) ₹ 60 lakh being first instalment for construction of Consumer Court buildings at the district head quarters at Chandel, Tamenglong, Churachandpur and Senapati, however, the constructions are yet to be completed (December 2010).

1.1.19 Monitoring and evaluation

1.1.19.1 Non-implementation of Vigilance Committee Mechanism

(i) A regular monitoring of the flow of PDS items to various Principal Distribution Centres and Distribution outlets is one of the important aspects of the distribution system. In order to ensure proper monitoring of the PDS, committees have to be set up at the grass root level with the involvement of local leaders. For monitoring the PDS, the GoI has devised feedback mechanisms in the form of monthly/quarterly/half yearly/yearly returns from the State Government.

The Vigilance Committees at the State, District, Block and FPS levels are responsible for the supervision and monitoring of the FPS with power to inspect and check the closing stocks, receipt of foodgrain and their distribution. Regular meeting are required to be held with a minimum of one meeting in a quarter at all levels for monitoring the PDS and the functioning of the FPSs. As of December 2010, 1330 FPS Level Vigilance Committees had been set up in the State for checking the functioning of FPS in their own areas. In the three selected districts, no meetings of FPS Vigilance Committees were held during the period from 2005-10.

The District Level Vigilance Committee for regular monitoring of the flow, was not constituted in Imphal West and monitoring reports and minutes of committee meeting were not available in any of the eight other districts.

The State Government did not prescribe model sale register, stock register and ration card register for FPS. No report of surprise check was available despite having 41 Civil Supply Inspectors in the Department.

The district level authorities of the selected districts stated (August 2010) that surprise checking and monitoring over the functioning of FPS agents were done only on receipt of complaints from the consumers.

Audit noticed that during review period no evaluation was ever carried out by the Department to assess the impact of implementation of Public Distribution System in a timely manner.

(ii) As per PDS (Control) Order, 2001, the State Government is to ensure monitoring of PDS at the FPS level through computer net-work linking with National Informatic Centre. However, the Department has not yet taken up (November 2010) any effective action and no attempt was made to switch over PDS to Smart Card system which gives an unique identity to the beneficiaries instead of issue of ration cards in traditional book-let form.

The Department stated (November 2010) that due to paucity of funds, the monitoring of PDS at the FPS level through computer network linking with National Informatic Centre is in slow progress and ensured for early implementation of computer network linking.

1.1.20 Non-formulation of Citizens Charter

The Citizens' Charter, is an important milestone in the efforts of the Government to provide services under the PDS in a more transparent and accountable manner. It contains, *inter alia*, basic information of interest to the consumers and a model procedure and time schedule for the services. The Charter contains essential information, *viz.*, entitlement of consumers, fair average quality of foodgrain, information regarding FPS, procedure for the issue of ration cards, inspection and checking, right to information, vigilance and public participation during the review period. The State Government did not formulate the Citizen Charter for Targeted Public Distribution System. In their reply, the Department stated (November 2010) that the State Government has formulated Citizen Charter for TPDS and it is at the stage of printing (December 2010).

1.1.21 Conclusion

Public Distribution System (PDS) was one of the most important functions of the State Government which helped in providing food securities to a large number of consumers. The implementation of Public Distribution System in the State was, however, suffered due to absence of review of list of beneficiaries to identify ineligible and unauthorized ration card holders, diversion of foodgrain and kerosene, short issue of foodgrain and charging of higher retail price. The Department has not put in place a system of periodical reconciliation of foodgrain released and lifted, resulted in difference in quantity of rice allocated and lifted between the GoI and the State Government. The consumers were overburdened owing to higher selling price of PDS items than the price approved by the Government, non-accounting of storage losses, putting cost of handling/transportation of foodgrain on consumers, charging inadmissible CCA interest.

Considering the distribution of PDS items at the end level, short allocation and lifting of foodgrain at different levels had the cascading effect of reducing the scale of distribution to the beneficiaries. The Department failed to avail of Hill Transport Subsidy scheme meant for reimbursement of the cost of transportation of foodgrain on actual basis and non utilization of established Village Grain Bank. Quality of foodgrain distributed remained questionable due to absence of quality control mechanism. Monitoring system was deficient due to lack of proper documentation at FPS, absence of mandatory checks by

Vigilance Committees. No evaluation was ever carried out by the Department to assess the impact of implementation of Public Distribution System in a timely manner.

1.1.22 Recommendations

- The State Government should formulate suitable guidelines for identification and periodical review of eligible beneficiaries.
- The Government should ensure distribution of foodgrain to the beneficiaries at the prescribed scale and at subsidised rate in a timely manner
- The State Government should ensure effective storage facilities of foodgrain in all the districts.
- The Department should consider for setting up laboratories for testing of foodgrain to ensure distribution of foodgrain of good quality to the beneficiaries.
- Effective measures should be taken to avail of Hill Transport Subsidy Scheme instead of charging at the end retail price of foodgrain.
- Monitoring mechanism should be strengthened and enforced effectively so as to secure accountability at various levels of scheme implementation.

FINANCE DEPARTMENT

1.2 Information Technology audit of Computerisation of Personnel Information System (CPIS), formerly Manipur Government Employees List (MGEL), Government of Manipur

Highlights

There was lack of proper planning and monitoring due to non-formation of steering committee.

(Paragraphs 1.2.11.1, 1.2.11.2 and 1.2.12)

In the absence of User Requirement Specifications (URS), System Requirement Specifications (SRS), the extent to which the intended benefits were derived from computerisation could not be assessed.

(Paragraph 1.2.11.3)

The system suffered from a number of system development and design related deficiencies relating to non-provision of capturing of Full Employee and Father names, updation of pay scale of basic pay and date of next increment.

(Paragraphs 1.2.11.5, 1.2.11.6 and 1.2.11.8)

Due to non-provision of calculation of date of pension in the software, the manual calculation of the same indicated errors in case of 48,055 employees. The system also allowed to retain the status of 1388 employees as working beyond pensionable age.

(Paragraph 1.2.11.7)

In the absence of appropriate Logical Access Control the system was exposed to the risk of unauthorised access, amendments or deletion and consequent losses.

(Paragraph 1.2.11.12)

35 employees had joined their services even before their date of birth, 11 employees had their date of birth same as date of joining and 159 new recruits had entered into service before the date of appointment showing lack of validation checks.

(Paragraphs 1.2.11.16 and 1.2.11.17)

In 4832 cases of transfer *i.e.* 90 per cent, there was inordinate delay in verification of transfers ranging from 31 to beyond 1095 days leading to delay in the preparation and disbursement of salaries of the employees.

(Paragraph 1.2.11.20)

Since 2002-03 the system has been able to detect 47 fake employees.

(Paragraph 1.2.14)

1.2.1 Introduction

The Computerisation of Personnel Information System (CPIS) formerly Manipur Government Employees List (MGEL) is a flagship e-governance application of the Government of Manipur.

CPIS seeks to regulate the administration by carving out a structured database of all the government employees, offices and departments by capturing employees profile¹⁷, allotment of unique Employee Identification Number (EIN), office details like sanctioned posts and person-in-position, rationalization of transfers and posting, identify fake employees and to help in preparation of budget.

For this effort the CPIS was honoured with the “Prime Minister’s Award for Excellence in Public Administration 2007-08”.

1.2.2 CPIS/MGEL background

In pursuance of the recommendation of the XIth Finance Commission and also the instruction of the Ministry of Finance, Government of India for preparation of budget an attempt was made to compile the list of the entire Government employee wherein all employees will be allotted a code number to identify the employee.

In 2002-03, the Finance Department, Government of Manipur entrusted the above work to National Informatics Centre (NIC) Manipur. The MGEL software was developed using MS Access and was given to all departments for data entry using their own resources. Data entry of the employee profile by the respective departments was completed in 2003. In September 2005 the Finance Department, Government of Manipur took a decision to verify the data captured in the database by the end of March 2006 which was completed during mid- October 2006.

With the introduction of Fiscal Responsibility and Budget Management Act, (FR&BM) 2005 and under Rule 6 of FR&BM Rules, 2006 the list of Government Employees became a mandatory requirement at the beginning of every financial year during the presentation of budget. Moreover, to improve the delivery of public service by the office/institutions located in hilly and remote areas by curbing transfers and posting from these areas to the urban areas, the government wanted to integrate profiles of the institutions/ offices¹⁸ of the departments into the existing MGEL database.

Thus, the new database integrating the existing employee profiles in the MGEL with the profiles of the institutions/offices of the departments resulted in the creation of the current Computerisation of Personnel Information System (CPIS) in 2006. The responsibility for functioning of CPIS has been entrusted to the Directorate of Management Information System, Finance Budget, Finance Department, Government of Manipur in January 2010.

¹⁷ Employee name, father name, date of birth, date of joining service, appointment order, name of office *etc.*

¹⁸ Sanctioned post, post creation order and date of creation of post.

1.2.3 Objectives of CPIS

The objectives of the CPIS were:

- Provide accurate details of the staffing pattern of the employees including the sanctioned posts in each Government Department;
- Capture detailed information of each employee appointed against a sanctioned post;
- Update employee data on promotion, transfer, retirement of employees *etc.*;
- Check irregular employments;
- Facilitate policy decision on deployment, redeployment and transfer of employees;
- Improve delivery of public services in hill and rural areas and
- Estimate budget for salaries, grants of DA *etc.*

1.2.4 CPIS organisational structure

The CPIS functions under the overall guidance of the Chief Secretary and operational control of the Finance Department, Government of Manipur. Nodal Officers are appointed in each Department to ensure that information is received in the prescribed formats under their signature and seal. Information processed through CPIS Software is certified for correctness and accuracy by the Finance Department.

1.2.5 CPIS software

The CPIS software is developed using .NET and SQL Server as database with the following system requirements:

- **Server:**-The server has *Windows Server 2003 onwards* as operating system (OS), *SQL Server 2005* as RDBMs, *Microsoft.NET 1.0* as framework and *IIS* as web server respectively.
- **Client (Desktop application):**- This has *Windows XP and above* as OS and *Microsoft.NET 1.0* as framework respectively.
- **Client (Report Module):**-This has *Linux/Windows* as OS and *IE, Mozilla Fire Fox* as browser respectively.

The application is developed in *two* different set-ups Client-Server Model and Web-based Reporting Module

- **Client-Server:** This application is used for data entry and updation. The different modules available under this application are enrolment for new recruits, transfers and postings, promotion, termination, sanctioned post updation *etc.* Details are accepted from line departments through 13 prescribed formats. It has five levels of users with different permission granted for security measures. They are super user, administrator, data manager and operators 1 and 2.
- **Reporting Module:** The database updated by the application software is published on the CPIS web portal (<http://webmani.nic.in/cpis>) to

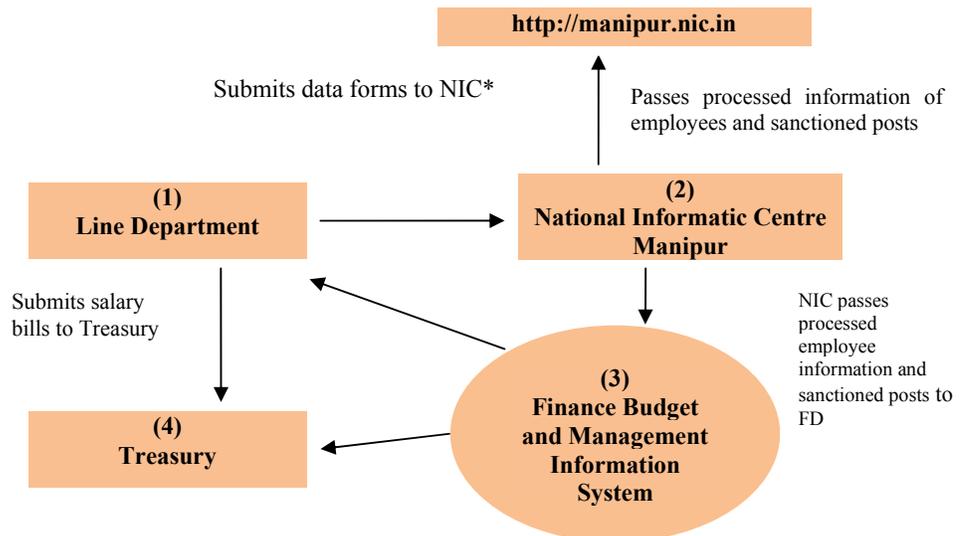
deliver various information in the form of reports for different category of users:-

1. *Public Domain Reports*: View employee profile by supplying employee identification number (EIN), department wise updated list and the list of employees rejected by CPIS.
2. *Secured Domain Reports*: Users are required to login using their own user id and pass word. On being logged in users are allowed to view the following reports based on permission granted to them
 - *Nodal officer* of line department can view details of their own departments like category wise sanctioned posts and employees, number of vacancies *etc.*
 - *Finance Budget* under Finance Department can browse the report for the entire government departments as they are the certifying authority of CPIS reports which are used for drawal of monthly salary.
 - *Top management*: Information available under this category is for monitoring and administration purposes hence reports are given at macro level only.

1.2.6 CPIS workflow

Notices and orders are issued to treasuries to stop payment of transferred/new/promoted employees unless CPIS is updated and the data verified by the Finance Budget. EIN is made compulsory for General Provident Fund (GPF) withdrawal and issuing Last Pay Certificate (LPC). Manipur Public Servants' Personal Liability Act (MPSPL) 2006, which provides for fixing of responsibility on Public Servants and makes them personally liable for irregular action, is enforced in order to ensure that Nodal Officers do not manipulate or provide vague data.

The CPIS workflow is as depicted below:



* Currently data forms are submitted directly to the MIS Directorate as this was taken over from NIC in January 2010.

1.2.7 *Audit objectives*

The objectives of the IT audit were to ascertain whether:

- the Planning and Development of the CPIS Software was proper and in line with the needs of the Government,
- the data captured were accurate and comprehensive,
- the system was functioning efficiently and effectively to meet the objectives of the Government, and
- the security controls associated with the system were adequate.

1.2.8 *Audit criteria*

Audit findings were benchmarked against the following criteria:

- Government rules, regulations and policy on recruitment, transfer, promotion, staffing pattern *etc.*
- Notifications issued by the Government from time to time.

1.2.9 *Scope of audit*

The performance audit will be carried out by:

- The audit of the system implementation,
- Examination of controls in operational applications,
- Analysing the CPIS Database¹⁹, and
- Test check of the implementation of CPIS in selected Departments and treasuries to assess the outcome.

1.2.10 *Audit methodology*

The audit methodology includes holding of entry conference (May 2010), interview with concerned personnel, issue of questionnaire, assessment of general controls, test check of the records and analysis of data pertaining to CPIS by downloading it to MS Access. The database was analysed using Computer Assisted Audit Techniques and some of the findings were test checked for verification. The draft report was forwarded to the Government of Manipur and department on 20 August 2010 for comments and an Exit Conference was held on 3 September 2010 with the Commissioner Finance and concerned authorities. The replies (September 2010) from the Government have been incorporated in the appropriate places.

Audit observations

The important points noticed in the course of the review are discussed in the succeeding paragraphs:

¹⁹ As on 12 March 2010.

1.2.11 Planning and development

The shortcomings in the planning and development of CPIS are discussed in the succeeding paragraphs:

1.2.11.1 Lack of proper planning

For successful implementation of any project/scheme a feasibility study should be undertaken to determine whether a proposal is viable and to recommend a suitable course of action if it is considered viable, *i.e.* in the form of the detailed project report (DPR).

Audit scrutiny revealed that there was lack of proper planning as neither any feasibility study was taken nor any DPR prepared. MGEL (creation of database of all government employees) (2002) was upgraded to CPIS (2006) by incorporating details of the sanctioned posts and post creation details of all the departments, even before MGEL had been successfully tested and implemented. There was no documented contract/agreement with the NIC clearly stating the time-frame for completion, testing, training and handing over of the application software.

The department in their reply (September 2010) stated that there was an agreement with NIC in the beginning of this project and the project report was prepared by NIC in this regard.

The reply of the department is not tenable as audit requisitions were given to the department from time to time (February and March 2010) but no documents relating to the DPR, agreements *etc.* were produced to audit till date (September 2010).

1.2.11.2 Non-formation of Steering Committee

For successful implementation there should be a Steering Committee comprising of user representatives from all areas of the business and IT personnel which should be responsible for the overall direction of IT. Moreover, to be effective, it should draw its members from senior and middle management.

Audit scrutiny revealed that though MGEL/CPIS started with the active involvement of the Chief Secretary, Government of Manipur, no formal Steering Committee that would be responsible for the overall direction of MGEL/CPIS has been formed. Further, no formal strategic plan has been documented till date (August 2010).

The department in their reply (September 2010) while accepting stated that a Steering Committee will be formed.

1.2.11.3 Non-existence of detailed User Requirement Specifications (URS), System Requirement Specifications (SRS) and User Manuals

For efficient and effective development of a system, URS written in non-technical terms consolidating all the material produced in relation to the

business functions of the required system, thus representing a formal declaration of the users' requirements and the basis on which design work on the proposed system can proceed should be specified in detail.

Audit scrutiny revealed that no detailed URS was prepared and provided by the Finance Department to the NIC at the initiation of the MGEL/CPIS. Moreover, NIC did not provide the Finance Department with the SRS.

As a result, the CPIS software as designed by the NIC on the basis of their understanding does not have fields to capture complete details of the employees like address, GPF Account number (recruited before 1 January 2005) or CPS²⁰ Account number (recruited on or after 1 January 2005), date of increment *etc.* which does not give correct and up to date position of pay which is indispensable for the purpose of budget.

The Finance Department had not insisted the NIC for any manual (user and operating). No user manuals (for the Nodal Officers/Treasury Officers/Computer Operators) and detailed guidelines for the implementation of the project like qualifications, duties and responsibilities of the Nodal officers, time frame for the submission of various forms for updation to the NIC/MIS or penalty for non adherence to the time frame and time-frame for verification and certification by the Finance Department were fixed to provide necessary directions to the implementation of CPIS.

Absence of approved guideline/manual resulted in non-uniformity in the application of CPIS orders and memorandums causing hardship to the employees due to delay in updation on transfer/promotion/retirement *etc.* or rejection of the various forms sent for updation which were certified as true and correct by the Nodal Officers, as the certification was linked to the preparation and disbursement of pay.

The department in their reply (September 2010) stated that the CPIS is a system initiated and run by the Finance Department in collaboration with NIC, Manipur and there is no question of NIC or Finance Department independently working on its own when the maintenance of the system is concerned.

The reply of the department is not acceptable as the URS and SRS which have not been prepared represent a formal declaration of the users' requirements and the basis on which design work on the proposed system can proceed should be specified in detail for efficient and effective development of a system. **In the absence of URS & SRS, the Audit was unable to assess as to what extent the intended benefits of the CPIS have been achieved.**

As regards the user manuals including guidelines for the line department, treasuries *etc.*, the Department stated (September 2010) that they will be prepared within a month as these detailed implementation guidelines of CPIS are required for all stakeholders to have thorough knowledge of the system.

²⁰ Contributory Pension Scheme

1.2.11.4 System Development and Design deficiencies

The following deficiencies were noticed in the MGEL/CPIS software developed by NIC, Manipur since 2002 and handed over to MIS, Finance Department in January 2010. The database maintained and supplied by the department to audit contained 69,848 records which included the data in respect of retired persons as well. The data was filtered to include the records in respect of working persons only (*i.e.* employees falling in the category of working, deputationists and suspended). The number of records filtered and actually analysed in audit was 63,234.

1.2.11.5 Non-Provision of capturing of Full Employee and Father Names

Complete personal profile of an employee should have full employee and father name (first, middle and last), GPF/CPS Account number alongwith the permanent and/or temporary address which are necessary to distinguish employees with identical self and father names.

Analysis of the database revealed that the software did not have the provision of entering full employee and father name, GPF/CPS account number and vital fields like permanent and temporary address. This resulted in the inability to directly distinguish *149 sets* of duplicate employee and father names which had been allotted *305 different EINs* as no other unique distinguishing fields like GPF/CPS Account number and address had been entered. The level of duplicity ranged from *two to three* times.

Further analysis of the duplicate employee list revealed that four sets of same employee and father names involving eight different EINs also had the same date of birth.

Thus due to the non-provisioning of entering full details in the database, the system failed to ensure that no two employee with the same name, father's name, address and date of birth be allotted different EINs without necessary verifications. Such a system flaw could lead to the entry of fake employees.

1.2.11.6 Non-Provision of Updation of the Pay Scale and Basic Pay Field

We observed during analysis that, although AIS officers started enjoying the 6th Pay Commission Recommendations *with effect from* 1 January 2006 in compliance of Government of India notification issued in September 2008 necessary modifications were not incorporated in the CPIS software to accommodate the new pay scales and grade pay even after a lapse of 23 months (*September 2008 to August 2010*).

As a consequence, correct information of pay of the employees could not be ascertained from the database, thus defeating the objective of preparing a realistic budget estimate.

1.2.11.7 Wrong Calculation of the Date of Pension

(a) The age of superannuation for employees of the Government of Manipur is 59 years (*non-group D*) and 60 years (*group D and All India Service*).

However, analysis of the *field capturing date of pension* in the database revealed that out of 62,234 employees, the date of pension was wrong for 48,055 employees (*57 AIS/group D and 47,998 non-group D State Government*) *i.e. 77 per cent*. The date of superannuation was not calculated automatically by the software but done manually by the computer operators due to absence of inbuilt program in the system for calculation of date of retirement.

(b) The CPIS software should be able to identify and classify employees over 59 years (*non-group D*) and over 60 years (*group D and All India Service*) as retired, helping in the maintenance of a reliable database of employees, bringing out the vacant posts and preparation of a realistic budget for pay and allowances.

However, our analysis of the database revealed that 1388 employees beyond pensionable age *e.g. 1383* (*state government*) over 59 years of age and *five* (*AIS/group D*) over 60 years of age as on March 2010, were still retained as working. This shows deficiency of the software to generate updated report on its own, resulting in incorrect information for recruitment/posting or for the preparation of a realistic budget estimate.

1.2.11.8 Non-provision of capturing date of next increment

Each employee gets an increment of his/her pay each year on the day called Date of Next Increment (DNI). This information gives the latest information of an employee's pay on a fixed date. This information is indispensable for the preparation of a realistic budget estimate on the pay and allowances of all the government employees.

Analysis of the database revealed that the software did not have the field to capture DNI. The database had the field for entering the basic pay only, which was not updated until and unless transfer/promotion *etc.* took place. Thus, the software could not generate reliable and updated information for the preparation of budget in respect of pay and allowances, thus defeating the objective of helping in the preparation of a realistic budget estimate.

1.2.11.9 General controls

General controls create an environment in which the application systems and application controls operate *e.g.*, IT policies, standards and guidelines pertaining to IT security and information protection. The observations on the adequacy of general controls are mentioned below:

1.2.11.10 Environment controls

Environment controls are aimed at ensuring that the assets of the project are not put to risk due to fire/water damage, power cuts, failure of equipment due to temperature or humidity extremes *etc.* This requires that risk assessment and preventive measures be undertaken prior to implementing the project.

During audit it was seen that the department had neither undertaken any risk assessment nor had put any preventive measures like fire detection equipment and fire extinguishers *etc.* in place before putting the system in use.

The Department may undertake risk assessment and take appropriate measures to protect the data and equipments from the various environmental risks.

1.2.11.11 Physical access control

In the MIS Directorate, the rooms where the data entry work was being done was accessible to any visitor, log of visitor was also found not maintained and sometimes it was left unattended, which increases the scope for loss/tampering of important documents and damage to the systems.

1.2.11.12 Logical access control

Logical access controls are aimed at protecting computer resources (data, programs and terminals) against unauthorized access attempts, amendment or deletion to ensure that:

- Users have only the access needed to perform their duties,
- Access to very sensitive resources is limited to very few individuals and
- Employees are restricted from performing incompatible functions or functions beyond their responsibility.

It was observed that:

- In the absence of a password policy, there was no prescribed minimum and maximum password length in the absence of which the passwords of the users ranged from 4 characters to many.
- There were no instructions for password composition stressing for using alpha numeric pattern causing simple alphabets being used as password.
- Analysis further revealed that the passwords were being stored in related data table in simple text *i.e.* without encryption. Thus, visible to all.
- In the absence of documented password policy specifying the change of password initially and periodically, it was found that in a number of cases the initial password assigned to the users was not even changed once. This was true even in the case of crucial users.

- No restrictions on number of login attempts to prevent access by unauthorised users were found.
- It was also observed that although each and every nodal officer had different user ID and password, the nodal officers shared their password with his subordinate staff and in cases of persons who had been transferred, the user ID and password were still being retained.

As such the system was exposed to the risk of unauthorized access, amendments or deletion and consequent losses.

1.2.11.13 Change management procedure

Change controls are put in place to ensure that all changes to systems configurations are authorised, tested, documented, controlled, the systems operate as intended and that there is an adequate audit trail of the changes.

Minor modifications were carried out to the software by NIC, Manipur from time to time as and when requested by the Finance Department. The changes/modifications as carried out had, however, not been documented.

This resulted in the complete absence of trail to ascertain whether the changes sought for and carried out had been approved.

1.2.11.14 Lack of security policy

It is important to put in place security practices to protect its assets and data to ensure confidentiality, integrity and availability of the system that stores and process data.

The department has, however, not yet framed its IT security policy.

The department in their reply (September 2010) while accepting the observation on physical access control stated that in respect of accessibility to the computer operators room, the visitors have been informed to visit only on visiting days i.e. Monday, Thursday and Saturday. Log book has been kept and the names and other details of the visitors are entered. No personal interaction between the visitors and the computer operator will be allowed.

The department also replied that since the Finance Department was working along with NIC, NIC was taking care for all the works related to software and data storage, back up of data *etc.* Also, with regard to the Logical Access Control, the password given to the Nodal Officer is for browsing the sanctioned posts and staff details of the particular department for which he/she is the Nodal Officer. Since there is no possibility of tampering with the data by him/ her, there is no harm whether the password is changed or retained.

The reply of the department is not tenable to audit because whether the work relating to software and data storage, backup of data *etc.* is done by the Finance Department or the NIC, change controls should be put in place. This should ensure that all changes to systems configurations are authorised, tested,

documented, controlled, the systems operate as intended and that there is an adequate audit trail of the changes. This could not be shown during the course of audit.

1.2.11.15 Business Continuity Plan and Disaster Recovery Plan

Business continuity plan and Disaster Recovery Plan is necessary for recovering key business processes in the event of disaster. The objective is to reduce downtime and minimise loss to business.

Audit Scrutiny of the software system revealed that the department has no methodology of backing-up data. The department stated that the NIC regularly took back-up and stored the data at NIC, Manipur.

However, no records were maintained by the department to indicate the date (s) on which the mock trials were conducted. There was no provision for off-site storage of back-up data.

The Department may consider having a proper back up taking and regular testing mechanism to ensure the backups are in a working condition.

Application controls

Input controls

1.2.11.16 Age less than 18 years on Entry into Service and Date of Entry into Service earlier than Date of Birth

As per the rules for recruitment into Government service, certain minimum age limit is prescribed for entry into service and the software should have inbuilt features to reject those entries which does not fulfil the minimum age limit criteria.

Analysis of the database revealed that out of 62,234 working employees 922 employees had entered into service before attaining the age of 18 years which included 35 employees whose date of joining was even before their date of birth and 11 employees whose date of birth was same as their date of joining.

This indicates the lack of adequate input control in the software and inadequacy in the exercise of necessary checks at the time of verification by the Finance Budget. This may affect in the correct calculation of the date of retirement.

1.2.11.17 New recruits: Date of Joining earlier than Date of Appointment

No person can join any service before getting appointment order i.e. dates of joining can never be earlier than the date of appointment.

However, analysis of the database revealed that the date of entry into service was earlier than the date of appointment in respect of 159 new recruits, the

number of days ranging from *one* to 1778 days, which shows lack of adequate validation checks by the software thus making the data unreliable. This may lead to advancement of the date of increment.

1.2.11.18 Non-updation of the Pay Scale and Basic Pay Field

Analysis of the database revealed that out of 62,234 working employees, in most cases the pay scale and basic pay field remained non-updated. Further, the basic pay of 2630 employees including fifteen (out of 66) All India Service (AIS) officers exceeded the maximum of the pay scale.

This indicated lack of proper input control to ensure the avoidance of instances of non-updation of basic pay and not allowing the cases of capturing of basic pay exceeding maximum of pay scale.

1.2.11.19 Partial capture of data

To maintain a complete employee and office profile and to meet the objective to detect/identify/verify fake employees and streamline appointments/transfer posting the software should have provision for mandatory fields and not to allow incomplete data in respect of an employee/post.

Analysis of the database, however revealed that out of 62,234 working employees, appointment order and father's name was not entered in respect of 57,031 and 349 employees respectively.

Therefore, in the absence of the said information, which should have been mandatory, the software may not be able to detect fake employee(s) thus defeating its objective.

Similarly, analysis of the related table of the database meant for entering the details of sanctioned posts in respect of an office revealed that no sanction order and date was entered in respect of 306 posts which were stated/ entered as sanctioned in respect of the office '*Manipur Legislative Assembly Secretariat*'.

Thus in the absence of the sanction order and date, the correctness of the exact number of sanctioned posts could not be ascertained.

1.2.11.20 Inordinate delay in verification of transfers

The Government of Manipur vide order no 1/6/2005- FB dated 6th April 2006 and dated 8th August 2007 provided for updation of MGEL in connection with transfers and postings which should be submitted in the appropriate forms as soon as possible irrespective of whether the employee has joined to the new place of posting so that salaries could be drawn on time.

Audit scrutiny of the database revealed that in 4,832 transfer i.e. 90 per cent cases out of 5,353, the number of days between transfer order and verification by the MIS is as detailed below:

Sl.No.	Delay in days	Number of cases
1	31 days to 365 days	4037
2	365 days to 730 days	534
3	730 days to 1095 days	161
4	Beyond 1095 days	100
	Total:	4832

This has led to the delay in the certification of the updated employee list leading to a delay in the preparation of bills and disbursement of salaries of the government employees. Moreover, due to the absence of the field for capturing the date of submission of forms, exact responsibility for the delay in certification of the forms cannot be ascertained.

Further, verification in selected treasuries revealed that in some cases where there were large delays, the concerned employees' salaries were not prepared for the entire period which reveals that the employees were getting their salaries without MGEL/ CPIS certificate.

1.2.11.21 Non-validation of sanctioned posts during transfers and postings

As per Chief Secretary's U.O No. 1/CS-2006/Misc dated 24 June 2006, any DDO, Heads of Department or Head of Office who pays salaries for those employees who are not working against the sanctioned posts will be liable for action under the Manipur Public Servants Liabilities Act, 2006. Further, under Finance Department (Budget Section) OM No Nil dated 6 July 2006, the authenticated list of employees is to be accompanied by a certificate issued by the Joint Secretary (FB) to the effect that the number of employees and posts sanctioned for the respective office has been matched satisfactorily.

Out of the four departments *viz.* Education, Home, Revenue and Health and Family Welfare selected for detail checking, we found there was excess staff than sanctioned strength in Education Department (1 to 4 in case of thirteen schools, one Accounts Officer in Universities and one each in three posts in technical education), in case of Revenue Department (one excess in the post of *Head-Lambu*) and in Medical and Health & Family Welfare department (instances of excess staff by one each in two offices).

This shows an inadequate validation check in the system not to allow entry for posting of staff in excess of the sanctioned post. The Departments also failed to utilise the information available in the CPIS data for making transfers and postings. The Finance Budget also failed to generate such reports from the database to detect such cases.

1.2.11.22 Employee Transferred to and Joined under different DDOs under same Transfer Order and Date

No employee can be transferred to more than one DDO²¹ under the same transfer order and date and in no case can the employee join under the different DDOs on the same date.

²¹ Drawing and Disbursing Officer

However, audit scrutiny revealed that in *two* numbers of cases same employee was transferred to different DDOs under the same transfer order and date. Moreover the employee had also joined under the different DDOs on the same date which shows an inadequate input control in the software.

The department in their reply (September 2010) stated that most of the problems exists because these were not considered in the initial stage of CPIS. The initial stage mainly concentrated on the capture of data *i.e.* staff strength and sanctioned strength *etc.* The observation made will be taken care of in the next stage. The reply of the management is indicative of the fact of lack of planning and involvement of senior level management at the planning stage.

1.2.12 Monitoring and supervision

Involvement of senior management in implementation of the project was found to be deficient. There has been over reliance on the NIC for system maintenance and back-up even after the handing over of overall responsibility for operating the CPIS to MIS, Finance Department in January 2010.

There is no monitoring of data entry as has been evidenced by large number of incorrect/improbable data. The generation of a sizeable number of rejected forms each month and large delay in submission of forms on transfer, promotion and new recruits across almost all the departments shows lack of monitoring and inadequacy of knowledge on the importance of the timely updation on the part of the respective Head of Departments and the Finance Department, as it is linked to the payment of pay. Hard copies of employee details furnished by the line Departments should be archived with the MIS Directorate for cross verification purpose.

The department in their reply (September 2010) while accepting the observation stated that the data entry in the initial stage was done to capture the staff and sanctioned strength. The department also stated that the Directorate of MIS may take over the task of maintenance of database, software, data storage and back up *etc.* from NIC once the Directorate is fully equipped with sufficient manpower.

1.2.13 Management Information System

Management Information System (MIS) is a technology designed to convert data into information which is useful for administrative decision making *i.e.* it summarises data into information such as population, employee number, inventory *etc.* and provide this on demand to the manager.

One of the objectives of CPIS is the generation of reports and required information for streamlining transfers/posting, updation of data on retirement, annual budget, fake employee *etc.* from it for better management decisions.

However, audit scrutiny revealed that though relevant information could have been generated on a periodic basis, neither any report was generated either by the NIC or the MIS nor had the Management instructed for the generation of

such reports. Only the work of updation and certification on transfer/promotion/new recruit *etc.* was being done at the MIS.

Moreover, no action taken report and fixing of responsibility undertaken by the Finance Department, against the respective departments on 393 employees classified as fake/freeze/until further orders (UFO)/under verification were seen.

The department in their reply (September 2010) while accepting the observation stated that as of now the updated list are certified by the Finance Budget. Generation of information on periodic basis may be considered. The steering committee, proposed to be formed, may be presented these reports monthly *etc.*

Further, the department stated that when a person is put under the status of fake/ freeze/ until further order/ under verification, he or she is not reflected in the CPIS list. In the certification their names are mentioned as the case maybe and the concerned DDO/ TO is directed not to consider his/ her salary bills.

However, the reply of the department is not tenable to audit as during the course of audit at the Directorate of MIS the audit party did not come across any certificate directing the DDO/ TO not to consider an employees salary bill.

1.2.14 Impact of the software system

Since the implementation (2002-03) of the software system, it has been able to capture database of 62,234 working employee and in detection of 47 fake employees as per information from the employee table.

1.2.15 Conclusion

Due to lack of proper planning there has been inordinate delay in capturing a true and complete database of the employees. Further non preparation of URS, SRS and User Manual also limited the scope and extent of measuring the achievement in terms of intended benefits to the users of the system and management as well. There is lack of in-house expertise for running the system as there is over reliance on NIC for system maintenance, administration and backup. Inadequate involvement of top level management in the system implementation and supervision has resulted in erroneous data capture thereby resulting in data redundancy. Security policy has not yet been framed which exposes its assets and data to various risks (physical and logical). The department has not put in practice to extract useful information from the system regarding defaulters and has thus failed to exploit the full potential of the system. In view of these deficiencies, the information captured in the database is incomplete, incorrect which has rendered the system as unreliable causing non-generation of MIS Reports by the Departments to support management decisions on transfers and postings which was one of CPIS main objectives.

1.2.16 Summary of recommendations

- The department should form a steering committee to monitor and give necessary administrative and technical direction for smooth functioning of CPIS.
- The department should consider to frame and adopt a well documented change management procedure and business continuity plan.
- The department should frame and adopt an appropriate password and security policy to avoid the potential risk of unauthorised access and amendments in the database.
- The department must ensure that the data captured in the system is complete and correct so that its integrity remain intact and various reliable MIS reports to assist the Management in decision making can be generated.
- Steps must be initiated for regular updation of employee's data for preparation of realistic budget estimate.
- An effort should be made to link the GPF account number and the photo identity of the employees with the CPIS database to avoid fake employees.
- The department may consider having a proper back up taking and regular testing mechanism to ensure the backups are in a working condition.

HEALTH AND FAMILY WELFARE DEPARTMENT

1.3 National Rural Health Mission

Highlights

The National Rural Health Mission was launched in the State in November 2005. The review revealed that the Department did not achieve the goal set for the health indicators *i.e.* Maternal Mortality Rate, Infant Mortality Rate, and Total Fertility Rate by March 2010. Planning process was inadequate as it was prepared without baseline survey inputs. As of March 2010, the State was yet to carry out a comprehensive household and facility survey to identify the gaps in health care facilities. Up-gradation of Community Health Centres, Primary Health Centres and Sub-Centres to the level of Indian Public Health Standards had not been achieved. While the percentage of fully immunised infants ranged from 69 and 81 *per cent* during 2005-06 and 2007-10, it exceeded the target during 2006-07. There was an absence of internal audit, evaluation, weakness in internal control and monitoring mechanism. Some of the significant audit findings noticed is as under:

Perspective Plans and District Health Action Plans were not prepared during 2005-10 and 2005-07 respectively and community participation was not ensured in the planning process.

(Paragraph 1.3.7.2)

Non-upgradation of CHCs and PHCs and non-completion of the buildings of SCs resulted in failure of providing accessible and quality health care services to the rural people.

(Paragraph 1.3.9.2)

Acute shortage of manpower in the health institutions adversely affected the availability of health care services.

(Paragraph 1.3.11)

As of March 2010, 752 Village Health and Sanitation Committees were yet to be formed for ensuring community participation and implementation of the Mission at grass root level.

(Paragraph 1.3.17)

All the vertical disease control programmes had not merged with the Mission (December 2010) and hence, the desired architectural correction aimed in the health care delivery system remained unfulfilled.

(Paragraph 1.3.19)

1.3.1 Introduction

The National Rural Health Mission (NRHM) was launched by the Government of India (GoI) on 12 April 2005. In Manipur, it was launched in November 2005 by the Hon'ble Union Minister, Health & Family Welfare.

The main objectives of the Mission, to be achieved during 2005-12 are as follows:

- provide accessible, affordable, accountable, effective and reliable health care facilities in the rural areas, especially to the poor and vulnerable sections of society;
- involve community in planning and monitoring;
- reduce IMR, MMR and TFR²² for population stabilisation and
- prevent and control communicable and non-communicable diseases, including locally endemic diseases.

The Mission aimed at an architectural correction in health care delivery system by converging various existing stand alone programmes viz., National Disease Control Programmes (NDCP), Reproductive and Child Health-II (RCH-II), National Vector Borne Disease Control Programme, Tuberculosis, Leprosy, Blindness, Deafness Control Programme and Integrated Disease Surveillance Project with the exception of National AIDS and Cancer Control Programmes.

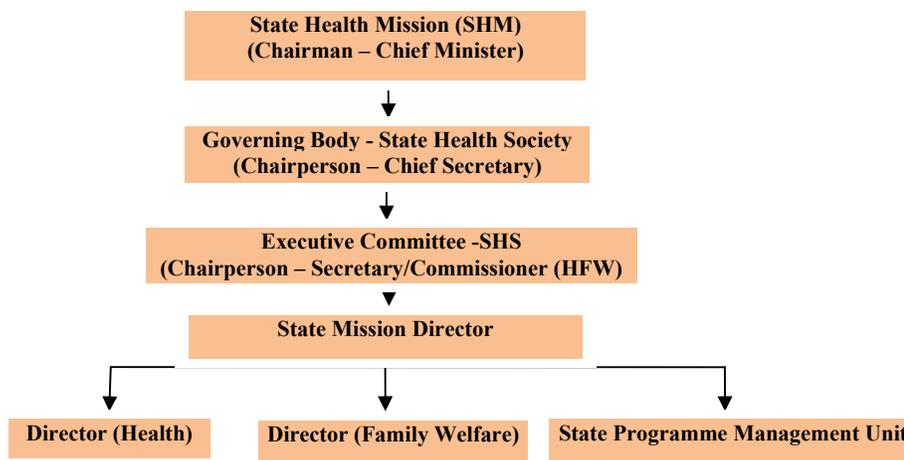
The salient features of NRHM include bridging gaps in healthcare facilities, facilitating decentralised planning in the health sector and addressing the issue of health in the context of a sector-wise approach encompassing sanitation hygiene, nutrition *etc.*, as basic determinants of good health and convergence with related social sector departments like Women and Child Development, Ayurveda, Yoga, Unani, Sidha & Homeopathy (AYUSH) and Panchayati Raj.

1.3.2 Organisational set up

At the State level, the Mission functions under the overall guidance of the State Health Mission (SHM) headed by the Chief Minister. The Chief Secretary and the Secretary/Commissioner, Health & Family Welfare (HFW) are the Chairmen of the Governing Body and the Executive Body of State Health Society²³ (SHS) respectively. A designated officer is identified as the State Mission Director who is directly supported by a State Programme Management Unit (SPMU). The organogram of the SHS is shown below:

²² IMR: Infant Mortality Rate ; MMR: Maternal Mortality Rate and TFR: Total Fertility Rate

²³ formed during 2006-07



At the District level, the Deputy Commissioner is the Chairman of the Governing Body of the District Health Society (DHS) and the Chief Medical Officer is the head of the Executive Body and functions as District Mission Director (DMD). They are supported by the District Programme Management Unit (DPMU).

The organisational set up at the District level is given below:



Public health services in the rural areas are delivered through the CHCs, PHCs and SCs.

1.3.3 Scope of audit

The performance audit of NRHM for the period 2005-10 was conducted during May to September 2010. Four²⁴ out of the nine districts were selected

²⁴ (1) Bishnupur (2) Churachandpur (3) Imphal West and (4) Senapati

for detailed audit based on Probability Proportionate to size With Replacement method. All the three District Hospitals²⁵ (DHs), seven CHCs²⁶ in four sample districts were selected for a test check of records. Further, 19²⁷ out of 34 PHCs and 38²⁸ out of 216 SCs under the selected PHCs were also selected using Simple Random Selection Without Replacement. The records of the Mission Directorate, the Directorate of Family Welfare, the Nodal Officers under the Directorate of Health Services, four DHSs, three DHs, selected CHCs, PHCs and SCs were also test-checked during the review period. The test-checked covered an expenditure of ₹ 54 crore representing 47 per cent of the total expenditure of ₹ 114 crore of the Mission during 2005-10.

1.3.4 Audit objectives

The objectives of performance audit were to assess whether:

- planning, monitoring and evaluation procedures at all levels achieved their principal objective of ensuring accessible, effective and reliable healthcare delivery system to rural population;
- public spending on health sector over the years 2005-10 increased and release of funds, utilisation and accounting thereof was adequate;
- the level of community participation in planning, implementation and monitoring of the Mission was adequate and effective;
- convergence of the Mission activities with other Departments and programmes was ensured for achieving the broad objectives of the programme;
- the Mission achieved capacity building and strengthening of physical infrastructure and human resources at different levels as planned and targeted;
- the performance indicators and targets fixed especially in respect of reproductive and child healthcare, immunisation and disease control programmes were achieved.

²⁵ (1) Bishnupur (2) Churachandpur and (3) Senapati

²⁶ (1) Kangpokpi (2) Mao (3) Moirang (4) Nambol (5) Parbung (6) Sekmai (7) Wangoi

²⁷ (1) Phayeng (2) Phaibung (3) Kakwa (4) Mayang Imphal (5) Samrou (6) Henglep (7) Thanlon (8) Singzawl (9) Sagang (10) Saikot (11) Maphou Kuki (12) Saikul (13) Oinam Hills (14) Kalapahar (15) T. Waichong (16) Kumbi (17) Thanga (18) Leimapokpam and (19) Oinam

²⁸ (1) Iroisemba (2) Khamnam Bazar (3) Salam (4) Takyel Khongbal (5) Bengoon (6) Kokchai (7) Karam Haoreibi (8) Langthabal Phuramakhong (9) Nungshai (10) Charoi Khullen (11) Milongmun (12) Bukpi (13) Aibulon (14) Sumtuh (15) Khoirentak (16) Senpangjar (17) Leisang (18) Geljang (19) Bongbal Khullen (20) Salam Patong (21) Molkon (22) Chingdai Khullen (23) Khamsong (24) Thingba Khunou (25) Khongdei (26) Thiwa (27) Keithelmanbi (28) Parsain (29) Irang Part-I (30) Pani Kheti (31) Wangoo Ahaloop (32) Pombikhok (33) Karang (34) Keibul (35) Sanjenbam (36) Pukhrabam (37) Ngaikhong Khullen and (38) Naorem

1.3.5 Audit criteria

Audit findings were benchmarked against the following criteria:

- Guidelines issued by the GoI for implementation of NRHM and instructions issued from time to time;
- State Programme Implementation Plan (PIP) approved by the GoI;
- Memorandum of understanding between the GoI and the State Government and
- Indian Public Health Standards (IPHS) for upgradation of CHCs and PHCs.

1.3.6 Audit methodology

The audit methodology included holding of an Entry Conference (May 2010) with the Commissioner (Health and Family Welfare) Manipur, the Mission Director-SHS (SMD), the Deputy Commissioner (Bishnupur), the District Mission Director (DMD)-Imphal West, the Deputy Director (Finance -SHS) and the State Programme Manager (SHS), issue of requisitions, questionnaire and obtaining replies thereof, checking of the relevant records, analysis of data and documentary evidences to arrive at audit findings, conclusions and recommendations.

The audit findings were discussed with the departmental officers *viz.* the Mission Director-SHS, the Deputy Director (Finance-SHS), the District Mission Director (Senapati), the Medical Superintendent (DH-Senapati) and the State Programme Manager in an Exit Conference (November 2010) and their views and reply, wherever available, had been incorporated in the review.

Audit findings

Important audit findings are discussed in the succeeding paragraphs.

1.3.7 Planning

1.3.7.1 Baseline survey

NRHM strives for a decentralised and participatory planning process with a bottom up approach from village level to ensure that need based and community owned Health Action Plans form the basis for interventions in health sector. The plans were to be prepared on the basis of household and facility surveys at village, block and district levels based on IPHS norms. 50 *per cent* of these surveys were required to be completed by 2007 and 100 *per cent* by 2008.

In the State a comprehensive household survey was not carried out except Imphal West district. The Department, therefore, failed to make a realistic assessment of healthcare requirement and to identify underserved and

unserved areas. The reasons for non conduct of the household survey was not recorded.

Facility survey to identify the gaps in the availability of infrastructure and human resource in respect of all seven CHCs were conducted during 2007-10 but no survey was conducted for PHCs and SCs to define the baseline. As a result, without baseline survey inputs, the Annual Action Plans were not realistic.

The Department stated (November 2010) facility surveys were conducted at PHCs and SCs levels. The reply was not acceptable as their reply could not be substantiated with relevant documents in support.

1.3.7.2 Perspective and Annual Action Plans

The SHS was required to prepare a Perspective Plan for the entire Mission period (2005-12) as well as Annual Plans covering the gaps in the health care facilities, areas of interventions and probable investments. The DHSs were also required to prepare Perspective plans as well as annual District Health Action Plans (DHAP), which were to be integrated into the State Perspective Plan and Annual State Programme Implementation Plans (SPIP) respectively. The DHAPs was to be prepared by the DHS and approved by the District Health Mission (DHM). Block Health Action Plan (BHAP) is the basis of the DHAP.

In the State DHSs were formed in all nine districts during 2006-07. While DHM was formed only in Bishnupur district during July 2008, the same was not formed in the remaining districts.

Audit noticed that the Perspective Plans for the Mission period were not prepared either at the State or at the district level. No SPIP and DHAPs were prepared for the year 2005-06. For the year 2006-07, the SPIP was prepared without inputs from DHAPs as no DHAP for 2006-07 were prepared. However, during the period 2007-10, the SPIPs were prepared on the basis of DHAPs for the said years. Though the BHAPs were prepared during 2008-10, the same was not prepared for the year 2005-08. Thus, DHAPs were not based on plans from block/periphery level for 2005-08. Hence, bottom up approach as envisaged in the NRHM guidelines was not adopted in the preparation of SPIP for 2005-08. Due to non-preparation of the Perspective Plans for 2005-10 and DHAP for 2005-07, the community participation in planning as envisaged in the Mission remained unachieved (March 2010).

The Department stated (December 2010) that the Perspective Plan was not prepared separately and it was integrated in the SPIP. The reply of the Department is not in consonance with the guidelines of the NRHM as Perspective Plan as well as SPIP was to be prepared separately.

1.3.8 Financial management

1.3.8.1 Funding pattern

GoI provided 100 *per cent* funds for implementation of the scheme through two separate channels *i.e.* through State Finance Department and directly to different programme implementing societies during 2005-07. From 2007-08 onwards, the contribution was to be in the ratio of 85:15 between the Centre and the State.

1.3.8.2 Financial performance

1.3.8.3 State level

The details of funds released by the GoI to the SHS and expenditure were as under:

Table 1

(₹ in crore)

Year	Opening Balance	Receipt			Interest	Funds available during the year	Funds utilised	Closing Balance
		GoI	State Government					
			Share due	Actual				
2005-06	0.13	11.88	Nil	Nil	0.09	12.10	1.31	10.79
2006-07	10.79	22.57	Nil	Nil	0.41	33.77	5.31	28.46
2007-08	28.46	37.00	6.95	Nil	1.16	66.62	18.48	48.14
2008-09	48.14	35.89	9.50	Nil	0.60	84.63	42.94	41.69
2009-10	41.69	64.39	13.87	5.00	0.81	111.89	45.96	65.93
Total:		171.73	30.32	5.00	3.07		114.00	

(Source: State Health Society)

➤ Non-utilisation of funds

During the period covered by audit, total fund of ₹ 179.93²⁹ crore was available out of which ₹ 114 crore was utilised leaving an unspent balance of ₹ 65.93 crore (37 *per cent*) as of March 2010. The poor utilisation not only reflected unrealistic assessment of fund requirements but also depicted the limited absorption capacity by the State.

The Department failed to utilise the available resources fully thereby resulting in non-implementation of the various activities³⁰ of the Mission and depriving the targeted population of the healthcare services.

➤ Short release of State share

As against the State share amounting to ₹ 30.32 crore for the period 2007-10, the State Government released only ₹ 5 crore during 2009-10, thereby resulting in short release of ₹ 25.32 crore (84 *per cent*). This is in violation of the guidelines of NRHM as the State Government was required to contribute its share proportionately.

The Department stated (December 2010) that the matter regarding short release of State share was taken up with the State Planning Department.

²⁹ ₹ 0.13 crore + ₹ 171.73 crore + ₹ 5 crore + ₹ 3.07 crore = ₹ 179.93

³⁰ Important activities: Capacity building of DHs, CHCs and PHCs, procurement of drugs, construction of infrastructure, untied funds *etc.*

➤ *Public spending on health sector*

The State Government signed (May 2006) an MoU with the GoI committing itself to increase its share of public spending on health sector from its own budgetary sources at the minimum rate of 10 *per cent* every year. The State's budget allocation and expenditure on health sector during the period 2005-10 is given in Table 2:

Table 2

(₹ in crore)			
Year	State budget allocation	Expenditure	Savings(-)/Excess(+)
2005-06	86.02 (- 13) ³¹	85.17 (+ 35)	(-) 0.85
2006-07	130.97 (+ 52)	96.16 (+ 13)	(-) 34.81
2007-08	147.19 (+ 12)	129.71 (+ 35)	(-) 17.48
2008-09	130.50 (- 11)	152.50 (+ 18)	(+) 22.00
2009-10	153.67 (+ 18)	148.23 (- 3)	(-) 5.44
Total:	648.35	611.77 (94)	

(Source: Appropriation accounts)

Figures in bracket indicate percentage of increase (+)/ decrease (-) in outlay and expenditure

The State Government's budget allocation in health sector and the public spending has declined by 13, 11 and 3 *per cent* during 2005-06, 2008-09 and 2009-10 respectively from the previous year against the commitment of 10 *per cent* increase every year.

Out of the savings of ₹ 58.58 crore, ₹ 12.89 crore³² pertained to construction of infrastructure of health centres. Therefore, while the State complied with NRHM guidelines in terms of increasing its outlay on public health during 2006-08 and 2009-10, it failed to utilise the allocation for strengthening the healthcare infrastructure.

➤ *Delay in transfer of unutilised funds to the GoI*

The launch of NRHM, Reproductive and Child Health-II (RCH-II) and Janani Suraksha Yojana (JSY) in 2005-06 resulted in the termination of earlier operational programmes such as RCH-I Programme and National Maternity Benefit Scheme.

Unspent funds under RCH-I as on 31 March 2005 were required to be transferred to the Ministry of Health and Family Welfare, GoI. However, ₹ 28.15 lakh remained as balance was transferred only in November 2009 with a delay of more than four years.

³¹ Year	State budget allocation	Expenditure
(₹ in crore)		
2004-05	98.35	63.04

(Source: Appropriation Accounts)

³² Year	Amount ₹ in lakh
2005-06	0.43
2006-07	295.67
2007-08	443.85
2009-10	549.22
Total:	1289.17

(Source: Appropriation Accounts)

1.3.8.4 District level

The details of funds released to the four test-checked DHSs and expenditure incurred there against are given below:

Table 3

(₹ in lakh)

District	Year	Opening Balance	Receipt	Interest accrued	Funds available during the year	Funds utilised during the year	Closing Balance
Bishnupur	2005-06	Nil	17.25	Nil	17.25	8.39	8.86
	2006-07	9.07 ³³	63.01	Nil	72.08	43.43	28.65
	2007-08	28.65	212.35	0.21	241.21	75.87	165.34
	2008-09	165.34	199.20	0.86	365.40	264.24	101.16
	2009-10	101.16	190.72	0.33	292.21	205.99	86.22
Sub-total:			682.53	1.40		597.92 (88)	
Churachandpur	2005-06	Nil	26.58	Nil	26.58	12.17	14.41
	2006-07	Nil	117.34	0.01	117.35	78.60	38.75
	2007-08	38.75	318.91	0.52	358.18	277.61	80.57
	2008-09	80.57	405.05	1.77	487.39	332.48	154.91
	2009-10	154.91	396.61	2.17	553.69	487.00	66.69
Sub-total:			1264.49	4.47		1187.86 (94)	
Imphal West	2005-06	Nil	33.45	Nil	33.45	21.61	11.84
	2006-07	Nil	90.01	0.49	90.50	75.01	15.49
	2007-08	15.49	230.84	0.54	246.87	209.35	37.52
	2008-09	37.52	187.37	1.11	226.00	217.68	8.32
	2009-10	8.32	328.80	0.74	337.86	251.22	86.64
Sub-total:			870.47	2.88		774.87 (89)	
Senapati	2005-06	Nil	32.47	Nil	32.47	Nil	32.47
	2006-07	32.47	95.55	0.20	128.22	76.11	52.11
	2007-08	52.11	367.52	0.69	420.32	246.52	173.80
	2008-09	173.80	311.32	0.01	485.13	363.55	121.58
	2009-10	121.58	354.65	1.85	478.08	326.52	151.56
Sub-total:			1161.51	2.75		1012.70 (87)	

(Source: DHSs and SHS)

Figures in bracket indicate percentage of utilisation of funds

➤ Accounting procedure

The accounting procedure consists of recording in the books of original entry *i.e.* journal and cash book, classifying, grouping, valuing and preparing financial statements.

Neither the financial position for 2005-06 nor the relevant records like cash books, journals in respect of three districts³⁴ could be made available to audit. In absence of such vital records the implementation of the Mission activities could not, therefore, be ascertained in audit.

➤ Non-accountal of closing balance

Test check of the records of SHS revealed that closing balance of ₹ 14.41 lakh and ₹ 11.84 lakh for the year 2005-06 with Churachandpur and Imphal West districts respectively were not carried forward as opening balance in 2006-07 accounts of these districts. The reasons for non-accountal of the closing

³³ The discrepancy of ₹ 0.21 lakh between the closing balance of ₹ 8.86 lakh as on 31 March 2006 and opening balance of ₹ 9.07 lakh on 1 April 2006 not reconciled (November 2010).

³⁴ Bishnupur, Churachandpur and Imphal West.

balance, though called for, were not furnished by the DHSs concerned (December 2010).

➤ Non-utilisation of funds

From Table 3, it is seen that in respect of the sample districts there was an unspent balance ranging from ₹ 0.67 crore to ₹ 1.52 crore which shows that a large portion of the Mission activities remained un-implemented thereby frustrating the Mission activities. The reasons for non-utilisation of allocated funds were not stated by the Departments/DHSs (December 2010).

1.3.9 Programme implementation

1.3.9.1 Infrastructure

As per NRHM guidelines one CHC is to be set up for population of 1,20,000 (80,000 for tribal areas), one PHC for population of 30,000 (20,000 for tribal areas) and one SC for 5,000 (3,000 for tribal areas) in general areas. Comparative position of requirement of these institutions on the basis of the prescribed norms and health care facilities actually set up in the State is detailed below:

Table 4

District (Rural population as per Census 2001)	CHC			PHC			SC		
	Requirement as per population	Position as on March 2010	Excess (+)/ Shortfall (-)	Requirement as per population	Position as on March 2010	Excess (+)/ Shortfall (-)	Requirement as per population	Position as on March 2010	Excess (+)/ Shortfall (-)
Tribal areas									
Churachandpur (2,27,905)	3	1	- 2	11	9	- 2	76	68	- 8
Senapati (2,83,621)	4	2	- 2	14	12	- 2	95	65	- 30
Chandel (1,03,365)	1	0	- 1	5	5	0	34	25	- 9
Tamenglong (1,11,499)	1	1	0	6	6	0	37	30	- 7
Ukhrul (1,40,778)	2	1	- 1	7	6	- 1	47	42	- 5
Total:	11	5	- 6	43	38	- 5	289	230	- 59
General areas									
Bishnupur (1,33,627)	1	2	+ 1	4	5	+ 1	27	33	+ 6
Imphal West (1,97,699)	2	2	0	7	8	+ 1	40	50	+ 10
Imphal East (2,86,566)	2	2	0	10	11	+ 1	57	47	- 10
Thoubal (2,32,868)	2	5	+ 3	8	12	+ 4	47	49	+ 2
Total:	7	11	+ 4	29	36	+ 7	171	179	+ 8

(Source: Data compiled by audit from departmental records)

As seen from the above table, in all five tribal areas there was a large shortage of health centres *i.e.* six CHCs against the requirement of 11 CHCs, shortage of five of 43 PHCs and shortage of 59 of 289 SCs.

While there was an acute shortage of health centres in the tribal areas, the general areas were provided with excess number of health centres.

Non setting up of required number of health centres resulted in failure to provide accessible and reliable health care facilities to rural people.

1.3.9.2 Non-upgradation and non-provision of health care facilities

NRHM envisages the upgradation of CHCs to Indian Public Health (IPH) standards and PHCs to 24x7 services. During the period 2006-10, 13 CHCs and 37 PHCs were planned for upgradation at a cost of ₹ 8.34 crore. After incurring an expenditure of Rs 6.98 crore (84 per cent) crore, none of the CHCs and PHCs was upgraded except Wangoo Laipham PHC.

The construction of buildings for 139 SCs was planned at a cost of ₹ 12.44 crore and after incurring an expenditure of ₹ 10.48 crore (84 per cent), 95 SCs only were completed (December 2010).

Non-upgradation of CHCs and PHCs and non-completion of the buildings of SCs resulted in failure of providing accessible and quality health care services to the rural people.

The Department attributed (December 2010) the non-completion of the infrastructure to the law and order situation in the State and further added that the SHS was trying to complete the works at the earliest.

1.3.9.3 Status on health facilities

Test check of selected health care units revealed the non provision of required facilities as shown in the table below:

Table 5

Sl. No.	Particulars	Number of centres where service was not available			
		DHs	CHCs	PHCs	SCs
	Total number of health centres audited	3³⁵	7	19	38
1	Waiting room for patients	3	7	16	38
2	Functional Labour Room	0	0	15	37
3	Functional Operation Theatre	2	7	19	NR
4	Clinic Room	0	0	6	34
5	Emergency/Casualty Room	0	1	16	38
6	Residential facilities for staff	0	7	19	38
7	Separate utility for Male and Female	0	3	8	37
8	Blood storage	2	7	19	NR
9	New born care	3	1	8	26
10	24 x 7 delivery service	0	1	19	NR
11	X-ray facility	0	5	19	NR
12	In-patient service	0	0	17	38
13	Ultrasound	2	7	19	NR
14	ECG	2	6	19	NR
15	Family Planning (Tubectomy and Vasectomy)	2	7	19	38
16	Intra-natal examination of gynaecological conditions	0	5	19	38
17	Paediatrics	2	6	19	38

(Source: Data compiled by audit from test-checked health centres) NR: Not Required

As can be seen from the above table, health facilities were quite inadequate in a large number of selected health centres. Thus, the targeted beneficiaries remained deprived of the health facilities.

³⁵ Imphal West District has no DH.

The photographs of working conditions of some health centres are given below:



A small shed serves as Primary Health Sub-Centre at Takyel Khongbal, Imphal West district



Primary Health Sub-Centre at Bengoon at Imphal West district functioning at a rented house



Corridor used as maternity ward in Churachandpur District Hospital



Poor state of Labour Room at PHC Thanlon, Churachandpur

1.3.9.4 Operation theatre

As per guidelines, every DH and CHC are required to be provided with functional operation theatre. While one³⁶ out of three selected DHs had a functional operation theatre none of the seven CHCs test-checked had functional operation theatre.

The status of availability of the various operation theatre equipments in the three DHs and seven CHCs test checked is as shown below:

³⁶ DHs Churachandpur

Table 6

Sl. No.	Particulars	Number of DHs where equipment was available and functional	Number of DHs where equipment was available but not functional	Number of DHs where equipment was not available
1	Boyales Apparatus	2	1	0
2	Cardiac Monitor for OT	0	0	3
3	Ventilator for OT	1	0	2
4	Vertical High Pressure Sterilizer 2/3 drum capacity	1	0	2
5	Gloves and dusting machines	1	0	2
6	Nitrous oxide cylinder 1780 ltrs 8 for one Boyales Apparatus	1	0	2
7	EMO Machine	0	0	3
8	Defibrillator for OT	0	0	3
9	Horizontal High Pressure Sterilizer	0	1	2
10	Shadowless lamp ceiling trak mounted	2	0	1
11	OT care/fumigation apparatus	1	0	2
12	Oxygen cylinder 660 ltrs 10 cylinder for one Boyales apparatus	2	0	1
13	Hydraulic operation table	2	0	1

(Source: Data compiled by audit from test checked health centres)

Table 6 (a)

Sl. No.	Particulars	Number of CHCs where equipment was available and functional	Number of CHCs where equipment was available but not functional	Number of CHCs where equipment was not available
1	Boyales Apparatus	1	4	2
2	Cardiac Monitor for OT	0	1	6
3	Ventilator for OT	0	1	6
4	Vertical High Pressure Sterilizer 2/3 drum capacity	0	2	5
5	Gloves and dusting machines	0	1	6
6	Nitrous oxide cylinder 1780 litres 8 for one Boyales Apparatus	0	1	6
7	EMO Machine	0	0	7
8	Defibrillator for OT	0	0	7
9	Horizontal High Pressure Sterilizer	1	1	5
10	Shadowless lamp ceiling trak mounted	0	3	4
11	OT care/fumigation apparatus	0	0	7
12	Oxygen cylinder 660 litres 10 cylinder for one Boyales apparatus	1	2	4
13	Hydraulic operation table	0	3	4

(Source: Data compiled by audit from test checked health centres)

Thus, despite launching of NRHM and availability of sufficient funds accessibility to health services for the rural people did not improve. The physical status of some of the test-checked health centres is given in photographs below:



Non-functional Operation Theatre used as store room at CHC Kangpokpi, Senapati district



Non-functional Operation Theatre at CHC Nambol, Bishnupur district

1.3.9.5 Poor occupancy rate of beds

Every CHC is provided with 30-50 beds and PHC with 6 beds for treatment of in-patients. However, scrutiny of the records of the seven test-checked CHCs revealed that the bed occupancy rate ranged between 0 to 46 *per cent* during 2005-10 whereas it was 0 *per cent* in all 19 selected PHCs. Audit noticed that such poor occupancy were due to non-availability of medical specialists and health facilities. Action taken by the Department for improvement of the situation was not on records.

1.3.10 AYUSH services

The Mission seeks to revitalise local health traditions and mainstream Ayurvedic, Yoga, Unani, Siddha and Homoeopathy (AYUSH) to strengthen the public health system by providing an AYUSH doctor at every PHC and by establishing AYUSH clinics at CHCs.

During physical verification of the CHCs and PHCs, audit noticed that AYUSH clinics were not set up in five out of seven test-checked CHCs and AYUSH doctors were not posted in three PHCs. This affected the aim of mainstreaming of AYUSH services as per NRHM framework.

The reasons for non-setting of AYUSH clinics were not recorded by the test-checked units.

1.3.11 Human resource

(i) As of March 2010 the acute shortage of manpower in the test-checked seven CHCs is given in the table below:

Table 7

(in Numbers)

Personal	Requirement as per IPHS norm for 7 CHCs	Current availability
General Surgeon	7	0
Obstetrician/Gynaecologist	7	0
Anaesthetist	7	0
Physician	7	0
Paediatrics	7	0
Eye Surgeon	7	0
Auxiliary Nurse Mid-wife (ANM)	7	14
Dresser	7	0
Lab. Technician	7	12
Ophthalmic Assistant	7	6
OPD attendant	7	9
Public Health Programme Manager	7	2
Staff Nurse (SN)	49	52
Public Health Nurse	7	7
Pharmacist/compounder	7	18
Radiographer	7	6
Ward boys/ nursing orderly	14	2
OT attendant	7	0

(Source: Data collected and compiled by audit from test checked health centres)

Audit scrutiny revealed the following shortcomings:

- None of the Specialist as per IPHS requirements was posted in the test checked CHCs,
- There was shortage of 12 staff nurses in four CHCs while there was excess of 15 staff nurses in three CHCs.

(ii) The manpower position (March 2010) of 19 test-checked PHCs are detailed in the table below:

Table 8

Personal at PHC level	Requirement as per IPHS norm for 19 PHCs	Current availability
Medical Officer (MO)	38	35
Staff nurse	57	37
Health educator	19	2
Pharmacist	19	25
Health worker (Female)	19	45
Health Assistant (one male, one female)	38	6
Laboratory technician	19	13

(Source: Data collected and compiled by audit from test checked health centres)

While there was excess posting of six pharmacists and 26 female health workers, there were shortages of other personnel.

(iii) In 38 SCs, there was a shortfall of 28 voluntary workers against the required strength of 38 (one voluntary worker for each SC as per norm of IPHS).

Acute shortage of manpower in the health institutions adversely affected the availability of health care services.

1.3.11.1 Training of medical and para medical staff

During the period 2005-10, the SHS incurred an expenditure of ₹ 2.45 crore on training of medical and para-medical staff on various courses. Training plans for medical and para-medical staff and achievement thereof for the period 2005-08 involving ₹ 11.57 lakh were not available. For the years 2008-10 the position is shown below:

Table 9

Post	2007-08		2008-09		2009-10		Total	
	Target (T)	Achievement (A)	T	A	T	A	T	A
Skilled Birth Attendance for SN/ANM	NA	NA	360	238	60	60	420	298
Medical Termination of Pregnancy/Manual Vacuum Aspiration for MOs	NA	NA	40	39	60	13	100	52
Reproductive Track Infection(RTI)/Sexually Transmitted Infection (STI) for MOs	NA	NA	50	45	90	82	140	127
RTI/STI for SN/ANMs	NA	NA	Nil	Nil	270	191	270	191
Integrated Management of Newborn and Childhood Illness for MOs	NA	NA	100	99	100	84	200	183
Intra Uterine Device for MOs, SN, ANMs	NA	NA	Nil	38	300	220	300	258
Management Training for Programme Manager	NA	NA	Nil	Nil	125	46	125	46
ASHA	3000	3000	Nil	Nil	878	878	3878	3878

(Source: Departmental records)

NA: Not furnished by the Department

The details shown above depicted the shortfall in imparting training to the medical and para-medical staff. Non-achievement of targets earmarked for training at the State Level affected the human resource management under the Mission.

1.3.12 Accredited Social Health Activist

One of the core strategies of the NRHM was to promote access to improved healthcare at household level through a trained female community-health worker called Accredited Social Health Activist (ASHA) to be provided in every village with the ratio of one per 1000 population. For tribal and hilly areas, the norm could be relaxed for one ASHA depending on the workload. The ASHA was expected to act as an interface between the community and public health system.

The number of ASHAs required and engaged as on March 2010 is detailed below:

Table 10

Name of District	Total rural population (2001 census report)	No. of ASHAs required	No. of ASHAs selected and engaged	Excess
Bishnupur	133627	134	235	101
Imphal West	197669	198	329	131
Imphal East	286566	287	431	144
Thoubal	232868	233	365	132
Senapati	283621	284	787	503
Churachandpur	227905	228	627	399
Ukhrul	140778	141	302	161
Chandel	103365	103	550	447
Tamenglong	111499	111	252	141
Total:		1719	3878	2159

(Source: Compiled by audit from departmental records)

It would be evident from the above table that there was an excess of 2159 ASHAs against the required number of 1,719 based on census 2001 data. The Department incurred a sum of ₹ 4.22 crore on selection and training, ASHA kit, radio, uniform, umbrella and payment of performance related incentives during 2008-10.

The Department stated (November 2010) that ASHAs had been selected as per GoI guideline based on the revenue villages of census 2001. Hamlet villages were also considered besides revenue villages in respect of the selection of ASHAs in the hilly districts. The reply of the Department was not acceptable as the GoI's guidelines are silent regarding selection of ASHA as per revenue and hamlet villages and selection of ASHA was not purely based on the norms.

1.3.13 Mobile medical units

As per guidelines, a Mobile Medical Unit (MMU) was to be provided in each district for ensuring outreach of healthcare services in medically unserved/underserved areas. During 2007-08, 18 Mobile Vans were procured at a cost of ₹ 3.89 crore and two MMUs were issued (February 2008) to each of the nine districts. Test-check of the records maintained by the sample districts revealed that though the DHS, Bishnupur maintained log books for the period from December 2009 no operational records were maintained. The DHS, Imphal West maintained operational records of the MMUs only after June 2009. The MMUs were kept idle for a period ranging from sixteen months to twenty-two months. Neither the log books nor the operational records were maintained by the DHS, Churachandpur and the DHS, Senapati. Thus, idling of the MMUs and non-maintenance of log books and operational records certainly affected the NHRMs aim of providing specialised health facilities to the unserved/underserved areas.

1.3.14 Family welfare activities

The achievement of targets for reduction of Maternal Mortality Rate (MMR), Infant Mortality Rate (IMR) and Total Fertility Rate (TFR) by 2009-10 is depicted in the table below:

Table 11

Indicators	Target 2009-10	Current status	
	Manipur	Manipur	Nation (India)
Maternal Mortality Rate (MMR)	<100/1,00,000 live births	160/1,00,000 live births (SRS – 2005)	254 (SRS 2009)
Infant Mortality Rate (IMR)	<13/1,000 live births	14/1,000 live births (SRS – 2009)	53 (SRS 2009)
Total Fertility Rate (TFR)	2.1	2.8 (NFHS – 3)	2.7 (NFHS – 3)

(Source: State Health Society)

As would be seen from the table, the Department did not achieve the targets earmarked. While admitting the fact, DHS further stated (December 2010) that the status on health indicators of the State is better than that of the national level.

1.3.14.1 Janani Suraksha Yojana

The Janani Suraksha Yojana (JSY) aims at safe motherhood, reduction of maternal and neo-natal mortality by promoting institutional deliveries. The BPL, SC and ST pregnant women aged 19 years and above upto two live births and who have three completed Antenatal Checkups (ANCs) are entitled for incentive of ₹ 700 in case of delivery in a Government health centre or accredited private institution and ₹ 500 in case of domiciliary delivery.

The ASHA incentive for accompanying a pregnant woman for ANC, institutional delivery and post partum period in a health centre was @ of ₹ 200 per delivery case for the period upto 2008-09 and this was revised to ₹ 600 during 2009-10. For tracking each pregnancy, ANC, post delivery care, payment of incentives to the mothers and ASHA, the health centres should mandatorily prepare a micro-birth plan.

During 2005-06, no incentive was paid. For the period 2006-10, the expenditure on incentive under JSY including ASHA package for the State was ₹ 2.68 crore. In respect of test-checked units, the position of payment of incentive under JSY and ASHA package made during 2006-10 are as shown below:

Table 12

Year	Pregnant women registered	Institutional deliveries (ID)		Domiciliary deliveries (DD)		Cash assistance given (₹ in lakh)	
		Number of mothers opting for ID	Number of Mothers benefited	Number of mothers opting for DD	Number of Mothers benefited	Mother	ASHA
Bishnupur							
2005-06	1548	573	Nil	NA	Nil	Nil	Nil
2006-07	2021	762	345	NA	NA	2.42	Nil
2007-08	2933	1,236	586	58	58	4.39	Nil
2008-09	2558	1,237	915	59	59	6.70	1.27
2009-10	2594	1,481	1450	155	114	10.72	7.01
Sub-total:	11654	5289 (45)	3296	272	231	24.23	8.28
Churachandpur							
2005-06	27	Nil	Nil	NA	Nil	Nil	Nil
2006-07	92	NA	Nil	20	20	0.10	Nil
2007-08	541	NA	Nil	20	20	0.10	Nil
2008-09	540	Nil	Nil	82	70	0.35	Nil
2009-10	1482	6 (0)	6	431	429	2.19	0.04
Sub-total:	2682	6 (0)	6	553	539	2.74	0.04
Imphal West							
2005-06	1234	15	Nil	41	Nil	Nil	Nil
2006-07	1619	320	320	30	30	2.39	Nil
2007-08	1499	310	300	43	32	2.26	Nil
2008-09	2260	350	325	221	119	2.87	0.45
2009-10	2421	98	98	73	19	0.78	0.59
Sub-total:	9033	1093 (12)	1043	408	200	8.30	1.04
Senapati							
2005-06	2078	528	Nil	20	Nil	Nil	Nil
2006-07	2217	517	285	261	9	2.04	Nil
2007-08	4467	827	600	536	94	4.67	Nil
2008-09	4690	897	800	723	162	6.41	1.52
2009-10	4993	668	600	512	64	4.52	2.47
Sub-total:	18445	3437 (19)	2285	2052	329	17.64	3.99
Grant total:	41814	9846 (23)	6630	3284	1299	52.91	13.35

(Source: Data compiled by audit from the test checked units including DHs)

Figures in bracket indicate percentage of Institutional Delivery

NA: Not furnished by the department.

As would be seen from the above table, the test-checked units incurred an expenditure of ₹ 66.26 lakh on payment of JSY incentive and ASHA package to 7,929 mothers and 3,308 AHSA respectively during 2006-10. Scrutiny of the records, however, revealed that the health centres had not prepared the mandatory document of micro birth plan and the payment of the incentives was made without ensuring the fulfilment of eligibility criteria and mandatory documentation as prescribed in the said plan. In absence of such vital record, audit could not ascertain the veracity of payments.

1.3.14.2 Institutional delivery

NHRM aims to encourage the prospective mothers to undergo institutional deliveries. The State Government targeted to achieve 60 *per cent* deliveries in health centres or accredited private institutions by March 2010. The number of pregnant women registered during 2005-07 and achievement of the institutional delivery was not available with the Department. The status for the year 2007-10 is shown below:

Table 13

Year	Pregnant women registered	Institutional deliveries (ID)	Domiciliary deliveries	Pregnant women whose status of delivery not on record	Percentage of achievement (ID)
2007-08	71,394	19,925	7,102	44,367	28
2008-09	1,05,361	20,422	7,496	77,443	19
2009-10	1,11,670	24,206	7,535	79,929	22
Total:	2,88,425	64,553	22,133	2,01,739	

(Source: State Health Society)

As could be seen from the above table the achievement of institutional delivery ranged from 19 to 28 *per cent* during 2007-10. Hence under the intervention of JSY the percentage of pregnant women opting for institutional facilities for delivery had not been achieved to the prescribed level of 60 *per cent*.

In respect of the sample districts, the percentage of institutional delivery ranged from 0³⁷ to 45 *per cent* as depicted in Table 12.

There was no mechanism in place to monitor the status of delivery in respect of 2,01,739 pregnant women registered during 2007-10.

The Department stated (December 2010) that they would enhance the awareness programme for increasing institutional delivery through Information, Education and Communication (IEC), ASHA *etc.*

1.3.14.3 (i) Antenatal care, registration and check-ups (ANC)

One of the major aims of safe motherhood is to register all the pregnant women within 12 weeks of pregnancy and provide them with services like four antenatal checkups, 100 days Iron Folic Acid tablets (IFA), two doses of Tetanus Toxoid (TT), advice on the correct diet and vitamin supplements and

³⁷ Only 6 mothers opted for ID.

in case of complications, refer them for more specialised gynaecological care for early detection of complications during pregnancy and for preventing maternal mortality and morbidity. However, the number of registered pregnant women who had received three ANC's and administered two doses of TT for the State for the period 2005-08 was not available with the Department. During 2008-10, out of 2,88,425 registered women, 88,141 (31 *per cent*) received three ANC's and 1,04,266 (36 *per cent*) were administered two doses of TT. The reason for non-provision of four ANC's were not recorded in the departmental records.

(ii) Administration of IFA and TT

In the test-checked districts, the position of pregnant women to whom IFA was provided and TT were administered during 2005-10 is shown below:

Table 14

(In numbers)

District	Year	Pregnant women registered	No. of pregnant women to whom IFA was Administered (percentage of achievement)	No. of pregnant women to whom TT was Administered (percentage of achievement)
Bishnupur	2005-06	NA	NA	NA
	2006-07	3658	Nil	2590
	2007-08	5662	Nil	3141
	2008-09	5903	288	3426
	2009-10	7128	1773	3000
Sub-total:		22351	2061 (9)	12157 (54)
Churachandpur	2005-06	27	27	25
	2006-07	92	53	51
	2007-08	541	162	441
	2008-09	540	339	304
	2009-10	1482	874	630
Sub-total:		2682	1455 (54)	1451 (54)
Imphal West	2005-06	26,953	6661	5528
	2006-07	21,655	3957	9048
	2007-08	33,872	Nil	6136
	2008-09	48,887	4961	9627
	2009-10	50,599	2532	8294
Sub-total:		181966	18111 (10)	38633 (21)
Senapati	2005-06	NA	NA	1665
	2006-07	1635	529	3011
	2007-08	6572	979	7563
	2008-09	8510	1301	5050
	2009-10	10326	3678	5977
Sub-total:		27043	6487 (24)	23266 (86)
Grand-total:		234042	28114 (12)	75507 (32)

(Source: DHSs)

NA: Not furnished by the Department

In the test-checked districts, out of 2.34 lakh pregnant women registered during the period, 28114 women (12 *per cent*) were provided with IFA tablets and 75507 women (32 *per cent*) were administered TT. Hence, 88 *per cent* of the registered women were not administered with IFA tablets and 68 *per cent* with TT, which resulted in failure to ensure safe motherhood.

1.3.14.4 Spacing methods

Intra-uterine device (IUD) insertion, Oral pills, and condoms are the three prevailing spacing methods of family planning to reduce the total fertility rate.

The targets and achievement for the period 2005-07 were not available with the department. The status on actual distribution of spacing contraceptives during 2007-10 are shown below:

Table 15

Year	IUD insertion		Oral pills cycle		Condom distribution	
	Target	Actual	Target	Actual	Target	Actual
2007-08	NA	4,376	NA	9,582	NA	1,15,327
2008-09	NA	3,993	NA	10,461	NA	1,90,538
2009-10	NA	5,183	NA	29,821	NA	2,11,741
Total		13,552		49,864		5,17,606

(Source: State Health Society)

As seen from the above table, among the total spacing method users during 2007-10, 2 and 9 *per cent* accounted for IUD and oral pills respectively while 89 *per cent* for condom users.

In the absence of annual targets achievement of the activities could not be assessed in audit.

1.3.15 Universal Immunisation Programme

Immunisation of children against six preventable diseases *viz.*, tuberculosis, diphtheria, pertussis, tetanus, polio and measles has been the cornerstone of routine immunisation under the programme.

To give an infant a healthy life, full immunisation by administration of one dose each of BCG and Measles and three doses each of DPT and OPV to an infant is necessary.

1.3.15.1 Routine immunisation

The achievement against the targets set for routine immunisation for the State during 2005-10 is as given below:

Table 16

Year	Target	Achievement (0 to 1 year age group)				Fully immunised (infants who have been administered full course of immunisation)
		BCG	Measles	DPT	OPV	
2005-06	48,200	41,893	33,268	36,443	36,485	33,268 (69)
2006-07	45,825	55,225	47,360	48,064	48,064	47,360 (103)
2007-08	45,299	53,822	41,306	45,472	45,184	36,821 (81)
2008-09	48,353	47,706	37,700	43,538	43,556	36,681 (76)
2009-10	51,132	50,460	41,319	45,713	45,599	40,345 (79)

(Source: Directorate of Family Welfare)

Figures in bracket indicate percentage of achievement

BCG:- Bacillus Calamide Guerin, DPT:- Diphtheria Pertussis Tetanus, OPV:- Oral Polio Vaccine

While the percentage of fully immunised ranged from 69 to 81 *per cent* during 2005-06 and 2007-10, it exceeded the target during 2006-07.

1.3.15.2 Secondary immunisation

The children in the age of 5-6 years were required to be administered DT and 2 doses of TT at the age of 10 and 16 years respectively. The status on administration of secondary immunisation during 2005-10 is shown below:

Table 17

Year	DT (up to 5 years age group)		TT (10 years)		TT (16 years)	
	Target	Achievement	Target	Achievement	Target	Achievement
2005-06	47429	20811	46561	17176	45983	17002
2006-07	44050	39674	44267	37141	40594	29249
2007-08	44050	19381	43958	17660	43412	15956
2008-09	44976	14508	43449	20273	41451	22252
2009-10	49521	21176	47607	21347	45265	20714
Total	230026	115550 (50)	225842	113597 (50)	216705	105173 (49)

(Source: Directorate of Family Welfare)

Figures in bracket indicate percentage of achievement

DT: Diphtheria Tetanus, TT:- Tetanus Toxoid

During the period, the achievements of targets for DT for 5 years of age and TT for 10 years age group were 50 *per cent*, while TT for 16 years age group was 49 *per cent*.

The Department stated (December 2010) that the shortfall in achievement in secondary immunisation was due to non-conduct of school health programme.

1.3.15.3 Pulse Polio Immunisation

In pursuance of the World Health Assembly Resolution of 1988, in addition to the Universal Immunisation Programme, Pulse Polio Immunisation (PPI) was launched in 1995-96 to cover all the children below the age of five years to eradicate polio and ensure zero transmission by the end of 2008.

The year wise details of polio immunisation in the State and sample districts during 2005-10 are given below:

(a) State

Table 18

Year	PPI Achievement		
	Target	1 st round	2 nd round
		Achievement (<i>per cent</i>)	Achievement (<i>per cent</i>)
2005-06	349517	341875	331949
2006-07	361057	337712	337560
2007-08	351849	342951	344442
2008-09	344709	349053	348871
2009-10	344980	349007	349388
Total:	1752112	1720598 (98)	1712210 (98)

(Source: Directorate of Family Welfare)

Figures in bracket indicates percentage of achievement.

(b) Sample districts

Table 19

District	Year	Target	1 st round	2 nd round
			Achievement (<i>per cent</i>)	Achievement (<i>per cent</i>)
Bishnupur	2005-06	31361	NA	29685
	2006-07	32030	31827	31852
	2007-08	33234	30283	30506
	2008-09	30506	30098	30291
	2009-10	30506	30362	30221
		157637	122570 (78)	152555 (97)
Churachandpur	2005-06	32742	NA	33234
	2006-07	35897	33101	32870
	2007-08	34334	33460	33455
	2008-09	33460	33476	33524
	2009-10	33460	34187	34024
		169893	134224 (79)	167107 (98)
Imphal West	2005-06	62708	NA	58061
	2006-07	67842	59263	57471
	2007-08	60377	59075	60090
	2008-09	60090	63756	62612
	2009-10	60090	62597	62321
		311107	244691 (79)	300555 (97)
Senapati	2005-06	51498	NA	48746
	2006-07	45299	48890	49342
	2007-08	51451	52075	51877
	2008-09	51717	53574	52698
	2009-10	51717	50957	51991
		251682	205496 (82)	254654 (101)

(Source: Directorate of Family Welfare)

Figures in brackets indicates percentage of achievement

NA: Not furnished by the Department

The above table shows that while the overall achievement of the State was 98 *per cent*, the achievement in respect of the sample districts ranged between 78 and 82 *per cent* for the first round of immunisation and 97 and 101 *per cent* for the second round.

1.3.16 Disease Control Programmes

Seven³⁸ National Disease Control Programmes were taken up for implementation under NRHM. The programme-wise performance of five programmes test-checked in audit is discussed below:

1.3.16.1 Revised National Tuberculosis Control Programme

The NRHM sets a target of 85 *per cent* cure rate under Revised National Tuberculosis Control Programme (RNTCP) during 2005-10. The year-wise details of targets and achievements under the RNTCP regarding sputum

³⁸ (i) Revised National Tuberculosis Control Programme (ii) National Vector Borne Disease Control Programme (iii) National Leprosy Elimination Programme (iv) National Programme for Control of Blindness (v) National Programme for Prevention and Control of Deafness, (vi) National Iodine Deficiency Disorder Control Programme and (vii) Integrated Disease Surveillance Project

examination, case detection and status on treatment for the State were as shown below:

Table 20

Status on Sputum Examination

Year	Sputum Examination		Detection new Sputum +ve			
	Target	Achievement	Target for detection in NSP set for RNTCP (<i>per cent</i>)	Achievement (No. of NSP cases registered)	Population covered by RNTCP (in lakh)	Percentage (NSP Detection Rate)
2005	14,400	14,682	70	1026	24.52	56
2006	14,400	19,180	70	1141	24.52	62
2007	14,400	16,004	70	1065	25.60	55
2008	14,400	14,196	70	976	26.38	49
2009	14,400	14,668	70	1069	26.59	54
2010 (up to March 2010)	14,400	3,261	70	233	24.27	51

(Source: The State TB Society)

Figures in calendar year *i.e.* January to December

Table 21

Status on Treatment

Year	TB patients	No. of cases evaluated	Successfully treated	Died	Failures	Defaulters	Transferred (nos.)	Cure rate (<i>per cent</i>)	Death rate (<i>per cent</i>)	Failure rate (<i>per cent</i>)	Defaulter rate (<i>per cent</i>)
2005	3831	5042	3831	163	66	519	9	86	3	1	10
2006	3762	4614	3762	130	56	566	17	84	3	1	12
2007	4022	3634	3849	118	71	571	16	84	3	2	12
2008	4293	4870	4068	151	67	447	12	82	3	1	9
2009	4239	4291	3572	147	65	490	18	83	3	2	11
2010	807	842	807	24	24	88	3	85	3	3	10

(Source: The State TB Society)

Figures in calendar year *i.e.* January to December

Table above shows the cure rate during 2006 to 2010 ranged between 82 to 85 *per cent* in the State as against 85 *per cent* prescribed under RNTCP. The cure rate in respect of 2005 was, however, 86 *per cent* which was above the target set.

1.3.16.2 National Vector Borne Disease Control Programme

The National Vector Borne Disease Control Programme (NVBDCP) aims to control vector borne diseases by reducing mortality and morbidity due to malaria, filarial, kala azar, dengue, chikungunia and Japanese encephalitis in endemic areas through close surveillance, improved diagnostic and treatment facilities at all health centres.

The programme stipulated to achieve Annual Blood Examination Rate (ABER) of 10 *per cent* and Annual Parasitic Incidence for Malaria (API) of less than 0.5 per thousand. The status on ABER and API as well as morbidity were as shown below:

Table 22

Year	Malaria				Japanese Encephalitis	
	No. of cases	No. of deaths	ABER (<i>per cent</i>)	API (<i>per cent</i>)	No. of cases	No. of deaths
2005	2071	3	5.5	0.8	Nil	Nil
2006	2709	8	3.5	1.0	Nil	Nil
2007	1194	4	4.5	0.4	65	Nil
2008	708	2	4.8	0.2	4	Nil
2009	1069	1	4.0	0.3	64	Nil
2010	108	Nil	NA*	NA*	Nil	Nil

(Source: Information furnished by State Malaria Office)

NA: Not furnished

As would be seen from above that ABER ranged from 3.5 to 5.5 *per cent* and API was 0.2 to 1.0 per thousand.

1.3.16.3 National Leprosy Elimination Programme

The National Leprosy Elimination Programme (NLEP) aimed at eliminating leprosy by the end of March 2012; and the State was to ensure leprosy prevalence rate of less than one per ten thousand.

Audit scrutiny revealed the annual new case detection and the prevalence rate per ten thousand in the State were 45, 44, 54, 38, 31 and 0.13, 0.09, 0.15, 0.09 and 0.06 respectively during 2005-10 which indicated that the State could achieve the goal of leprosy elimination.

1.3.16.4 National Programme for Control of Blindness

The National Programme for Control of Blindness (NPCB) aimed at reducing the prevalence of blindness cases to 0.8 *per cent* by 2007 through increased cataract surgery, school eye screening and free distribution of spectacles, collection of donated eyes, creation of donation centres and eye bank, strengthening of infrastructure and training of eye surgeons and nurses.

The status on implementation of the programme for the State during 2005-10 was as shown below:

➤ Cataract operations

The status of cataract operation for the State during 2005-10 was as under:

Table 23

Year	(Numbers)	
	Target	Achievement
2005-06	1,000	1,014
2006-07	1,000	1,156
2007-08	1,200	638
2008-09	2,000	1,746
2009-10	2,000	2,393

(Source: The State Blindness Control Society)

During 2007-09, the targets of cataract operations could not be achieved. The reasons for non-achievement of targets were not found on departmental

records. The facility for eye donation and its preservation was not available in the State.

➤ *Failure of cataract operations*

Scrutiny of the records revealed that as a part of National Programme for Control of Blindness, an eye camp was held at DH, Bishnupur from 22 to 25 February 2007 during which 16 patients were operated for cataract. Out of these 16 patients, five patients got post operative infection of their eyes resulting in lost vision on right eye and both eyes of two and three patients respectively.

The Government of Manipur served (July 2007) show cause notices to two doctors and two para medical staffs for dereliction of duties and lapses on their part while discharging their duties and conducting the operation. The further progress of the case was not intimated to audit (December 2010).

The objective of the NPCB of reducing the prevalence of blindness cases was therefore, defeated.

➤ *Refractive errors and distribution of spectacles to school children*

During 2009-10, 71,392 students of 114 schools were screened of which 2,114 students were found having refractive errors and were provided spectacles. The list of the schools and students with refractive errors had not been furnished to audit (December 2010) despite audit requisition made in this regard.

1.3.16.5 *National Programme for Prevention and Control of Deafness*

It aims at preventing and controlling major causes of hearing impairment and deafness, so as to reduce the total disease burden by 25 per cent of the existing burden by the end of March 2012.

During the review period, fund of ₹ 60.56 lakh was received from the GoI, out of which ₹ 11.67 lakh was utilized for capacity building, leaving a balance of ₹ 48.89 lakh for the programme. However, the status of the capacity created was not available with the SHS. Non-utilization of 81 per cent of funds received frustrated the implementation of the scheme.

1.3.17 *Village Health and Sanitation Committees*

A Village Health and Sanitation Committee (VHSC) was to be formed in each village to create public awareness on health, maintenance of village health register and preparation of village health plan. Each VHSC was entitled to get an annual untied grant of ₹ 10,000 for providing referral transport facilities. The VHSCs have to operate their bank accounts as per guidelines.

In the State, 4250 VHSCs were required to be formed, out of which 3,498 were constituted leaving 752 VHSCs to be formed as of March 2010. Audit noticed that out of 3,498 VHSCs 2,711 VHSCs only had opened their own bank accounts for untied grant. But neither village health registers were

maintained nor village health plans were prepared in the State. The reasons for less number of VHSCs operating their bank accounts were not recorded by the Department. Thus, the community participation and implementation of the Mission at grass root level was not ensured.

1.3.18 Hospital Management Committee/Rogi Kalyan Samitis

The Rogi Kalyan Samitis (RKS) were to be formed to upgrade DHs, CHCs and PHCs to the IPH standards to provide sustainable quality healthcare with people's participation. In the State, the required 188³⁹ RKSs were formed during 2007-10.

1.3.18.1 Funding of RKS

The RKS at district hospital was entitled to a corpus grant of ₹ 5 lakh per year. The RKSs at CHC and PHC levels were entitled to a corpus grant of ₹ 1 lakh each, besides annual untied grant of ₹ 50,000 and ₹ 25,000 and annual maintenance grant of ₹ 1.00 lakh and ₹ 50,000 respectively.

During 2007-10, the GoI released Mission Additionalities/Mission Flexi Pool Funds of ₹ 65 crore out of which ₹ 3.72 crore was incurred by the RKSs of the State and ₹ 1.74 crore by the RKSs of the four sample districts. Vital documents like statement of expenditure, Utilisation Certificates (UCs) could not be produced by the sample districts to audit.

1.3.18.2 Citizen Charter

One of the objectives of RKS is to develop a Citizen Charter for every level of health facility and to ensure that it is appropriately displayed to make healthcare applicants aware of their health rights and facilities available there. The Charter is also to give a specific and definite commitment in writing to the citizens for delivering standardised services within a specified time frame. Compliance to Citizen's Charter was to be ensured through operationalisation of a Grievance Redressal Mechanism.

Audit scrutiny revealed that the Citizen Charters in local language was not displayed in any of the DHs, CHCs, PHCs test-checked. In all the DHs, CHCs and PHCs there was no mechanism in place for redressal of complaints, grievances of the community regarding their need, coverage, access, quality, denial of care *etc.* Thus, there was no healthcare campaign through the Citizen Charter and the grievances of the community regarding delivery of healthcare remained unaddressed.

1.3.18.3 Functioning of RKSs

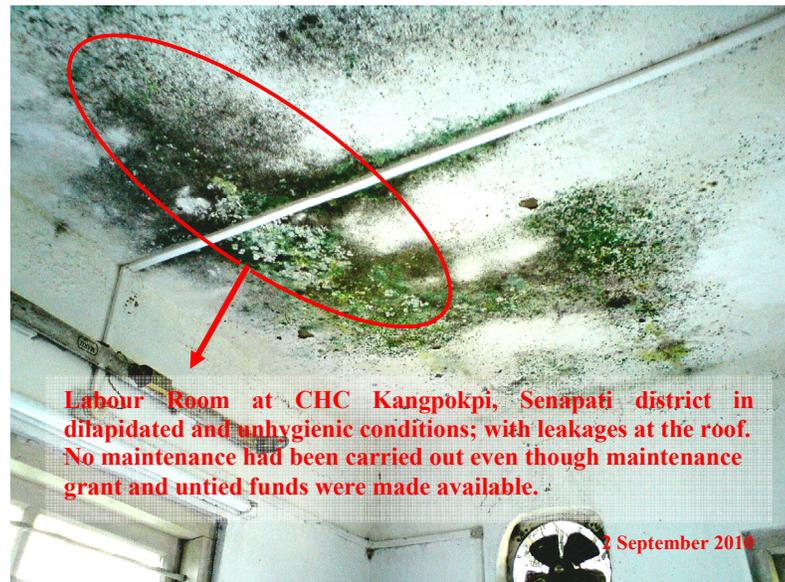
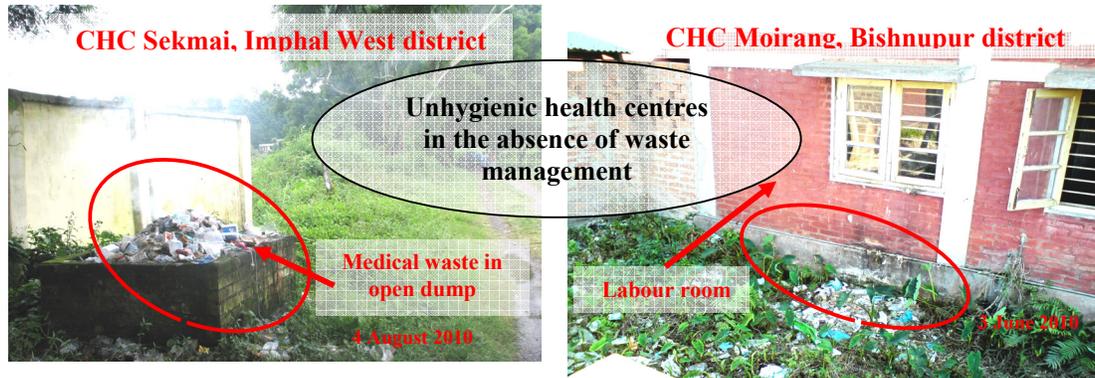
1.3.18.4 DHs, CHCs and PHCs

As per guidelines, the RKSs governing body were required to meet quarterly, executive body on monthly basis to review the OPD and IPD services, performance of the hospital, review reports of the Monitoring Committee and

³⁹ DHs-10, CHCs-32 and PHCs-146

status of utilisation of funds, equipment, drugs *etc.* The RKSs were responsible for keeping hygienic environment in the health centres/hospitals.

But regular meetings were not held and none of the aforesaid activities was being carried out resulting in unhygienic environment and dilapidated condition of health centres as shown below:



1.3.18.5 RKS of DHs

The RKSs should prepare a hospital development plan to achieve the service guarantees as per IPHS and equity of access to health care facilities. But no such plan was prepared in the State to achieve the desired goals.

1.3.19 Convergence with other programmes and departments

The Mission aimed at an architectural correction in the health care delivery system by convergence of various existing stand alone national disease control programmes.

However, all vertical disease control programmes had not merged with the Mission as of December 2010. Inputs from related Departments were not

obtained for planning purpose. Hence, the desired architectural correction aimed in the health care delivery system remained unfulfilled.

1.3.20 IEC

The IEC strategies aim to facilitate awareness, dissemination of information regarding availability of and access to quality healthcare by the poor, women and children in rural areas.

During the period 2005-10, ₹ 2.08 crore received from the GoI was incurred on IEC coverage *i.e.* exhibitions, health *melas* and advertisements in electronic and print media. An amount of ₹ 48.75 lakh advanced (2007-08) to the Directorate of Family Welfare and districts for IEC purpose remained unadjusted as of November 2010.

1.3.21 Procurement of drugs/medicines

As per guidelines, SHS was required to develop a drug procurement policy and plan consistent with the Department's long term goals. But no such policy and plan were formulated. During the period, 2006-10 ₹ 4.61 crore was received from the GoI and ₹ 0.79 crore was utilised for purchase of drugs in March 2009, leaving an unutilised balance of ₹ 3.82 crore as of December 2010.

Non-procurement of drugs deprived the patients of getting the essential drugs and medicines.

1.3.22 Monitoring and evaluation

The Mission envisages a five tier system of monitoring and supervision at Village, PHC, Block, District and State levels to ensure its effective implementation. In the State except Bishnupur district, Village, PHC and Block level health monitoring and planning committee were not formed. In Bishnupur district, none of the monitoring committees was formed.

Further, Mission Steering Group and Empowered Programme Committees at the State level required for institutional monitoring were not constituted in the State. There is no system of internal audit of accounts at district and State level.

1.3.23 Conclusion

The review underscored glaring gaps in planning, implementation and monitoring activities. The planning process proved futile in the absence of the Perspective Plans and a comprehensive household survey. Some of the key initiatives of NRHM like RKS and VHSCs have not received the required attention.

Failure in timely procurement of drugs, non-completion of infrastructures, non-upgradation of CHCs, PHCs and SCs to the level of IPHS, non-utilisation of substantial amount of funds, weakness in monitoring and absence of evaluation of activities from the grass root level disclosed serious deficiencies

in the implementation of the various activities of the Mission, thereby depriving the targeted beneficiaries of the intended benefits.

1.3.24 Recommendations

- Planning process needs to be strengthened;
- There is an urgent need to identify grey areas of financial management, structure and define/revamp the accountability aspect and take prompt corrective action;
- Upgradation of health centres to IPH standards needs to be expedited and sanctioned posts of medical and para-medical staff should be filled up on priority;
- Maternal health programme needs to be monitored closely;
- To achieve convergence of mission activities with other departments the State Government should ensure adequate focus on determinants of health;
- Monitoring and supervision mechanism should be established immediately so that check on effective implementation of Mission activities is exercised at all levels.