CHAPTER-III

PERFORMANCE REVIEWS

HEALTH AND FAMILY WELFARE DEPARTMENT

3.1 Rural Health Services in Mizoram

Highlights

The review highlights the failure of the department to make rural health centres functional with requisite medical and paramedical staff, and the non-functioning of Primary Health Centres (PHC) and Sub-Centres (SCs). It also brings out cases of diversion of funds, injudicious investment and unproductive expenditure, which adversely affected the delivery of health care services to the rural population.

Rupees 2.81 crore allocated for rural health care services were diverted for urban health services.

(Paragraph 3.1.8)

There was excess establishment of CHCs (*100 per cent*), PHCs (159 *per cent*) and SCs (146 *per cent*) over the norms prescribed by the Government of India.

(Paragraph 3.1.11)

The established CHCs were functioning without requisite medical and paramedical staff, PHCs were functioning without medical officers and required paramedical staff, while the SCs were functioning without requisite health workers.

(Paragraph 3.1.12)

Rupees 1.20 crore was paid to the contractors for construction of 37 staff quarters on the basis of fictitious measurement of work.

(Paragraph 3.1.22)

There was unproductive expenditure of Rs.1.26 crore due to unnecessary procurement of 20 mobile toilets, of which two toilets worth Rs.12.60 lakh were totally damaged.

(Paragraph 3.1.23)

There was injudicious investment of Rs.3.75 crore in procurement of three mobile clinic vans, which remained largely unproductive.

(Paragraph 3.1.24)

3.1.1 Introduction

Delivery of primary health care is the foundation of the rural health care system and forms an integral part of the national health care system. In Mizoram, health care services in rural areas are provided through a network of Sub-Centres (SCs), Primary Health Centres (PHCs) and Community Health Centres (CHCs). The programme is funded by both the Central and State Government.

According to Government of India norms, in hilly and tribal areas, one SC, PHC and CHC is to be set up for every 3,000, 20,000 and 80,000 to 1,20,000 population, respectively. Each PHC with 4 to 10 beds and one medical officer is to cover six SCs. Each CHC with 30 beds and four medical officers (specialists) and other ancillary staff is to serve as a referral institution for four PHCs.

3.1.2 Audit objectives

The audit objectives were to assess whether:

- a plan was drawn to achieve the policy objective in an economic, efficient and effective manner;
- the aspect of providing requisite manpower, equipment and medicines was taken into consideration while formulating the programme;
- assessment was made for required medical, specialists and paramedical staff to run all the rural health centres;
- requisite manpower had been deployed in the rural health centres;
- funds provided were used economically and efficiently to achieve the desired objectives;
- there was efficient and effective control over execution of works and
- the monitoring system evolved was effective and evaluation had been made to assess the achievement of the desired objectives.

3.1.3 Audit criteria

Audit examination was based on the following criteria:

- whether data available on rural population was reliable and accurate with reference to Census data;
- whether health centres were established as per prescribed norm;
- adequacy of planning for launching the programme and need based allocation of funds;
- proper planning for setting up of health centres *vis-à-vis* deployment of requisite man power;

- deployment of requisite manpower and availability of equipment, medicines in the health centres established for their proper functioning and delivery of rural health care services;
- proper and timely utilisation of funds and
- whether monitoring, evaluation and impact assessment was done properly.

3.1.4 Organisational set-up

At the State level, the Commissioner and Secretary, Health and Family Welfare is the administrative head of the department. The Director of Health Services (DHS), Mizoram is the overall in-charge of rural health services. At district level, nine Chief Medical and Health Officers[5] (CMOs) supervise the rural health services through CHCs, PHCs and SCs.

3.1.5 Audit Coverage

Activities of rural health services in the State during 2000-01 to 2004-05 were reviewed in audit through test check (March – April 2005) of records of the Director of Health Services and four (44 *per cent*) Health Administrative Districts *viz.,* Aizawl East, Aizawl West, Kolasib and Lawngtlai, out of nine besides records of three (50 *per cent*) CHCs out of six, seven PHCs (45 *per cent*) out of 16 and 37 SCs (26 *per cent*) out of 142 and covering expenditure of Rs.61.12 crore (39 *per cent*) out of Rs.158.38 crore. The selection of districts and rural health centres for comprehensive review was done on the basis of stratified random selection.

3.1.6 Financial management

For delivery of rural health services in the State funds are provided through the budget under PHC (Plan and Non-Plan), Pradhan Mantri Gramodaya Yojana (Plan) and Rural Family Welfare Services (CSS). Year-wise budget allotment and expenditure under rural health services for five years from 2000-01 to 2004-05 were as under:

[5] *Aizawl East, Aizawl West, Champhai, Mamit, Lunglei, Lawngtlai, Saiha, Serchhip and Kolasib.*

Table 3.1

(Rupees in crore)

Year	Allotment				Expenditure				Excess (+) Savings (-)
	Plan	Non-Plan	CSS	Total	Plan	Non-Plan	CSS	Total	
2000-01	9.91	13.19	2.60	25.71	9.91	13.19	2.55	25.65	(-)0.06
2001-02	10.58	14.44	2.98	28.00	10.66	14.48	2.98	28.12	(+)0.12
2002-03	10.13	15.51	3.88	29.52	10.32	15.49	3.83	29.64	(+)0.12
2003-04	24.98	11.97	6.32	43.27	24.31	12.18	6.32	42.81	(-)0.46
2004-05	11.29	16.69	7.66	35.64	11.50	14.55	6.11	32.16	(-) 3.48
Total	**66.89**	**71.80**	**23.44**	**162.14**	**66.70**	**69.89**	**21.79**	**158.38**	**(-) 3.76**

(Source: Appropriation Accounts and information furnished by DHS)

3.1.7 Unauthorised retention of funds under civil deposit

Between March 2003 and March 2004 a total amount of Rs.10.28 crore was drawn by the department against eight bills and booked as expenditure although the amount was kept in civil deposit. Of this, Rs.9.29 crore was withdrawn from civil deposit and actual expenditure was incurred between April 2003 and February 2005. The remaining amount of Rs.99 lakh was lying in civil deposit till the date of audit (April 2005), of which Rs.6 lakh was lying from March 2003 and Rs.93 lakh from March 2004. The details have been shown in ***Appendix-XX*.**

Funds allocated for rural health services were thus irregularly retained in civil deposit which not only resulted in blocking of funds but also deprived the rural people of the benefits of the programme.

During the exit conference (June 2005) the department stated that due to non-supply of the materials by the suppliers, financial crisis faced by the State Government and receipt of fund at the end of the year, funds were kept in civil deposit. The fact remains that without incurring actual expenditure the amount was booked as expenditure.

3.1.8 Irregular diversion of funds

During the years 2000-01 to 2004-05, the department incurred an expenditure of Rs.2.81 crore for urban health services by debiting the expenditure to the heads under rural health services. The details of such expenditure are given in ***Appendix-XXI***. Thus, Rs.2.81 crore allocated for rural health services were irregularly diverted for urban health services depriving the rural population of the benefit of health care services. A few major cases of diversion of PMGY funds were (i) procurement of imported medical equipment and appliances for Civil Hospital, Aizawl (Rs.2.07 crore), (ii) procurement and installation of Ligasure TM system in Civil Hospital, Aizawl (Rs.19.60 lakh), (iii) procurement of imported disinfectant (1,500 bottles) for Civil Hospital, Aizawl (Rs.25.74 lakh), and, (iv) procurement of medicines for Civil Hospital, Aizawl (Rs.7.54 lakh). Due to the diversion, the rural population was deprived of the benefit of the funds originally allocated for maintenance of CHCs/PHCs/SCs and machinery & equipment of CHCs.

During the exit conference (June 2005) the department stated that the Civil Hospital Aizawl is functioning as a referral hospital and rural patients are also referred to the Civil Hospital, Aizawl. The reply is not tenable as Civil Hospital, Aizawl comes under urban health services with a separate budget provision.

3.1.9 Planning

Effective implementation of a programme for delivery of rural health care services depends upon proper planning for establishment of health centres and provision of requisite manpower and infrastructure.

It was noticed in audit that though the department continued to establish the centres (12 CHCs, 57 PHCs and 366 SCs already established as of March 2005) the aspect of providing requisite medical and paramedical staff was never taken into consideration before setting up the centres. There was no plan or policy formulated in this regard and as a result, the CHCs established were functioning with one medical officer (against four), PHCs were functioning without a medical officer and SCs were functioning with only one health worker (against two). Details of shortfall are discussed in the succeeding paragraphs.

The department stated (June 2005) that due to ban on creation of posts, necessary manpower could not be provided but that after recent lifting of the ban, the department has taken initiative to fill up the posts.

Implementation

3.1.10 Establishment of rural health centres – targets and achievements

The achievements *vis-a-vis* targets in establishment of CHC, PHC and SC during five years ending March 2005 were as under:

Table 3.2

Year	Target			Achievement			Shortfall (-)/excess (+)		
	CHC	PHC	SC	CHC	PHC	SC	CHC	PHC	SC
2000-01	4	5	5	3	5	5	(-) 1	- -	- -
2001-02	2	3	5	1	1	- -	(-) 1	(-) 2	(-) 5
2002-03	1	2	10	2	1	- -	(+) 1	(-) 1	(-) 10
2003-04	2	1	- -	- -	- -	15	(-) 2	(-) 1	(+) 15
2004-05	1	1	- -	- -	- -	- -	(-) 1	(-) 1	- -
Total	**10**	**12**	**20**	**6**	**7**	**20**	**(-) 4**	**(-) 5**	**- -**

(Source : Information furnished by the department)

3.1.11 Excess establishment of rural health centres

According to Government of India norms for establishment of rural health centres in hilly and tribal areas, one SC, one PHC and one CHC are to be established for every 3,000, 20,000, and 80,000 to 1,20,000 population respectively.

Mention was made in paragraph 3.4.5.1 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2000 regarding establishment of excess numbers of SCs and PHCs.

Test check of records and information collected from the DHS revealed that 217 SCs, 35 PHCs and 6 CHCs were established up to March 2005 in excess over the requirement with reference to the total rural population of 4.48 lakh (according to the 2001 census) as detailed below:

Table 3.3

Centres	Requirement as per norms of GOI	Actual number of Centres established	Excess	Percentage of excess
SCs	149	366	217	146
PHCs	22	57	35	159
CHCs	6	12	6	100

(Source: Information furnished by the DHS)

It would be seen from the table that the percentage of rural health institutions established in excess over the norm ranged between 100 and 159. As regard PHCs, except Lawngtlai District where there was a deficit of two centres, there were 28 centres already in excess in seven districts out of eight as of March 2000, while further 12 centres were targeted of which seven were established in those seven districts as of March 2005. Regarding SCs, there were 197 centres in excess as of March 2000 in all the eight districts, while further 20 centres were targeted and established in seven districts.

The department stated (April 2005) that due to hilly terrain and bad communication, the State had to exceed the prescribed norm. The reply is not tenable as the Government of India was never moved to revise the norms nor did the State Government prescribe any norm of its own for establishment of health institutions. In the absence of any such norm prescribed by the State Government, excess establishment of health institutions was not justified. Besides, though the department continued to establish the centres in excess of the norms, the aspect of providing requisite staff to the centres was not taken into consideration. As a result, CHCs established were functioning with only one medical officer who was not a specialist, against the requirement of four MOs who should either be qualified as specialists or specially trained to work as surgeon, obstetrician, physician and paediatrician. PHCs were functioning without any medical officer and SCs were functioning with only one health worker against the requirement of two. Besides, 15 SCs in the State though established could not be made functional for want of manpower.

During the exit conference (June 2005) the department stated that based on the State population as a whole, excess establishment was one CHC, 13 PHCs and 70 SCs. The reply is not tenable as the excess establishment was computed based on the rural population for the rural health centres only.

3.1.12 Deployment of Manpower

The following deficiencies were noticed in deployment of manpower:

(i) Shortfall in deployment of manpower

According to national norms, there should be four Medical Officers (MOs) and 19 para medical staff in each CHC, one MO and 12 para medical staff in each PHC and two Health Workers (one male and one female) in each SC. The actual deployment and shortfall *vis-à-vis* the requirement of manpower in CHCs, PHCs and SCs in four selected districts is shown below:

Table 3.4

CHCs

No. of CHCs	Requirement		Actual deployment		Short fall		Percentage of shortfall	
	MO specialist	Para medical staff of seven categories	MO specialist	Para medical staff of seven categories	MO specialist	Para medical staff of seven categories	MO specialist	Para medical staff of seven categories
6	24	114	12	55	12	59	50	52

PHCs

No. of PHCs (including one non-functional)	Requirement		Actual deployment		Short fall		Percentage of shortfall	
	MO	Para medical staff of six categories	MO specialist	Para medical staff of six categories	MO specialist	Para medical staff of six categories	MO specialist	Para medical staff of six categories
18	18	216	12	123	6	93	33	43

SCs

No. of SCs (including 11 non-functional)	Requirement		Actual deployment		Short fall		Percentage of shortfall	
	Health Worker		Health Worker		Health Worker		Health Worker	
	Male	Female	Male	Female	Male	Female	Male	Female
142	142	142	108	114	35	29	25	20

It would be seen from the table above that in the CHCs there was 50 *per cent* shortfall in deployment of specialist MOs and 52 *per cent* shortfall in para-medical staff. Four CHCs (Chawngte, Saitual, Sakawrdai and Vairengte) were functioning with only one MO each and one (Lawngtlai) with three MOs without any specialist while one CHC (Kolasib) was functioning with three specialists and two MOs. In PHCs, there was 33 *per cent* shortfall in deployment of MOs and 43 *per cent* shortfall in deployment of para medical staff. Five PHCs (Khawruhlian, Suangpuilawn, Bungtlang 'S', Sairang and Aibawk) were functioning without any MO. In SCs, there was 23 *per cent* shortfall in deployment of health workers (Male: 25 per cent, Female: 20 *per cent*). 17 SCs[6]

[6] *Lenchim, Khawlian, Sakawrdai, N. Vervek, Sumsuih, Darlung, Damdep, Parva, Vaseitlang, Chawngte 'p', Azasora, Thingkah, Serkhan, Lungmuat, Nisapui, Saiphai, and Phaisen.*

were functioning without any female health worker and 23 SCs[7] without any male health worker. Five SCs (Chawnpui, Builum, Buhchang, Thingsat and Mauchar) were functioning with only one female health worker each who were posted under Reproductive and Child Health Programme.

The department stated (June 2005) that due to ban on creation of posts, vacant posts could not be filled up. However, the fact remains that the department failed to consider this aspect before establishment of the health centres.

(ii) Irrational deployment of health workers

The requirement *vis-à-vis* deployment of health workers in 17 functional PHCs in four test checked districts were as under:

Table 3.5

Name of the district	Number of PHCs	Requirement of health worker (@ 3 in each PHC)	Number of health worker actually deployed	Excess (+) Shortfall (-)
Aizawl East	5	15	Nil	(-) 15
Kolasib	5	15	Nil	(-) 15
Lawngtlai	1	3	1	(-) 2
Aizawl West	3	9	12	(+) 3
	1	3	6	(+) 3
	1	3	10	(+) 7
	1	3	3	Nil
Total	**17**	**51**	**32**	**(-) 19**

It would be seen from the above table that against the requirement of 51 health workers in 17 PHCs, the department deployed 32 health workers resulting in short deployment of 19 health workers. The deployment of 32 health workers was also done in an irrational manner as in 10 PHCs (five each in Kolasib and Aizawl East) there was no health worker against the requirement of 30. Again in five PHCs (Aizawl west), there was excess deployment of 13 health workers and in one PHC (Lawngtlai) there was short deployment of two health workers. Thus, it is evident that there was little rationale in the deployment of manpower. The department accepted (June 2005) the fact and assured rational posting of manpower in future.

3.1.13 Unfruitful expenditure on construction of PHC/SCs and staff quarters

Scrutiny of records revealed that the following expenditure incurred for construction of buildings remained unfruitful:

(i) One CMO's quarter at Lawngtalai constructed (March 2003) at a cost of Rs.8.82 lakh and one bachelor doctor's quarter at Kolasib constructed (March 2004) at a cost of Rs.10.32 lakh remained unoccupied since no CMO and bachelor doctor had been posted. The department stated (June 2005) that the staff

[7] *Buhban, Daido, Thingsat, Vaitin, Tinghmum, Palsang, Mauchar, Phullen, Khawlek, Khawmawi, Chandur 'p', Devasora, Damdep, Parva, Barapansuri, Pangbalkawn, Hortoki, Bualpui, Saipum, Bairabi, Chuhvel, Suarhliap, Phainuam.*

quarters were recently occupied by one CMO and one staff nurse. The fact remains that till the date of audit the quarters remained vacant and the doctor's quarter had been occupied by a non-entitled staff nurse.

(ii) In Lawngtlai District, one PHC building along with staff quarters established in 1991-92 at a total cost of Rs. 14.02 lakh remained non-functional till the date of audit due to non-posting of staff. The PHC building is at present not serviceable. The department while admitting the facts stated (June 2005) that in order to make the PHC functional staff was being posted.

(iii) Eleven SCs along with 11 staff quarters established between the period from 2000-01 and 2003-04 at a total cost of Rs.52.12 lakh as indicated in ***Appendix-XX*II** and **XXIII** remained non-functional due to non-deployment of any staff.

3.1.14 Idle X-ray technician and Laboratory assistant

In Lungdai PHC in Kolasib District, the X-ray machine provided with the PHC was not functioning since September 2001 and the X-ray technician posted in the PHC remained idle. No action was taken either to repair the X-ray machine to make it functional or to transfer the X-ray technician elsewhere for utilisation of his services. During the period from September 2001 to March 2005 the department incurred a total expenditure of Rs.4.08 lakh towards the pay and allowances of the idle X-ray technician.

In February 2001, one X-ray technician was posted to the Darlawn PHC. However, the X-ray machine provided with the PHC was not installed till the date of audit (April 2005) due to non-availability of dark room. The department incurred an expenditure of Rs.4.47 lakh on pay and allowances of idle X-ray technician for the period from February 2001 to March 2005.

One laboratory assistant initially posted (March 1994) to TB Hospital, Zemabawk by the DHS, was transferred (February 1999) by the CMO, Aizawl East and posted in his office and retained till the date of audit (April 2005), although there was neither any sanctioned post nor any work of laboratory assistant in the CMO's Office. As a result the department incurred idle expenditure of Rs.4.14 lakh towards his pay and allowances for the period from March 1999 to March 2005.

The department stated (June 2005) that the concerned CMO has been instructed to ensure that X-ray machine is functioning and service of X-ray technician utilised.

Thus, the department incurred unproductive expenditure of Rs.12.69 lakh on maintaining the idle staff.

3.1.15 Poor outturn of patients

The PHCs and CHCs were established to provide health care facilities to both indoor and outdoor patients. The position of indoor patients in the test checked

PHCs and CHCs in four selected health administrative districts during 2000-2005 were as follows:

Table 3.6

Name of the health administrative districts	Health centres (No of beds available)	Availability of beds in a year	Number of patients admitted during 2000-2005	Average number of patient in a year	Percentage with reference to no. of beds available	Shortfall with reference to column 3 (percentage)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Aizawl East	Saitual CHC (20)	7,300	5,206	1041	14	6,259 (86)
	Thingsulthliah PHC (10)	3,650	3,979	796	22	2854 (78)
	Darlawn PHC (10)	3,650	3,092	618	17	3,032 (83)
Aizawl West	Lengpui PHC (10)	3,650	2,861	572	16	3,078 (84)
	Sairang PHC (10)	3,650	2,502	500	14	3,150 (86)
Lawngtlai	Lawngtlai CHC (30)	10,950	7,873	1,575	14	9,375 (86)
Kolasib	Kolasib CHC (46)	16,790	18,655	3,731	22	13,059 (78)
	Bairabi PHC (10)	3,650	2,039	408	11	3,242 (89)
	Lungdai PHC (10)	3,650	1,326	265	7	3,385 (93)

(Source: Information furnished by the concerned CMOs and MO in charge of the centres)

The table above indicates poor utilisation of facilities in the CHCs/PHCs. In the CHCs , the shortfall with reference to the number of beds available in a year ranged between 78 and 86 *per cent* while in the PHCs it ranged between 78 and 93 *per cent*.

The out-turn of outdoor patients was also not encouraging as would be seen from the table below indicating the position of the test checked CHCs/PHCs in the selected districts.

Table 3.7

Name of health administrative districts	Name of the health centres	Number of outdoor patients attended during 2000-05	Average number of patients	
			In a year	In a day (considering 310 days in a year)
1	2	3	4	5
Aizawl East	Saitual CHC	47,394	9,479	31
	Thingsulthliah PHC	14,185	2,837	9
	Darlawn PHC	14,999	3,000	10
Aizawl West	Lengpui PHC	11,731	2,346	8
	Sairang PHC	12,664	2,533	8
Lawngtlai	Lawngtlai CHC	43,136	8,627	28
Kolasib	Kolasib CHC	1,38,131	27,626	89
	Bairabi PHC	14,709	2,942	9
	Lungdai PHC	11,820	2,364	8

(Source: Information furnished by the concerned CMOs and MO in charge of the centres)

It would be seen from the above that except for Kolasib CHC which has three specialists and two MOs the average number of outdoor patients in a day in the CHCs ranged between 28 and 31. The average outturn of outdoor patients in a day in the PHCs ranged between 8 and 10.

The department stated (September 2005) that no target for the patients to be attended to could be kept and the department has to run the health centres irrespective of the number of patients.

The reply of the department is not tenable as the outturn of the patients (indoor and outdoor) is directly linked to the availability of medical officers, specialists and paramedical staff and other infrastructural facilities which were inadequate in health centres where there was poor outturn of patients.

3.1.16 Delivery of dental care services

For delivery of dental care services to the rural population, no dental camp had been organised by the department during the five year period covered in the review. It was noticed during audit of selected districts/functional health centres that dental surgeons were posted in four CHCs out of six, and one PHC out of 17 for delivery of dental care. However, these five health centres were not provided with the requisite equipment needed for dental treatment and thus frustrated the very purpose of their deployment. Besides, due to failure of the department to organise dental camps and absence of dental surgeons in the CHCs/PHCs, large part of the rural population had been deprived of dental care services.

The department stated (September 2005) that dental camps were not organised as there was no specific programme and attempts were being made to post at least one dental surgeon in each CHC initiated under the National Rural Health Mission.

3.1.17 Lack of ambulance facilities

For delivery of rural health care services, ambulance facilities are essential. It was noticed during audit of 4 selected health administrative districts that out of 6 CHCs and 17 PHCs, ambulance facilities were available only in 3 CHCs. No initiative was taken to provide ambulance facilities in the remaining 3 CHCs and 17 PHCs, although there was a provision of Rs.3.75 crore during 2003-04 under motor vehicle (CHC-PMGY) against which the department procured three mobile clinic vans. Performance of three mobile clinic vans has been discussed in para 3.1.24.

3.1.18 Injudicious upgradation of PHCs into CHCs

In the test checked districts, during the period from 2000-01 to 2002-03 four PHCs[8] (10 bed) were upgraded to CHCs (30 bed) but the same could not be made functional as full-fledged CHCs as the requisite manpower/para medical staff was not available. Further, out of these four CHCs, two had been functioning with 10 beds and one with 20 beds since the requisite manpower had not been posted.

Despite the position stated above the State Government accorded (March 2004) administrative approval and expenditure sanction of Rs.1.50 crore for construction/upgradation of 10 bed PHCs to 30 bed CHCs at Lengpui and Thingsulthliah at an estimated cost of Rs.75 lakh each. The work of construction of both the CHC buildings including X-ray and kitchen were commenced through contractors from August and September 2004 respectively and till the date of audit, an expenditure of Rs.68.60 lakh had been incurred and the works were in progress.

When the department had failed to make the already established CHCs functional as 30 bed referral institutions with requisite specialist and para medical staff, the decision to upgrade two more PHCs to CHCs was injudicious.

The department stated (June 2005) that every effort was being made to operationlise all the CHCs as per prescribed norms under the National Rural Health Mission.

3.1.19 Irregular procurement of health care kits

Between May 2003 and February 2004 the Director of Health Services (DHS) procured 427 sub-health centre kits containing 28 items (Rs.9,910 each), 400 midwifery kits for Auxiliary Nurse cum Midwife (ANM) containing 19 items

[8] *Sakardai and Saitual (Aizawl East District) established during 2000-01.*
Vairengte (Kolasib District) established during 2001-02.
Chawngte (Lawngtlai District) established during 2002-03.

(Rs.8,700 each) and 70 primary health care equipment kits containing 20 items (Rs.20,000 each) from an Aizawl based firm. For these purchases involving Rs.91.12 lakh, the DHS invited restricted tender in January 2003 from three Aizawl based firms although none of the firms were manufacturers of the equipment contained in the kits.

Moreover, purchase through limited tender deprived the Government of the benefit available through purchases at a reasonable competitive market rate by inviting open tender. The department stated (April 2005) that the open tender was not invited due to limitation of time. The reply is not tenable because the restricted tender was invited in January 2003 and supply orders were placed between May and November 2003, while the kits were supplied between September 2003 and February 2004 which indicated that there were no urgent need for such procurement.

3.1.20 Procurement and distribution of drugs and other consumable items

Procurement of drugs without ensuring quality control

It was seen in audit that the supply orders issued by the DHS for purchase of drugs did not include the vital clauses to ensure the quality of drugs purchased as detailed below:

(i) The supply orders did not include the condition of having minimum period before expiry of drugs to be supplied.

(ii) There was no clause in the supply orders that each consignment should have a laboratory test report.

(iii) There was no penal clause included for supply of substandard drugs and for fixing responsibility in case the drugs supplied were found substandard on testing.

Thus, the department had been purchasing drugs without ensuring quality and drugs so purchased were also never tested in a drug testing laboratory. While appreciating the points raised by Audit, the DHS during the exit conference assured that the clauses of supply orders will be modified.

3.1.21 Distribution of medicines, injections and consumable items

Test check of the records of selected CHCs[9] and PHCs[10] revealed that the CMS (under DHS) had been issuing medicines, injections and other items to the health centres on quarterly quota basis as per availability in store, without receiving any indent from the health centres. As a result medicines and injections issued to the health centres, without requirement, were lying in stock and some had lost their shelf life as the expiry date was over.

[9] *CHCs: Lawngtlai and Sakawrdai.*
[10] *PHCs: Darlawn, Lungdai, Bairabi, Sairang and Lengpui.*

The department stated (June 2005) that at the instance of Audit the concerned centres were instructed to return such items for further distribution to other needy centres but no comments were offered for expired medicines.

It was further noticed that between April 2003 and November 2004, large quantities of consumable items, equipment and appliances, kits, *etc*. were shown as issued to 'VIP' from stock by the CMS. For that purpose issue vouchers were prepared containing 6 to 22 items every month without indicating the name of individual to whom issued. Some of the major 28 items issued between April 2003 and November 2004 were valued at Rs.0.93 lakh. The DHS also failed to furnish the details of requisition and acknowledgement against such issues. The DHS, however, stated (April 2005) that the department had decided to stop issue of items from CMS to 'VIP'/individuals.

3.1.22 Payments to contractors based on fictitious measurement of works

During the year 2003-04 the DHS constructed 37 Type I, II, and IV quarters through contractors involving a total expenditure of Rs.1.20 crore. It was, however, seen from the estimates, measurement books and bills/vouchers that all the items of work shown as executed, were exactly the same as provided in the estimate. Measurement for the items of works executed at different stages were not taken in stages and one time measurement for all the items was taken after completion of the buildings. The details of such execution have been shown in ***Appendix-XXIV***. The DHS could not explain as to how the measurement for items like earth work, cement concrete work at foundation level, steel work, *etc.*, executed could be measured after completion of the building. Further, as in the estimate, in actual execution also the quantity/value for all the items of similar type buildings executed at different locations and different site conditions remained the same, which was implausible and required further investigation.

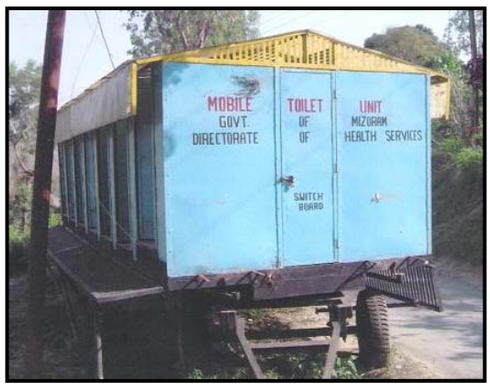
The department stated (June 2005) that in order to avoid revision/modification of the original estimate, the bills were prepared exactly as provided in the estimate and measurement for the items of works executed at different stages was unnecessary, as no advance or running bill payment was allowed and that the concerned CMOs, MOs, EE and JEs supervised the construction works, as per specifications.

The reply of the department is not tenable as the CMOs and MOs were not the technical persons to supervise the construction works. Thus, the payment of Rs.1.20 crore made to the contractors for construction of 37 building works was based on fictitious measurement and was irregular.

Other points

3.1.23 Unproductive expenditure on procurement of Mobile toilets

During October and November 2003 the DHS procured 20 mobile toilets[11] at a cost of Rs.1.26 crore (@ Rs.6.30 lakh each) out of the funds provided for machinery & equipment under Rural Health Services (PMGY) and allotted the same to Civil Hospital, Aizawl (three), seven CMOs (13) and three CHCs (four). However, it was noticed during audit of selected districts/CHCs, that six mobile toilets were received without any demand and that from the date of receipt all were lying unutilized. Further, out of three mobile



Mobile Toilet Unit costing Rs.6.30 lakh.

Two damaged Mobile Toilet Units

toilets received by the Civil Hospital, Aizawl and kept on the road side, two costing Rs.12.60 lakh were totally damaged (June 2004) and costly parts were removed and stolen reportedly by miscreants. The department failed to furnish report of utilisation of the remaining 12 toilets.

Procurement of mobile toilets was thus not a priority item and the funds spent on this item could have been better utilised for providing other important health care services by the health centres.

While admitting the fact, the department instructed (June 2005) the CMOs to make maximum use of the toilets.

3.1.24 Injudicious investment in procurement of mobile clinic vans

In order to deliver health care facilities in rural areas of the State, the department proposed to procure three Mobile Clinic Vans (MCV) equipped with all the basic required sophisticated diagnostic equipment and invited (January 2003) restricted tenders from three Aizawl based and one Guwahati based firm. The State

[11] *A unit of 14 seaters toilet built on chassis without engine for self moving and require heavy vehicle for towing and carrying.*

Purchase Advisory Board in its meeting held in March 2003 recommended the purchase of three MCVs from one Aizawl based firm @ Rs.1.25 crore each. Accordingly, the DHS placed the supply order to the Aizawl based firm in May 2003. The Aizawl based firm, on receipt of supply order from DHS, placed (June 2003) supply order to another firm *viz.* Siemens Ltd, New Delhi. The department did not explain the reasons for inviting restricted tenders from Aizawl and Guwahati based firms. The firm delivered 3 MCVs and the department paid Rs.3.75 crore to the firm in November 2003 from the funds allocated under PMGY (Motor Vehicle).

Scrutiny of records revealed that the department issued one MCV on lease to a private hospital for a term of three years from 12 August 2004 at a monthly rent of 50 *per cent* of the net income subject to a minimum of Rs.1000 per month. The hospital authority, however, paid monthly rent @ Rs.1000 for the period from August 2004 to February 2005. Thus, the investment of Rs.1.25 crore in one MCV for delivery of rural health services and its subsequent letting out to a private hospital for three years was injudicious.

Further, out of the remaining two MCVs, one was received in the Civil Hospital, Aizawl in February 2004 and utilised for delivery of rural health services only for 10 days (between September and November 2004) till the date of audit (April 2005). The remaining one was received in the Civil Hospital, Lunglei in March 2004 and utilised for four days (between July 2004 and January 2005) till the date of audit (April 2005). Thus, against the investment of Rs.2.50 crore, the department could utilise the two MCVs for delivery of health care service to the rural people only for 14 days in a year. Besides, for rendering rural health care services with the MCVs, the medical officers/specialists and paramedical staff of both the Civil Hospitals were engaged since no post had been created to man the MCVs, thereby depriving the urban people of their services during their absence from the civil hospitals.

The investment of Rs.3.75 crore in procurement of three MCVs for delivery of rural health care services was injudicious and the expenditure remained largely unproductive.

The department admitted the facts during the exit conference (June 2005).

3.1.25 Excess payments in procurement of imported medical equipment and consumables

In January 2004, a New Delhi based firm acting as the authorised Indian representative of 13 foreign companies of nine countries offered rates for 46 items of imported medical equipment and consumables. With a view to utilise the funds available under the Pradhan Mantri Gramodaya Yojana, the department proposed and the State Purchase Advisory Board (SPAB) recommended (March 2004) procurement of 37 items as per rate and quantity offered by the firm. Accordingly the supply order was placed with the firm in April 2004.

Audit scrutiny revealed that the rate offered by the firm was inclusive of all taxes. However, the bill preferred by the firm for a total amount of Rs.2.07 crore included Rs.7.98 lakh being 4 *per cent* Central Sales Tax, which was paid in August 2004. This resulted in excess payment of Rs.7.98 lakh to the firm as they had offered rates inclusive of all taxes.

Further, the firm preferred the claim for supply of 38 items against 37 items ordered. The extra item *viz*., poroffix adhesive tape (1,000 nos.) for which the bill for Rs.4.50 lakh was raised along with other items was neither initially offered by the firm nor ordered for supply by the department. It was also not taken into stock book. It was further noticed that payments for two items[12] valued at Rs.3 lakh was made to the firm without recording stock entry certificate in the bill. The concerned stock book also did not indicate receipt of the items. Thus, there was further excess payment of Rs.7.50 lakh to the firm against the three items.

The department stated (June 2005) that as per usual practice for interstate supply, 4 *per cent* CST had been paid and stock entry will be investigated. The reply is not tenable as the rate offered by the firm was inclusive of all taxes.

3.1.26 Monitoring and evaluation

Successful implementation of the programme depended on proper monitoring and evaluation, but no monitoring system existed in the department to oversee the performance in implementation of the programme under rural health services and the overall impact of implementation was not evaluated. Thus, the performance of the department/Government towards delivery of rural health care services remained un-assessed.

During the exit conference, the department stated that although review meetings used to be conducted twice a year, monitoring will be taken up in a more intensive and planned manner.

3.1.27 Conclusions

The delivery of rural health care services was only partial in the State because of the failure of the Government to make the health centres functional with requisite medical and paramedical staff, irrational deployment of manpower and the non-functioning of the PHC and SCs. Excess establishment of health centres, blocking and irregular diversion of funds, idle X-ray technician due to non-functioning of X-ray machine, injudicious and unproductive expenditure also adversely affected the delivery of health care services to the rural population. The impact of implementation of the programme was not evaluated and no monitoring system to oversee performance was in existence.

[12] *Syringe infusion pump for mass concentration infusion pilot delta (one no.): Rs.1.65 lakh*
Polypropelene mesh for hernia & laproscopic surgery (50 nos. @ Rs.2700) : Rs.1.35 lakh
Total: Rs.3.00 lakh

3.1.28 The foregoing points were reported to the Government in June 2005; reply had not been received (October 2005).

3.1.29 Recommendations

For delivery of proper rural health care services in the State, the Government should take the following steps.

- The State Government should prepare norms for establishment of Rural Health Centres taking into consideration the ground reality of the State, in consultation with the Government of India, and follow such norms for opening of rural health institutions.
- Availability of required manpower needs to be ensured before establishment/upgradation of health centres.
- The Government should ensure functioning of the CHCs, PHCs and SCs already established with requisite medical and paramedical staff to achieve the desired objectives.
- The Government should avoid diversion and blocking of funds, unproductive expenditure and ensure effective utilisation of funds made available for rural health care.
- A comprehensive monitoring and evaluation system to assess the performance should be evolved.
- Quality drugs should be procured with laboratory test report with each consignment. Supply orders should have penal clauses for substandard and expired drugs.

APPENDIX-XX

Statement showing retention of funds under Civil Deposit

(Reference: Paragraph 3.1.7; page 30)

Sl. No.	Purpose of drawal	Bill No. & date of drawal from treasury	Amount drawn (Rs. in lakh)	Treasury challan No. & date of deposit	Period of withdrawal and expenditure from Civil deposit	Actual expenditure/ total amount withdrawn (Rs. in lakh)	B amou Civi (Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1.	Purchase of dressing materials for SCs	243/CSS dt. 31.3.03	18.99	541/B dt.31.3.03	September 03 to November 04	16.24	
2.	Purchase of Linen and appliances of 351 SCs	242/CSS dt. 31.3.03	11.51	542/B dt. 31.3.03	September 03 to April 04	8.50	3
3.	Purchase of Mobile clinic van	1809 dt.30.9.03	375.00	289/B dt.30.9.03	November 2003	375.00	
4.	Up-gradation of Lengpui and Thingsulthliah PHC into CHC	1511 dt. 31.3.04 in AC bill	150.00	417/B dt. 31.3.04	December 04 to February 05	68.60	8
5.	Construction of Sub Centres	1518 dt. 31.3.04	37.25	443/B dt. 31.3.04	July 2004	37.25	
6.	Construction of CHC/PHC/SC	1331 dt. 31.3.04	58.80	445/B dt 31.3.04	April 04 to June 04	58.80	
7.	Construction of PHC/SC	1244 to 1488 dt.26.3.04	83.96	447/B dt. 31.3.04	April 04 to August 04	83.96	
8.	Purchase of various equipment under PMGY	1532 dt 31.3.04	292.67	475/B dt. 31.3.04	June 04 to February 05	281.26	1
		Total	**1028.18**			**929.61**	**9**

APPENDIX-XXI

Statement showing diversion of rural health services funds

(**Reference: Paragraph 3.1.8; page 30)**

Sl. No.	Particulars of expenditure	Amount **(in Rupees)**	**Bill no. and date of drawl/ expenditure**	**Head of Account of expenditure under Rural Health Services**
(1)	(2)	**(3)**	**(4)**	**(5)**
1.	Annual Maintenance contract for UPS at Civil Hospital, Aizawl	84,308	739 dt. 27.9.01	2210-103-PHC (NP) Maintenance
2.	Annual Maintenance contract for UPS at Civil Hospital, Aizawl	72,264	740 dt. 27.9.01	-do-
3.	Procurement of 200 departmental maps	1,80,000	236/CSS dt. 19.3.03	2210 – 101 Maintenance of SCs (CSS) 15 (M&E)
4.	Annual Maintenance contract for Anaesthesia apparatus oft Civil Hospital, Aizawl	90,000	1631 dt. 17.3.03	2210 – (01)-2406 SHC (17) Maintenance
5.	Medicines for Civil Hospital, Aizawl	3,55,760	1826 dt. 31.3.03	2210 – 03 – 104 CHC (PMGY) 19 – MS (21) ME
6.	Purchase of 90,000 OPD cards for Civil Hospital, Aizawl	90,000	1743 dt. 27.3.03	-do-
7.	-do-	90,000	1748 dt. 27.3.03	-do-
8.	Purchase of 2,70,000 OPD cards for Civil Hospital, Aizawl	2,70,000	283/CSS dt. 31.3.03	2211 – FW –101 (03) Maintenance of SCs (04) OE
9.	Medicines for Civil Hospital, Aizawl	3,98,720	1438 dt. 29.3.04	2210 – 03 – 104 CHC (PMGY) 19 – MS (21) ME
10.	Purchase of stationery articles for Directorate	1,79,800	1457 dt. 29.3.04	-do-
11.	-do-	88,375	1292 dt. 17.3.04	-do-
12.	-do-	63,550	1290 dt. 17.3.04	-do-

13.	Purchase of stationery articles for Directorate	53,525	1291 dt. 13.3.04	2210 – 104 CHC (PMGY) 13 (OE)
14.	-do-	69,150	1294 dt. 17.3.04	-do-
15.	-do-	91,675	1478 dt. 30.3.04	-do-
16.	Stationery and repairing of furniture, *etc*. of Directorate	1,25,650	1515 dt. 31.3.04	-do-

(1)	(2)	**(3)**	**(4)**	**(5)**
17.	Purchase of stationery articles for Directorate	94,330	1293 dt. 17.3.04	2210 – 104 CHC (PMGY) 13 (OE
18.	Purchase of Xerox toners, cartridges for computers, *etc.*	1,28,701	109/CSS dt. 24.3.04	2211 FW – 03 – Maintenance of SCs (CSS) 13-OE
19.	Painting of Civil Hospital Aizawl	1,65, 039	119/CSS dt. 29.3.04	2211 FW – 03 – Maintenance of SCs (CSS) 27-Minor works
20.	-do-	1,29,961	120/CSS dt. 30.3.04	-do-
21.	Procurement of imported medical equipment and appliances for Civil Hospital	2,07,36,846	310 dt. 17.6.04	2210 – 03 – 104 CHC (PMGY)
22.	Supply & installation of Ligasure TM system in Civil Hospital, Aizawl	19,60,400	312 dt. 17.6.04	-do-
23.	Purchase of 1500 bottles of imported disinfectant for Civil Hospital, Aizawl	25,74,000	311 dt. 17.6.04	-do-
	Total	**2,80,92,054 *i.e* Rs.2.81 crore**		

APPENDIX-XXII

Statement showing the name of non-functioning SCs in the selected districts

(Reference: Paragraph 3.1.13 (iii); page 35)

Sl. No.	**Name of the Sub-Centre**	Districts	**Year of construction**	**Cost (amount in Rupees)**
1.	M. Kawnpui	Lawngtlai	2000-01	1,64,700
2	N Chaltlang	Kolasib	2003-04	2,48,300
3.	Phullen 'S'/ Thanglailung	Aizawl West	2003-04	2,48,300
4.	Edenthar	-do-	2003-04	2,48,300
5.	Hunthar	-do-	2003-04	2,48,300
6.	Ramhlun 'S'	-do-	2003-04	2,48,300
7.	Armed Veng	-do-	2003-04	2,48,300
8.	Chawnpui	-do-	2003-04	2,48,300
9.	Bawngkawn	-do-	2003-04	2,48,300
10.	Maubawk	-do-	2003-04	2,48,300
11.	Zuangtui	-do-	2003-04	2,48,300
		Total		**26,47,700** ***i.e*** **Rs.26.48 lakh**

APPENDIX-XXIII

Statement showing unoccupied type-I staff quarters

(Reference: Paragraph 3.1.13 (iii**); Page 35)**

Sl. No.	Name of the SC/place where staff quarter constructed	Date of completion	Cost (amount in Rupees)
1.	Rawlbuk	06.3.04	2,33,056
2.	N. Chaltlang	09.3.04	2,33,056
3.	Zuangtui	16.3.04	2,33,056
4.	Edenthar	17.3.04	2,33,056
5.	Hunther	20.3.04	2,33,056
6.	Ramhlun 'S'	20.3.04	2,33,056
7.	Armed Veng	20.3.04	2,33,056
8.	Chawnpui	20.3.04	2,33,056
9.	Bawngkawn	20.3.04	2,33,056
10.	Maubawk	20.3.04	2,33,056
11.	Venghnuai	20.3.04	2,33,056
		Total	**25,63,616** ***i.e.*** **Rs.25.64 lakh**

APPENDIX-XXIV

Statement showing departmental execution of works

(Reference: Paragraph 3.1.22; page 40)

Sl. No.	Name of the work	Estimated amount (in Rs.)	Date of commencement	Date of completion	Date of measurement (MB No.)	Value of work measured and paid (in Rs.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Construction of type-I quarters at -						
1.	N. Chaltlang	2,33,056	09.2.04	09.3.04	11.3.04 (223)	2,33,056
2.	Edenthar	2,33,056	07.2.04	17.3.04	22.3.04 (219)	2,33,056
3.	Rawlbuk	2,33,056	07.2.04	06.3.04	10.3.04 (179)	2,33,056
4.	Hunther	2,33,056	07.2.04	20.3.04	22.3.04 (219)	2,33,056
5.	Ramhlun ‘S’	2,33,056	08.2.04	20.3.04	22.3.04 (219)	2,33,056
6.	Armed Veng	2,33,056	07.2.04	20.3.04	22.3.04 (219)	2,33,056
7.	Chawnpui	2,33,056	07.2.04	20.3.04	22.3.04 (219/)	2,33,056
8.	Bawngkawn	2,33,056	07.2.04	20.3.04	22.3.04 (219))	2,33,056
9.	Maubawk	2,33,056	07.2.04	20.3.04	22.3.04 (219))	2,33,056
10.	Venghnuai	2,33,056	06.2.04	20.3.04	22.3.04 (219))	2,33,056
11.	Ngaizawl	2,33,056	07.2.04	08.3.04	13.3.04 (206)	2,33,056
12.	Zuangtui	2,33,056	07.2.04	16.3.04	17.3.04 (93)	2,33,056
13.	Bethel Veng, Champhai	2,33,056	06.2.04	17.3.04	18.3.04 (213)	2,33,056
14.	Venghlun, Lunglei	2,33,056	07.2.04	19.3.04	20.3.04 (207)	2,33,056
15.	C/o T-II Qr.no.I at Phullen PHC	3,47,168	20.12.03	18.2.04	20.2.04 (215)	3,47,168
16.	C/o T-II Qr.no.II at	3,47,16	20.12.03	18.2.04	20.2.04	3,47,168

	Phullen PHC	8			(215)	
17.	C/o T-II Qr. At Thenzawl CHC	3,47,168	13.01.04	13.2.04	16.2.04 (183)	3,47,168
18.	C/o T-II Qr.at Lengpui PHC	3,47,168	17.12.03	18.2.04	08.3.04 (214)	3,47,168
19.	C/o T-II Qr. At Bunghmun 'S'	3.47,168	18.12.03	19.2.04	04.3.04 (211)	3,47,168
20.	C/o T-II Qr.no.I atAibawk PHC	3,47,168	07.01.04	23.2.04	24.2.04 (180)	3,47,168
21.	C/o T-II Qr.no.II at Aibawk PHC	3,47,168	21.12.03	20.2.04	23.2.04 (216)	3,47,168
22.	C/o T-II at Chuvel SC	3,47,168	22.12.03	18.2.04	24.2.04 (217)	3,47,168
23.	C/o T-II Qr.at Thachhip SC	2,77,778	17.12.03	19.1.04	20.1.04 (198)	2,77,778
24.	C/o T-II Qr at Sairang PHC	3,47,168	22.12.03	15.2.04	20.2.04 (197)	3,47,168

(1)	(2)	(3)	(4)	(5)	(6)	(7)
25.	C/o T-II Qr at Khuangleng SC	3,47,168	17.12.03	17.2.04	20.2.04 (194)	3,47,168
26.	C/o T-II Qr at Pangzawl SC	3,47,168	17.12.03	19.2.04	01.3.04 (183)	3,47,168
27.	C/o T-II Qr. at N. Vanlaiphai	3,47,168	18.12.03	21.2.04	06.3.04 (185)	3,47,168
28.	C/o T-II Qr. at Ngentiang SC	3,47,168	17.12.03	17.2.04	21.2.04 (181)	3,47,168
29.	C/o T-IV Qr. at Khawruhlian PHC	4,38,108	20.12.03	08.2.04	22.2.04 (214)	4,38,108
30.	C/o T-IV Qr. at Lungdai PHC	4,38,108	20.12.03	16.2.04	18.2.04 (284)	4,38,108
31.	C/o T-IV Qr. at Bukpui PHC	4,38,108	20.12.03	20.2.04	21.2.04 (198)	4,38,108
32.	C/o T-IV Qr. at Rawpuichhip PHC	4,38,108	20.12.03	20.2.04	21.2.04 (198)	4,38,108
33.	C/o T-IV Qr. at Phullen PHC	4,38,108	20.12.03	20.2.04	24.2.04 (222)	4,38,108
34.	C/o T-IV Qr. at Chhipphir PHC	4,38,108	17.12.03	09.3.04	12.3.04 (220)	4,38,108
35.	C/o T-IV Qr. at Ngopa PHC	4,38,108	17.12.03	18.2.04	24.2.04 (222)	4,38,108
36.	C/o T-IV Qr. at Kawnpui PHC	4,38,108	20.12.03	18.2.04	20.2.04 (214)	4,38,108
37.	C/o T-IV Qr. at Cherhlun PHC	4,38,108	17.12.03	10.3.04	19.3.04 (135)	4,38,108
	Total	**1,19,96,718**	**Total**			**1,19,96,718**