COMPLIANCE AUDIT

AYUSH DEPARTMENT

1.4 Follow-up on the Chief Controlling Officer based Performance Audit of the AYUSH Department

1.4.1 Introduction

A performance audit on "Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)" covering the period 2006-07 to 2010-11 was included in the Audit Report (Civil) for the year ended 31 March 2011. The Report was placed before the State Legislative Assembly in December 2012. The audit findings have not been taken up for discussion by the Public Accounts Committee as of September 2016.

1.4.2 Objective, scope and methodology of audit

A follow-up audit was conducted with the objective of assessing the implementation of recommendations made in the earlier Audit Report and other important audit findings. The follow-up audit was conducted from April to May 2016 through test-check of records of the offices of the Director, Ayurvedic and Unani Services, the Director, Homoeopathy, the Principal cum Superintendent, Rishikul Post Graduate Medical College and Hospital, Haridwar, the Superintendent, Government State Pharmacy, Haridwar and two out of four district level offices (Haridwar and Pauri) of Ayurveda and Homoeopathy audited earlier. The period covered in audit was from 2011-12 to 2015-16. The audit was conducted with reference to the four recommendations accepted by the Government in the exit conference (March 2012) against 27 observations included in the Audit Report 2011.

Audit Findings

1.4.3 Implementation of audit recommendations

The status of implementation of the four audit recommendations accepted by the Government has been arranged in the following three categories:

A Insignificant or No progress

Audit findings made in earlier Report	Recommendation made	Current status as informed by Department	Audit findings/ comment
(i) Medicines were purchased for non-functional allopathic dispensaries of AYUSH wings (66 to 82 *per cent)* by the Department. (*Para 4.1.9.2* of previous audit report).	Procurement of Medicines and Equipment should be need based and that too on the basis of demands sent by the district functionaries.	Medicines purchased amounting to ₹ 0.61 crore (₹ 0.36 crore in the year 2014-15 and issued centralized supply order worth ₹ 0.25 crore in the year 2015-16) for 180 AYUSH wings in the allopathic dispensaries. Out of these thirty-four *per cent* of the allopathic dispensaries remained non-functional during the period.	The recommendation is still relevant for implementation.
(ii) Medicines were distributed to the districts on the basis of number of Hospitals/ Dispensaries/AYUSH wings in the district and not on the basis of number of patients and requirement of the respective Hospitals/ Dispensaries/ AYUSH		Out of 88 hospitals in the two test-checked districts, 45 hospitals (51 *per cent*) had less than 6,000 patients per year whereas 43 hospitals (49 *per cent*) had more than 6,000 patients per year. Irrespective of the number of the patients, the	The recommendation has been overlooked by the Department as can be seen from the equal distribution of medicines in different dispensaries with dissimilar number of patients.

wings. (*Para 4.1.9.3* of previous audit report)		Directorate and District Ayurvedic Officers (DAOs) distributed medicines equally to all the hospitals / dispensaries.	

The Department stated (November 2016) that instructions have been issued to the district functionaries to distribute medicine to the dispensaries/hospitals after assessing number of patients.

B Partial Implementation

Audit findings made in earlier Report	Recommendation made	Current status as informed by Department	Audit findings/comment
(i) The unspent balance of central assistance and the interest earned on the unspent funds was neither refunded to GoI nor was adjusted against subsequent allotments. (*Para- 4.1.7.2* of previous audit report).	To fully utilize central assistance obtained under operational schemes.	**(A)** Savings reduced to 11 *per cent* during 2011-16 as compared to 34 *per cent* during 2006-11. **(B)** Interest amounting to ₹ 0.48 crore accrued on funds till March 2016 was lying idle in the bank account of Homeopathic Department. Similarly, the State Health Society (SHS) earned an interest of ₹ 1.22 crore during 2007-08 to 2015-16.	**(A)** While there were significant improvements on the issue, there remained gaps in planning and execution. **(B)** The Department needs to refund or adjust the interest earned on GoI funds on regular basis.
(ii) The four dermatology centre buildings were renovated but were non-functional (October 2011) due to lack of furniture, equipment, medicines and staff (*Para 4.1.7.4* of previous audit report).		Out of the six targeted dermatology clinics, four had been established. These clinics were made functional by deploying man power and providing medicines, equipment and furniture.	The Department could not ensure sufficient availability of space for establishment of remaining two dermatology clinics.
(iii) The five Reproductive and Child Healthcare (RCH) wing buildings were renovated but were non-functional due to non-availability of man-power, equipment and medicines. (*Para 4.1.8.2* (B) of previous audit report).		Out of eight RCH wings, five had been established after incurring an expenditure of ₹ 0.67 crore. These wings were made functional (2013) by deploying man power, and providing medicines, equipment and furniture.	Three RCH wings could not be established due to inability of the Department to ensure availability of required space.
(iv) Integration of AYUSH at the level of Primary Health Centres (PHCs) and Community Health Centres (CHCs) was envisaged by the Department of AYUSH. Out of 116 PHCs and 23 CHCs targeted for renovation, funds for renovation of only six CHCs and 26 PHCs could be released (September 2011) despite availability of funds since December 2007. [*Para 4.1.8.2* (A) of previous audit report]	Integration of AYUSH with the allopathic system of medicine and completion of civil works in this regard on priority.	Out of 116 PHCs and 23 CHCs targeted for renovation, only 34 PHCs and six CHCs were renovated (May 2014) to provide AYUSH facilities. The renovation work of rest of the CHCs & PHCs could not be executed as the Department of Health & Family Welfare failed to provide space for the same.	The scheme could not be implemented up to the required level due to Department's failure to arrange for sufficient space.
(v) The Department of Ayurveda had initiated the construction of 57 buildings for hospitals and dispensaries during 2006-11. None of the buildings could be handed over to the Department by the civil work implementing agencies during the period 2006-11. (*Para 4.1.8.6* of previous audit report).		Out of incomplete 57 building works (March 2011), 43 building works had been completed, six building works were in progress, six building works under process of handing over, construction of one building work was suspended due to land dispute and one constructed building was damaged due to disaster (April 2016).	The works are, to a large extent, complete. However, there was inordinate delay in the process.

(vi) The construction and renovation of targeted eight hospitals was under progress. Procurement of equipment and furniture were made. All procured equipment were stored in the rooms and lying idle (October 2011) in the hospitals. (*Para 4.1.9.1* of previous audit report).	Procurement of Medicines and Equipment should be need based and that too on the basis of demands sent by the district functionaries.	Out of the target of upgrading eight hospitals, construction/renovation works of the six hospitals had been completed and the facilities were functional (2013-2016). Handing over of one work (Badkot, Uttarkashi) and finishing work of one hospital (Majra, Dehradun) were in progress. Equipment were being used in all the eight Hospitals.	Equipment/furniture procured were being utilized in the hospitals, except in the case of Ayurvedic Hospitals at Badkot and Majra.
(vii) The attendance of students in Under Graduate courses in the test-checked semesters was far below the norms of Central Council for Indian Medicines (CCIM) (75 *per cent* of total lectures). (*Para 4.1.11.3* of previous audit report).	Effective Internal Control Mechanisms to strengthen existing Acts and Rules.	The attendance of students in test-checked First and Second year Under Graduate courses (Batch 2013) was below the norms (First year: 13-65 *per cent,* Second year: 03-54 *per cent*). However, the Campus Director, Rishikul stated that extra classes were being organized for the students. Further, students who attended 75 *per cent* extra classes were allowed to appear in the examinations.	The college, which was expected to develop high standards of teaching, training and research, failed in matching the prescribed norms.

C Full Implementation

Audit findings made in earlier Report	Recommendation made	Current status as informed by Department	Audit findings/ comments
(i) Funds received for strengthening enforcement machinery for AYUSH drugs remained unutilized and were kept in the current account of the Department till the date of audit (October 2011).(*Para 4.1.7.3* of previous audit report)	To fully utilize central assistance obtained under operational schemes.	Out of ₹ 0.29 crore, an amount of ₹ 0.15 crore had been utilised by way of procurement of vehicles and computerization of the AYUSH/Drug Controller office. Remaining amount was surrendered to GoI in January 2012.	The Department fully utilized the funds provided by the GoI.
(ii) Contrary to Rule 154 (2) of Drugs & Cosmetic Rules, 1945, the licensing authority (Director, Ayurvedic and Unani Services) issued licenses to 18 pharmacies without the consultation of experts as the panel was not in existence at that time.(*Para 4.1.11.1* of previous audit report)	Effective Internal Control Mechanisms to strengthen existing Acts and Rules.	During the period 2011-16, the licensing authority issued licenses to pharmacies in consultation with experts nominated by the State Government.	The Department has implemented the audit recommendation to the fullest.
(iii) In pursuance of the GoI notification (March 2003), the Directorate issued (July 2008) orders to all the DAOs to ensure that firms had obtained Good Manufacturing Practice (GMP) before renewal of their license. 32 licenses were renewed after the notification of GOI without issuance of GMP including 10 licenses issued after the Departmental Order (July 2008). (*Para 4.1.11.2* of previous audit report).		No licenses were renewed without GMP Certificate during the period 2011-16. However, renewal of GMP certificate of 12 pharmacies was pending (pendency ranging from 03 to 09 months) for which notices had been issued by the licensing authority.	The Department has done the needful. However, renewal of GMP certificates of 12 pharmacies is required to be completed at the earliest.

1.4.4 Conclusion

Of the total recommendations and observations made by the audit, the extent of implementation of the accepted audit observations and recommendations by the Government was 25 *per cent* recommendations fully implemented, 58 *per cent* partially implemented and 17 *per cent* not implemented as on June 2016. While significant progress had been made by the State Government in addressing some of the concerns raised in audit, there remained instances of funds remaining unspent, equipment remaining idle, and inability of the State Government in extending AYUSH facilities which merited continuous attention.

The matter was referred to the Government in June 2016; its reply was awaited (December 2016).

Commissioner, Food Safety and Standards, Uttarakhand

1.5 Enforcement of Food Safety and Standards Act, 2006 in Uttarakhand

There was delay in issue of licenses in 42 per cent of the cases in the State as a whole. Further, 94 per cent of the Food Business Operators in the State had not been inspected for quality of food supplied since August 2011.

1.5.1 Introduction

The Food Safety and Standards Act was enacted in August 2006 by Parliament for laying down scientific standards for regulating the manufacture, storage, distribution, sale and import of articles of food and to ensure availability of safe and wholesome food for human consumption. Subsequent regulations in the form of Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations came into effect from August 2011. The Act required establishment of a single reference point in the form of Food Safety and Standards Authority of India (FSSAI) for all matters relating to food safety and standards.

In Uttarakhand, the Commissioner, Food Safety and Standards, is responsible for overall enforcement of the Act through Designated Officers (DOs) at the district level. The DOs are assisted by Food Safety Officers (FSOs) in discharge of their duties.

1.5.2 Registration and Licensing of Food Business Operators

The Regulations lays down that all Food Business Operators (FBOs) will be registered or licensed in accordance with the prescribed procedure. Every petty[30] FBO is required to register himself/herself with the registering authority *viz*. the concerned FSO and also follow the basic hygiene and safety requirements provided in the Regulations. A valid license is required for commencing any food business if the FBO does not fall under the category of petty FBOs.

[30] Food Business Operators with annual turnover upto ₹ 0.12 crore.