Grant Thornton

District Level Funds Flow & Expenditure Analysis under the NRHM in Bihar

Final Report

April 2010

Contents

Section 1: Executive Summary

Context

Grant Thornton India conducted the 'District Level Funds Flow and Expenditure Analysis under the National Rural Health Mission (NRHM)' assignment in the State of Bihar. The consultancy assignment has been commissioned by the National Health Systems Resource Centre (NHSRC), New Delhi.

Background of the Assignment

The National Rural Health Mission (NRHM), launched by the Government of India in 2005 across India, aims at architectural correction in the health system, focussing on systems strengthening and enhanced capacity of the public health system to deliver quality health services, especially to the rural population and vulnerable groups.

The vision for healthcare under NRHM includes making many-fold increase in resources for the public health system, aiming for a Public Health expenditure of around 3% of GDP by 2012, up from less than 1% in 2001.

The sudden inflow of funds across all levels of healthcare (district, block, panchayat/village, and individual health facilities) has done away with funds shortage as an operational constraint. On the other hand it has suddenly confronted the healthcare providers with the issue of capacity of absorbing financial resources.

Also, NRHM had confronted the states and the district health administrators with the task of looking at their health needs and prepare need-based annual plans (state and district PIPs), against which the NRHM funds are sanctioned by the central government.

Keeping the above in mind, and with the focus of NRHM on decentralisation, local autonomy and need-based resource allocation, it becomes necessary to look at the funds flow for the "district health system" in a comprehensive manner (including the treasury and off-budget i.e. treasury route funds), and relate the funds flow (allocation and expenditure) with the local needs and requirements in terms of disease burden and quantity and quality of health resources available.

Scope of the Assignment

Our understanding of the assignment entailed the following scope of work for the Consultant, as specified in the Terms of Reference.

i. Expenditure tracking of the district health system – based on analysis of financial and performance reports at state, district (DHS) and health facility (RKS) levels. This will look at frequency and volume of treasury and society route funds flow vis-à-vis expenditure

undertaken at these levels. It will examine factors influencing differential rates of expenditure and its relationship to utilisation patterns and management factors.

ii. Analysis of financial management systems at DHS and RKS levels – including looking at financial data and indicators being reported, reporting formats and protocols, audit and feedback protocols, systems for reconciling bank transfers, SOE/UC and cheques/vouchers.

iii. Capacity analysis for absorbing funds at district (DHS) and health facility (RKS) level – involving both the systems as well as the human resources capacity. Systems capacity will include reviewing the guidelines and protocols of financial planning and expenditure management at DHS and RKS levels. The assessment of HR capacity will involve looking at the quantity and quantity of staff available for financial planning and expenditure management vis-à-vis the nature of work and workload at DHS and RKS.

iv. To undertake the above mentioned broad tasks, under the district level funds flow and expenditure tracking, it is proposed to take 2-3 districts, which are representative of the variations expected in the healthcare provisioning in the state under study. Within each district sample of 1-2 sub-district hospitals, 2-3 block level hospitals/FRUs, and 5-7 PHCs, will be selected in consultation with the state and district officials.

Objectives of the Assignment

The district level funds flow and expenditure analysis aimed at developing a comprehensive picture of resource flows and requirements at the district level, along with standardising a framework of health finance for district health system, which can be adapted across the country.

The specific objectives of the district level funds flow analysis are as follows:

a. Develop a comprehensive picture of funds flows across all levels of healthcare services (state – district – block – individual health facilities), within the framework of "district health system", which the NRHM aims at strengthening and empowering.
b. Develop financial indicators with standardised data definition, for the district health system, which the health administrators at district and health facility level can use not only for justifying their funds requirements, but also to track efficiency and effectiveness of health programmes and services.
c. Develop guidelines for reallocation of funds within a district between facilities and centres, taking into account performance, equity, and volume of services utilised.
d. Evolve a standardised framework for estimating district health financing needs and tracking thereof, that can be adapted by all states in India. The standardisation of the framework will also try to make it (the framework of district health financial tracking) compatible with internationally accepted frameworks like NHA and PETS, for universal comparative analysis, necessary for positioning Indian health needs and achievements at the global platform.

Approach and Methodology

A three phase approach was adopted to achieve the intended objectives of the assignment:

- **Project preparation and Inception:** In the first phase the consultants carried out initial consultations with the client to gain detailed understanding of the scope of work and articulated the stepwise approach to achieve the intended objective of the assignment. In the first step secondary data was colleted including relevant available literature and studies and an inception report was prepared highlighting the initial observations and subsequent steps in the assignment.

- **Field visits to sample district for information gathering:** The consultants selected and visited Gaya and Muzaffarpur in consultation with SHC and NHSRC based upon certain parameters.
- **Information analysis and preparation of District expenditure analysis report:** During the last phase the consultants performed the analysis of the information and data collected during the field visit and prepared the draft and the final analysis report.

Key observations:

Following are some of our key preliminary observations from review of documents and discussions carried out at the State level and at the two District locations of Muzaffarpur and Gaya.

- Preparation of District level Health Action plans and quarterly expenditure budgeting of NRHM funds as promoted by SHS, Bihar for FY 2009-10 has brought about clarity regarding the budget head, budget line item and total amount available with the district for the year.
- The financial management system introduced vide letters no. 10095 dated 12/05/09 and letter no. 10096 dated 12/05/09 to the Districts regarding the allocation of funds to the Districts as per the District PIP and release of funds to blocks; has provided a benchmark for financial monitoring at all levels. This has also reflected in the increased utilisation of funds in 2009-10.
- The district officials during the visit shared that the expenditure has increased after SHS, Bihar has provided them with yearly and quarterly expenditure allocations. They were of the view that it has become easier since they have knowledge about the overall allocation.
- Fund Flow under NRHM to the Districts, PHCS and facility level has undergone a major change in 2009-10 with the release of funds being done on the achievement of a threshold limit of quarterly expenditure by the district and the facilities. The 2nd release of funds is equal to 50% of the expenditure limit for the first quarter, if the district spends 80% of the funds available with it in the first quarter. The SHS, Bihar has laid down the time limit of release of funds to the eligible units within 24 hours of receiving expenditure reports. In case the funds are not released within 24 hours then Civil Surgeon, District Program Manager and District Accounts Manager are held responsible. The same process is followed for disbursement from State to the District but the time limit is of 48 hours. This system is effective since the districts receive the funds in a timely manner based on their performance.
- There are variations in bottlenecks in various districts. The team found that some bottlenecks in Gaya were different from Muzaffarpur and some were the same. These identified hurdles have been further categorized into the four stages of expenditure cycle–
    - Submission of SOE by the District and Blocks
        - Delay in the process of finalizing expenditure envelope for the districts has a cascading effect and leads to fund crunch at all levels.
        - Capital expenditure is also being included in the quarterly expenditure threshold whereas capital expenditure by its nature requires more time hence the district is not able to meet the 80% expenditure criteria accentuating the fund crunch further
        - In some cases, blocks have spent 80% of the funds released to them and also submitted their expenditure report, but since for the district to achieve 80% expenditure threshold other blocks also need to achieve the target, the district is not able to get funds from SHS, Bihar. This causes fund crunch in the block which has spent money and achieved its target.
        - The blocks do not get timely information about the line items/program for which the funds are being released at the time of their release. This leads to a tendency of not spending funds fearing inquiry in case the funds are spent on wrong head/line items.

        - Advances are given to Civil Surgeon to the tune of lacs of rupees for expenditure which needs to be done by DHS like procurement of medicines, training etc. The funds are blocked in these types of advances since the DHS is not able to push the expenditure at Civil Surgeon level.
        - Books of accounts are not maintained correctly and completely which leads to difficulties in preparation of FMRs and follow-up of expenditure.
    - Expenditure approval
        - Approval of expenses at District level is done by District Magistrate and it became known that there are recurrent delays at this level. The District Program Manager and District Accounts Manager are not in a position to expedite the process. This delay translates to delayed submission of expenditure report by the District.
    - Release of funds
        - There is backlog of payments in many blocks. This backlog of payments is creating problems since these were not taken into consideration during the quarterly expenditure planning.
    - Program Implementation
        - Funds are also blocked at various levels due to non delivery of program activities.
- The Auditors need to be sensitized about the programmatic aspects and specifically on the linkage of programmatic interventions with financial expenditure to help them in verifying the end use of funds.
- SHS, Bihar has not laid down internal control and accounting guidelines in a consolidated form but the directions are mostly in the form of separate letters issued on need basis. In the absence of consolidated information about the directions of SHS, Bihar to the DHS and from the DHS in turn to the PHC, the auditors' ability to cross-check facts based on the directions and guidelines gets limited.
- The budget does not define the physical targets for the year,; it defines only the financial targets. Consequently, there is lesser awareness of allowable budget expenditure and the interlinked programmatic interventions among the staff members at district level.

Recommendations

- Capacity building of district and block level accountants' needs to be taken up on an urgent basis as that is now, post NRHM, a level where significant budgets are now getting allocated and expended.
- Finance manual may be prepared, in Hindi, and made available to all the District Accountants and Block accountants for reference. These manuals can cover all the relevant financial and programmatic aspects. These manuals would be of immense help whenever a new recruit joins and would also act as reference materials to accounts staff as well as program staff.
- The limit of 80% of expenditure can be monitored separately for funds retained at the district level and funds released to the blocks. District should be given the flexibility to ask for release of funds from state for each block which achieves the expenditure target instead of waiting for the target to be achieved for the entire district. This would ensure that good performing blocks do not hold back expenditure anticipating delay in release of funds.
- The 80% limit needs to be applied separately for capital expenditure and revenue expenditure since capital expenditure would by its very nature need more time to be exhausted.
- Districts Program Managers and Accounts Managers of good performing districts may be asked to share their experiences in getting approvals, liaisoning , monitoring etc through an e-group with other DPMs and DAMs so that solution

to local level bottlenecks can be found out through mutual consultation. An e-group may be formed and used for resolution of queries etc. The group can be moderated by the State Health Society, Bihar and they can also take the lead in the formation of this e-group.

- Meeting of all the District Accounts Manager may be done along with Block level accountants at the State level. This would enable identification of issues and gaps between the District and Block.
- The auditors may be given an induction training of 2-3 days in which all the programmatic, procurement and financial guidelines are explained to them. This would help in building their perspective on the programmatic requirements. Further, it is pertinent that only the trained personnel from the auditors' side are then engaged for the actual audit work.

- Quick estimates of annual recurring expenditure of the following facilities was done by the team from the data available and as per the interview with various officials –

Fig in Rs lacs

Name of facility	Annual Recurring Expenditure
Health Sub Centre	7.20
24*7 PHC	29.75
24*7 CHC (Upgraded PHC's) Referral	48.84
District Hospitals	369.23
District Drug Warehouse and logistics	7.08
District Training Centre	20.40
District level M& E system	5.94
District level IEC/BCC	6.17
District wide outreach service	6.00
District Ambulatory service	5.40
District Administrative and Supervisory Cost	62.67

Section 2: Methodology

2.1 Context

Grant Thornton India conducted '*District Level Funds Flow and Expenditure Analysis under the National Rural Health Mission (NRHM)*' assignment in the State of Bihar. The consultancy assignment has been commissioned by the National Health Systems Resource Centre (NHSRC), New Delhi.

The current document, fulfilling the third and final deliverable requirement under the assignment, analyzes pertinent data and information to come-up findings presented in this Report. This Report has been finalized after the Draft was shared with the NHSRC and the officials in Bihar and the comments and suggestions were duly incorporated.

2.2 Background of the Assignment

The National Rural Health Mission (NRHM), launched by the Government of India in 2005 across India, aims at architectural correction in the health system, focussing on systems strengthening and enhanced capacity of the public health system to deliver quality health services, especially to the rural population and vulnerable groups.

The vision for healthcare under NRHM includes making many-fold increase in resources for the public health system, aiming for a Public Health expenditure of around 3% of GDP by 2012, up from less than 1% in 2001. NRHM also makes available around 70% of the funds (from the Mission flexipools) for spending below the district level (at health facility level and panchayat/village levels).

The sudden inflow of funds across all levels of healthcare (district, block, panchayat/village, and individual health facilities) has done away with funds shortage as an operational constraint. On the other hand it has suddenly confronted the healthcare providers with the issue of capacity of absorbing financial resources. Over the last 4-5 years, a lot of fund has got accumulated as unspent balance at various levels (district, health facility, viilage, etc.), which had reduced the uptake of the funds originally allocated under NRHM for the 11th Plan period.

Also, NRHM had confronted the states and the district health administrators with the task of looking at their health needs and prepare need-based annual plans (state and district PIPs), against which the NRHM funds are sanctioned by the central government. The need assessment not only requires at collecting evidence for the health and health service needs at district and state levels, but also justifying the funding requirements. This calls for cost and expenditure analysis at health facility and block/district level.

Keeping the above in mind, and with the focus of NRHM on decentralisation, local autonomy and need-based resource allocation, it becomes necessary to look at the funds

flow for the "district health system" in a comprehensive manner (including the treasury and off-budget i.e. treasury route funds), and relate the funds flow (allocation and expenditure) with the local needs and requirements in terms of disease burden and quantity and quality of health resources available.

2.3 Scope of the Assignment

Our understanding of the assignment entails the following scope of work for the Consultant, as specified in the Terms of Reference.

- Expenditure tracking of the district health system – based on analysis of financial and performance reports at state, district (DHS) and health facility (RKS) levels. This will look at frequency and volume of treasury and society route funds flow vis-à-vis expenditure undertaken at these levels. It will examine factors influencing differential rates of expenditure and its relationship to utilisation patterns and management factors.
- Analysis of financial management systems at DHS and RKS levels – including looking at financial data and indicators being reported, reporting formats and protocols, audit and feedback protocols, systems for reconciling bank transfers, SOE/UC and cheques/vouchers.
- Capacity analysis for absorbing funds at district (DHS) and health facility (RKS) level – involving both the systems as well as the human resources capacity. Systems capacity will include reviewing the guidelines and protocols of financial planning and expenditure management at DHS and RKS levels. The assessment of HR capacity will involve looking at the quantity and quantity of staff available for financial planning and expenditure management vis-à-vis the nature of work and workload at DHS and RKS.

2.3.1 To undertake the above mentioned broad tasks, under the district level funds flow and expenditure tracking, it is proposed to take 2-3 districts, which are representative of the variations expected in the healthcare provisioning in the state under study. Within each district sample of 1-2 sub-district hospitals, 2-3 block level hospitals/FRUs, and 5-7 PHCs, will be selected in consultation with the state and district officials.

2.3.2 It was also envisaged that the state identifies one nodal official at the state level and one each at each of the study districts, to coordinate with NHSRC and the partner agency, for the task of undertaking the district funds flow and expenditure tracking. NHSRC, along with the selected partner agency, will provide the technical support in undertaking the study, which will include technical person/consultant interacting with identified nodal officials at the state and district levels..

2.4 Objectives of the Assignment

2.4.1 The district level funds flow and expenditure analysis aims at developing a comprehensive picture of resource flows and requirements at the district level, along with standardising a framework of health finance for district health system, which can be adapted across the country.

2.4.2 The specific objectives of the district level funds flow analysis are as follows:

- Develop a comprehensive picture of funds flows across all levels of healthcare services (state – district – block – individual health facilities), within the framework of "district health system", which the NRHM aims at strengthening and empowering.
- Develop financial indicators with standardised data definition, for the district health system, which the health administrators at district and health facility level can use not only for justifying their funds requirements, but also to track efficiency and effectiveness of health programmes and services.

- Develop guidelines for reallocation of funds within a district between facilities and centres, taking into account performance, equity, and volume of services utilised.
- Evolve a standardised framework for estimating district health financing needs and tracking thereof, that can be adapted by all states in India. The standardisation of the framework will also try to make it (the framework of district health financial tracking) compatible with internationally accepted frameworks like NHA and PETS, for universal comparative analysis, necessary for positioning Indian health needs and achievements at the global platform.

2.5 Approach & Methodology

We have adopted a three-phased approach to achieve the intended objectives of this assignment.

2.5.1 Phase One – Project Preparation and Inception

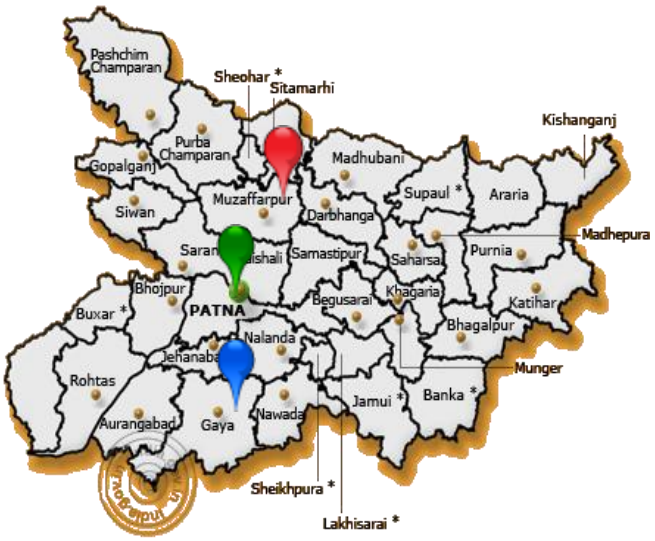
Upon mobilisation, the consultancy team has sought to undertake the following activities:

i) Immediately engaged in initial consultations with the client to establish a joint understanding of the scope of work and the philosophical base behind the project;
ii) Established the underlying aims and articulated the stepwise approach to achieving the intended objectives for the assignment;
iii) Commencement of secondary data collection including relevant available literature and studies;
iv) Prepared an Inception Report which highlighted our initial observations, road mapped our subsequent steps and presented the data and information collection checklists.

2.5.2 Phase Two – Field Visits in Sample Districts for Data and Information Capture

Following the completion of the Inception Report and its consideration by the client, the Phase Two activities broadly included the following:

i) Undertook field level data and information collection in Bihar and respective Sample Districts thereof; through examination of existing records and documents, culling out of relevant data, information and evidences and further client consultation as considered necessary and appropriate. The Consultants, in discussion with the NHSRC and with the SHS in Bihar, selected the Districts of Gaya and Muzaffarpur for the purpose of this review. The criteria for this selection was- the size of the respective Programme Implementation Plans (PIP) where both Districts have a bigger PIP size; the level of utilization where Gaya had a relatively higher utilization and Muzaffarpur had the lowest utilization; and the Below Poverty Line population where both the Districts had a larger proportion of BPL base.



ii) Structuring of preliminary findings and observations on the basis of the field level exercises undertaken in Bihar;

iii) Continued refinement and enhancement of the framework for the Final Report based on the insights gathered during the field exercises;
iv) Discussions with the Client on the preliminary findings and observations.

2.5.3 Phase Three – Data and Information Analysis and Preparation of the District Expenditure Analysis Report

The last phase of the consultancy involved analysis of gathered data and information and the preparation of the draft Analysis Report.

As the Draft was shared with the Client, feedback, suggestions and recommendations were incorporated in the Final District Expenditure Analysis Report.

Section 3: Health Budget under Treasury and NRHM

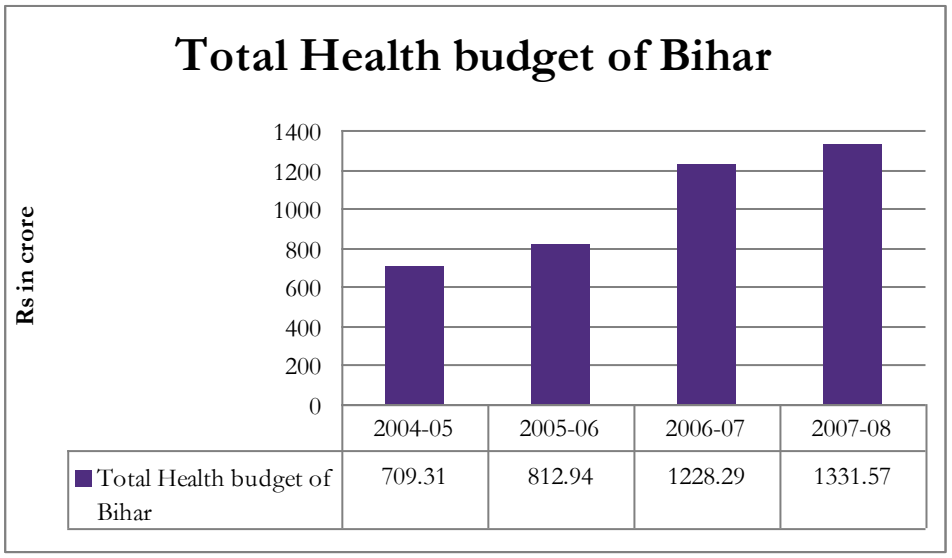
3.1 Trend of Health Budget (BE) of Bihar State Health Budget Allocation

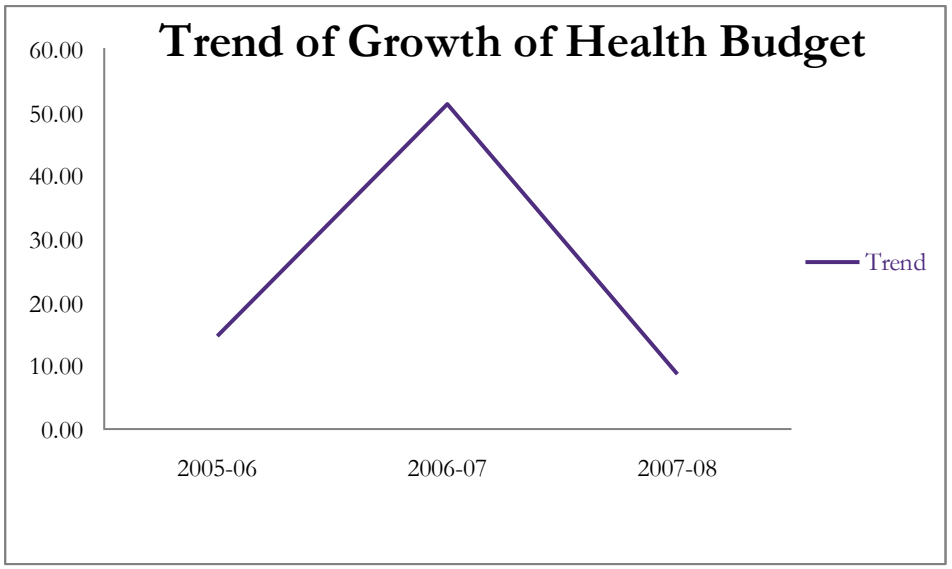
- The Health Budget of the Department of Health and Family Welfare has increased from Rs 709.31 crore to Rs 1331.57 crore from year 2004-05 to year 2007-08. The growth of the budget has been the highest in 2006-07 at 51.09% from the previous year but it declined to 8.41% in 2007-08. There is a sharp increase and then a decrease in the growth rate of the budget. This sharp increase in Budget Estimate may be due to the fact that year 2006-07 was the first year in which the new government in the State presented the budget.
- The Percentage of State Health Budget to Total State Budget has increased from 2.50% to 3.64% showing a constant increasing trend from 2004-05 to 2007-08. The average percentage of state health budget to total state budget was 3.03% over the period of four years under consideration of this review.

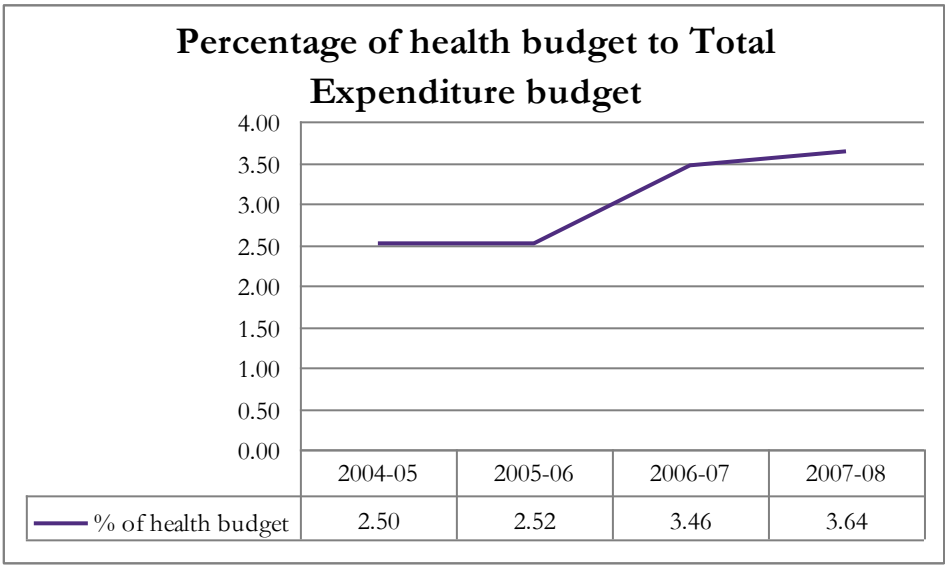
Table 1: Analysis of Health Budget of Bihar

Rs in Crore

Particulars	2004-05	2005-06	2006-07	2007-08
Total Health Budget	709.31	812.94	1228.29	1331.57
Trend of Growth Rate		14.61	51.09	8.41
Total Expenditure budget of Bihar	28350.46	32227.9	35483.7	36571.55
Percentage of State Health Budget to Total State Expenditure Budget	2.50	2.52	3.46	3.64
Source –Study of State Finances – RBI				







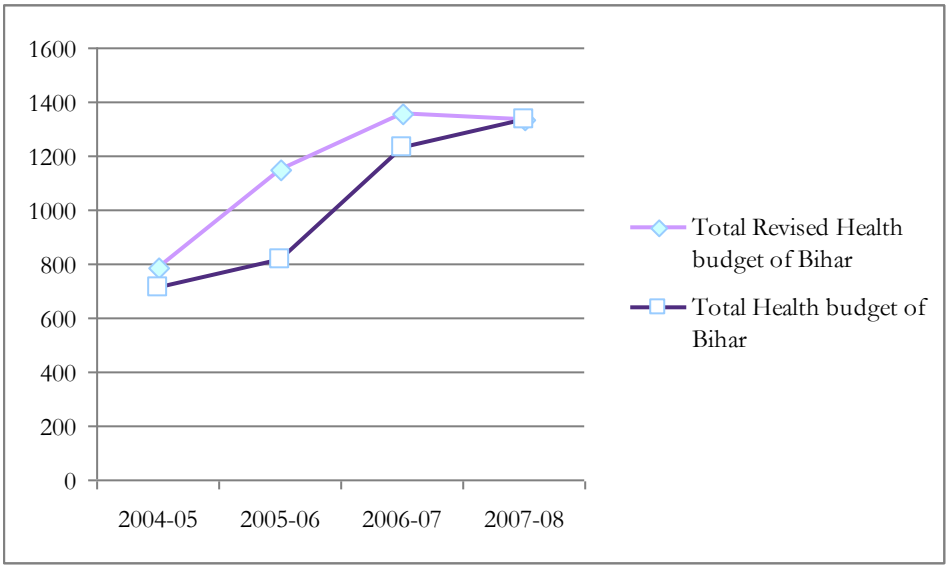
3.2 Bihar State Health Budget - Revised Estimate

- The Revised estimate of Health budget has changed by 41.18% in 2005-06 whereas there has been an increase of around 10.90% in the years 2004-05 and 2006-07. The revised estimate has always been higher than the budget estimate for all the years from 2004-05 to 2007-08

Table 2: Analysis of Revised Budget Estimate

Rs in Crore

Particulars	2004-05	2005-06	2006-07	2007-08
Revised Health Budget	786.63	1147.72	1353.47	1331.57
Budget Estimate	709.31	812.94	1228.29	1331.57
Change	77.32	334.78	125.18	0
% Change	10.90	41.18	10.19	0.00
Source –Study of State Finances – RBI				



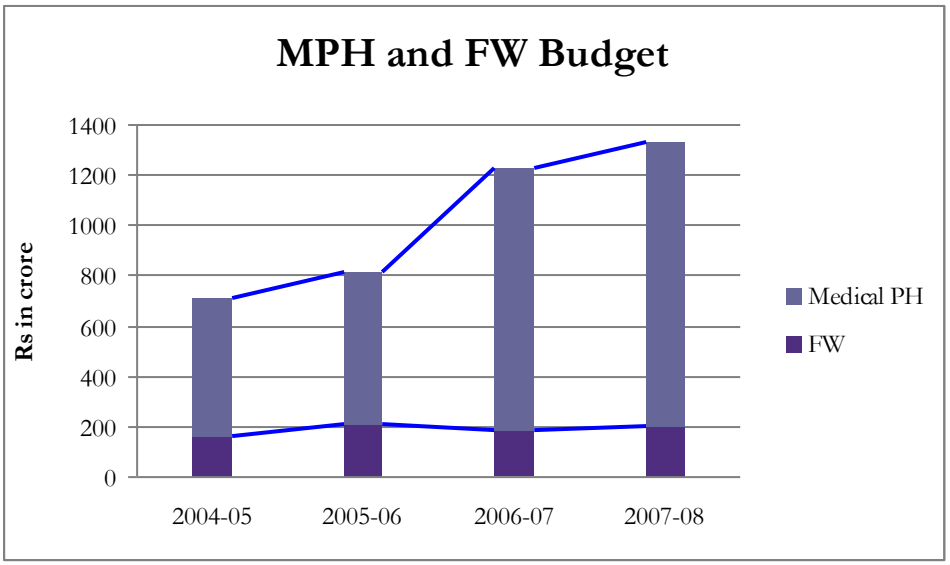
3.3 Medical and Public Health Budget and Family Welfare Estimate

- The maximum budget allocation is in the Medical and Public Health Major Head with an average of 80% across the years.
- The budget allocation to the Family Welfare declined in 2006-07 to 15.06% from 25.59% in the previous year followed by a marginal decline in the year 2007-08
- Overall, the Medical and Public Health budget shows a sharp increase in the period whereas the Family Welfare budget has remained almost around the same level through the review period.

Table 3: Composition of MPH and FW Expenditure

Rs in Crore

Particulars	2004-05	2005-06	2006-07	2007-08
Total Health Budget	709.31	812.94	1228.29	1331.57
Medical and Public Health Budget	554.04	604.87	1043.3	1132.58
Family Welfare Budget	155.27	208.07	184.99	198.99
% MPH	78.11	74.41	84.94	85.06
% FW	21.89	25.59	15.06	14.94
Source –Study of State Finances – RBI				



3.4 Revenue and Capital Budget Estimate

- The revenue expenditure share in the four years has been around 94.21% on an average with there being a major change in percentage share between Revenue and Capital from 2006-07 onwards when the percentage of capital expenditure increased from 1.23% to 10.74%. This also reflects the increased focus on creation of necessary health infrastructure in the State over the years.
- The quantum of revenue expenditure has increased continuously over the period showing that the increase in percentage of capital expenditure may not have resulted from decrease in revenue budget allocation.

Table 4: Capital and Revenue Expenditure

Rs in Crore

Particulars	2004-05	2005-06	2006-07	2007-08
Total Health Budget	709.31	812.94	1228.29	1331.57
Revenue Expenditure Budget	700.85	802.94	1096.42	1198.47
Capital Expenditure Budget	8.46	10.00	131.87	133.10
% Revenue Expenditure	98.81	98.77	89.26	90.00
% Capital Expenditure	1.19	1.23	10.74	10.00
Source – Study of State Finance – RBI				

3.5 Budget Allocation to Bihar under NRHM

- The budget allocation to Bihar under NRHM has increased continuously from 2005-06 to 2007-08 increasing from Rs 398.22 crore in 2005-06 to Rs 695.26 crore. The total allocation to the state under NRHM during this period has been Rs 2373.39 crore
- The budget allocation increase by 50.47% in 2006-07 was the highest year on year increase. The main reason may be that 2006-07 was the initial year of NRHM.
- RCH flexipool shows a trend of more allocation in the years of 2005-06 to 2006-07 then in 2007-08 NRHM flexipool got more allocation but in 2008-09 RCH flexipool again received more allocation. The NDCP has got in the range of 10% in all the years and the budget allocation decreased from 2005-06

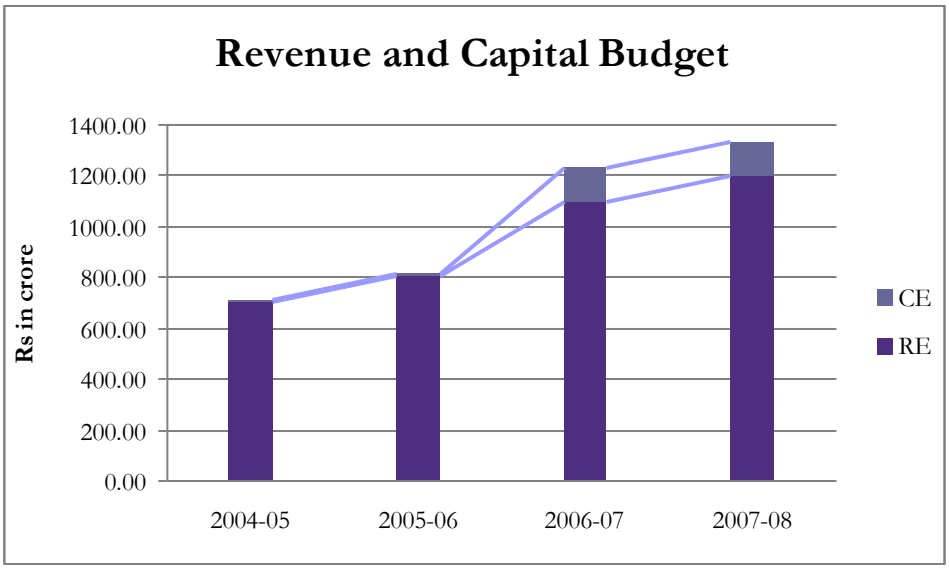


Table 5: Allocation by GoI under NRHM to Bihar State

Rs in Crore

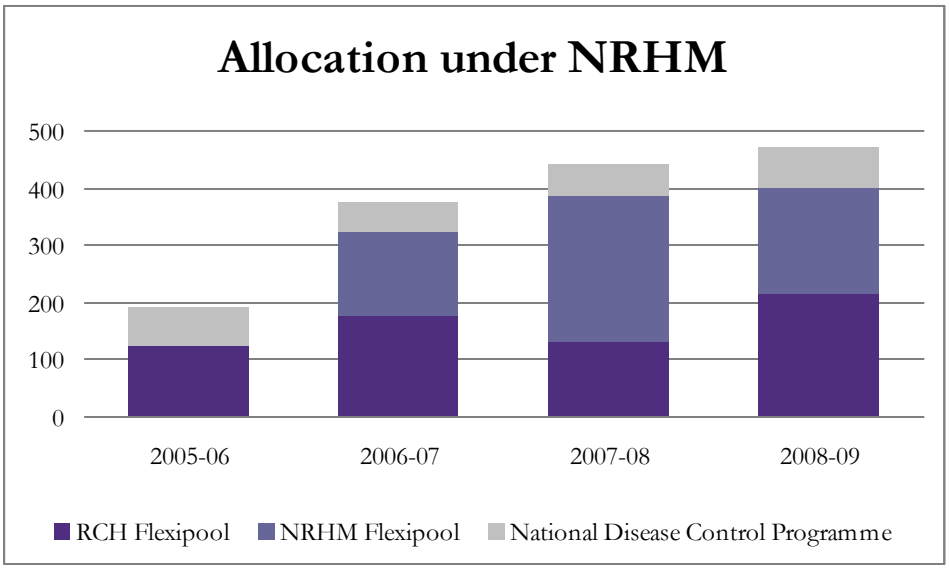
Head	2005-06	2006-07	2007-08	2008-09	Grand Total
Total Allocation under NRHM	398.22	599.21	680.7	695.26	2373.39
RCH Flexipool	123.72	174.32	127.76	213.84	639.64
NRHM Flexipool	0	146.62	256.31	186.28	589.21
National Disease Control Programme	65.68	51.69	55.14	66.91	239.42
Source- Website of MOHFW/NRHM					

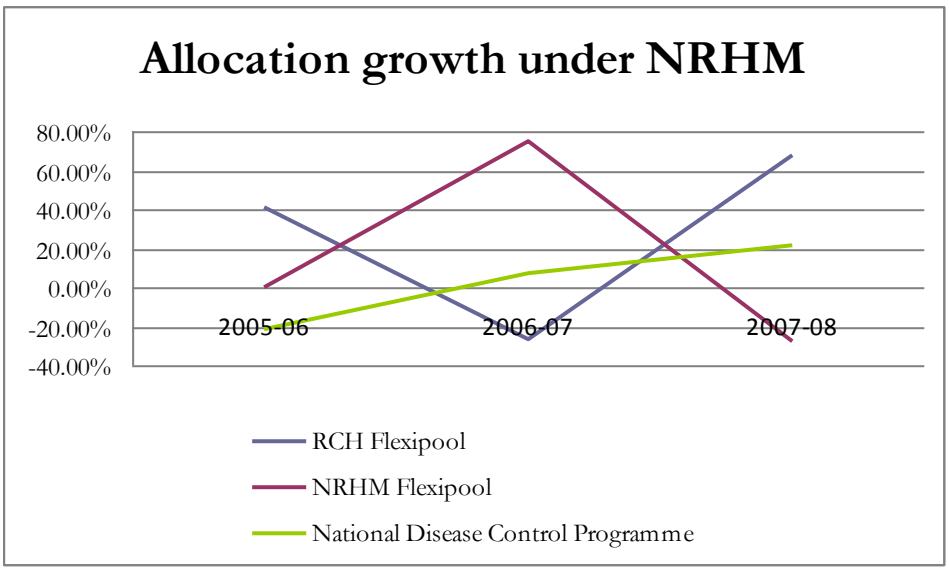
Table 6: Growth of Allocation to Bihar State

Head	2006-07	2007-08	2008-09
Total Allocation under NRHM	50.47%	13.60%	2.14%
RCH Flexipool	40.90%	-26.71%	67.38%
NRHM Flexipool	No allocation in 2005-06	74.81%	-27.32%
National Disease Control Programme	-21.30%	6.67%	21.35%
Source- Website of MOHFW/NRHM			

Table 7: Percentage Allocation of Budget Heads

Head	2005-06	2006-07	2007-08	2008-09	Overall
RCH Flexipool	31.07%	29.09%	18.77%	30.76%	26.95%
NRHM Flexipool	0.00%	24.47%	37.65%	26.79%	24.83%
National Disease Control Programme	16.49%	8.63%	8.10%	9.62%	10.09%
Source- Website of MOHFW/NRHM					





3.6 Health Budget Allocation at District level

3.6.1 Budget allocation of Department of H& FW:

The budget allocation at the district level mainly comprises of budget for PHC, Referral Hospital and District Hospital. The details of budget estimate of the two districts visited during the study are as below –

Table 8: Budget Estimate of Districts 2008-09

Rs in Crore

Particulars	Gaya	Muzaffarpur
Budget Allocation from Department of Health & FW, Bihar	27.44	25.49 crore
Source – Interview and Reports collected from District		

Table 9: Budget Allocation to Muzaffarpur and Gaya 2008-09

Rs. in Crore

Major Head	Muzaffarpur	Gaya
Additional PHC	5.16	4.51
Family Welfare	9.50	8.55
Minimum need Prog	1.49	
PHC	4.04	6.40
Referral Hospital	0.55	0.70
Sadar Hospital	3.06	3.20
Blindness	-	0.14
Chickenpox	-	0.31
Civil Surgeon	-	0.56
Health Sub Centre	-	1.28
Village Hospital	1.68	1.82
Total	25.49	27.45
Source – Interview and Reports collected from District		

3.6.2 Budget allocation of NRHM

The team during its visit to Gaya and Muzaffarpur found that the budget allocation of NRHM was not being done before the FY 2009-10. The practice was to directly release funds to the District Health Society based on their demand. The budget allocation done to the District of Gaya and Muzaffarpur is not much different in terms of various components of NRHM as also overall. The highest allocation in both has been for NRHM A and B.

The budget allocation done to District Health Society Gaya and Muzaffarpur is detailed as under –

Table 10: Budget allocation for 2009-10

Rs. in Crore

Head	Gaya	Muzaffarpur
NRHM-A	17.14	17.93
NRHM – B	20.34	17.65
NRHM – C	0.91	4.22
Total	38.39	39.8
Source- District Health Societies		

3.7 Health Budget Allocation at Block and Facility Level

The budget allocation at the Block level has also been started from FY 09-10. The budget allocation for block is prepared as per the demand and discussion with Block Health manager. The team during its visit found that in Gaya and Muzaffarpur the total budget of the district in NRHM A, B and C has been allocated quarter wise for all the four quarters. The directions issued by State Health Society, Bihar regarding this are being followed although there is a need to issue clarifications on the two letters issued by State Health Society, Bihar to help their usage by District Program Manager and Accountants.

Table 11 - Block and Facility level allocation by District Health Society, Gaya 09-10

Rs. in Crore

S.No.	Name of Block/ Facility	NRHM A	NRHM B	NRHM C
1	Amas	0.55	0.40	0.03
2	Atri	0.24	0.21	0.02
3	Bankebazar	0.57	0.27	0.03
4	Barachatti	0.72	0.51	0.04
5	Belaganj	0.32	0.44	0.03
6	Bodhgaya	0.13	0.28	0.03
7	Dobhi	0.09	0.26	0.03
8	Dumariya	0.79	0.40	0.04
9	Fatehpur	0.15	0.33	0.02
10	Guraru	0.41	0.25	0.03
11	Gurua	0.42	0.33	0.04
12	Imamganj	0.73	0.56	0.04
13	Khizersarai	0.57	0.40	0.03
14	Konch	0.90	0.27	0.03
15	Manpur	0.35	0.31	0.03
16	Mohanpur	0.11	0.20	0.03
17	N. Bathani	0.27	0.21	0.03
18	Pariaya	0.83	0.23	0.02
19	Sherghati	1.20	0.50	0.04
20	Tekari	0.07	0.27	0.02
21	Town Block	1.12	0.50	0.04
22	Wazirganj	0.11	0.00	0.02
23	H. Q. (Urban)	1.68	0.10	0.00
24	L.E.Z.	0.29	0.10	0.00
25	Pilgrim Hospt.	0.55	0.19	0.02

Source- District Health Society, Gaya

Table 12: Block and Facility level allocation by District Health Society, Muzaffarpur 09-10

Rs. in Crore

Sl. No	Name of Block/ Facility	NRHM A	NRHM B	NRHM C
1	Aurai	0.78	0.36	0.02
2	Bandra	0.36	0.05	0.02
3	Bochahan	0.61	0.42	0.02
4	Gaighat	0.65	0.41	0.02

Sl. No	Name of Block/ Facility	NRHM A	NRHM B	NRHM C
5	Kanti	0.71	0.40	0.02
6	Katra	0.69	0.36	0.03
7	Kudhani	1.14	0.62	0.01
8	Marwan	0.40	0.27	0.03
9	Minapur	0.83	0.48	0.03
10	Motipur	0.98	0.46	0.02
11	Muraul	0.26	0.36	0.03
12	Musahari	0.83	0.50	0.02
13	Paroo	0.89	0.50	0.02
14	Sahebganj	0.60	0.39	0.03
15	Sakra	0.81	0.48	0.03
16	Saraiya	0.83	0.54	0.02
17	Sadar Hospital	0.73	0.10	0
18	SKMCH	0.00	0.00	0

Source- District Health Society, Muzaffarpur

3.8 The Budgeting and Financial Planning Process

3.8.1 Legislature level

- The Drawing and Disbursing officers (DDO) prepare the estimates for each head of account with which they are concerned on the basis of the available information, past and current data obtained by them and forward these to the concerned Department. The Heads of Department scrutinize the estimates and after necessary revisions forward the same to the Finance Department through the Accountant General by the prescribed dates. They simultaneously submit copies to the Administrative Department of Secretariat. The Accountant General furnishes the past actual, offers his comments "if any" and renders such assistance as may be reasonably asked for by the Finance Department. He also frames the estimates in respect of certain heads of account and furnishes these to Finance Department. The administrative departments of the Secretariat also frame and furnish to the Finance Department estimates of expenditure.

- When all the departmental estimates have been settled and detailed estimates are complete in all respects, the Finance Department re-examines the estimates as a whole and makes such changes as may be found to be necessary. A preliminary note by the Finance Secretary, based on the figures in the consolidated estimates, together with the schedule of new expenditure and the connected explanatory notes, is placed by the Finance Department before the Council of Ministers. The Council may then consider questions of policy arising from the budget and the new items which are to be included in the budget. The amounts for items thus selected are added under the appropriate demands for grants in the detailed estimates to be presented to the Legislature. Other decisions taken by the Government affecting those estimates are also incorporated therein. The Budget is then ripe for presentation to the Legislature.

- The Budget is presented to the Legislature and is passed by the legislature and Governor's assent to the Appropriation bill is thereafter obtained in accordance with

laid down procedures. The Finance Department intimates approved demand for grant to all the administrative departments of the Secretariat indicating at the same time whether the demands have been voted *in toto*, or whether any amounts have been omitted or reduced by the Assembly, either through substantive or token cuts and the purpose of object underying each such cut.

- The excess/savings during the year are informed by the Drawing and Disbursing Officers to the Directorate and the same is consolidated and forwarded for Re-appropriation to the Finance Department through the Administrative Department at the Secretariat level. The outcome budget and gender budget are also prepared by the Finance Department.

- There is a trend that the State's budget is passed in two installments, first through a vote on account for 4 months in March and later in June/July for the full year. Hence, funds are also allotted in installments to the Directorates and the Districts.[1]

3.8.2 Department of Health and Family Welfare Level

- There are around 700 estimated number of drawing and disbursing officers (DDO's) under the Department of Health and Family Welfare in Bihar. The DDO's forward the budget estimates of expenditure. These budget estimates are scrutinised by the Finance Department of Department Health and Family Welfare and consolidated after necessary amendments. The budget estimates for the Directorate is also included and it is forwarded to the Secretariat.

- The estimates of ordinary expenditure (those expenditure that are expected to be incurred in the coming year for the normal working of the departments with reference to existing sanctions) need to be as close and accurate as possible and the provision to be included in respect of each item is to be based on what is expected to be actually paid or spent (under proper sanction) during the year, including arrears of past years. The need for every item is fully scrutinized before provision for it is included and the amount is restricted to the absolute minimum necessary. The various general or specific orders issued by Government or by Heads of Departments for economy in expenditure are carefully borne in mind. In preparing the estimates, the average of the actual of the past three years, as also the revised estimates for the current year, are invariably kept in sight.

- The Department is required to justify the continuity of each unit (personnel / functions) for the next year following the Zero based budgeting.

3.8.3 District Level

- The District level budgeting is spearheaded by the respective DDO's among whom Chief Medical Officers and Chief Medical and Health Superintendent prepare the major portion of the budget estimates for the health facilities and institutions under them. The process is done in the preceding period of December to January for every upcoming financial year. This is prepared according to various schemes (plan and non-plan) and descriptive heads of (1 to 49). Further, it was observed that this budgeting is primarily done on the basis of previous year's expenditure with an increase of around 10%. In estimating the budget for salaries, the posts that are filled up are only taken into account.

[1] White Paper of State Finances and Development – Finance Department, Government of Bihar, pg 35

- The approved budget is communicated to the DDO's in the district along with the Treasury. DDO's subsequently spend money according to various schemes and heads. Purchases are made in credit and pay bills for the same are raised and sent to Treasury. At the Treasury the same is verified, that whether there is any budget in a particular head. In case there is budget allocation then Treasury office sends the bill to AG office and releases the money through cheque to the DDO. DDO's maintain BM-1 (Expenditure for a particular month under various schemes and heads) and BM-8 (Cumulative expenditure under various schemes and heads)

- In case of NRHM, the budgeting was being done primarily at the State level and the involvement of District level and Block level officials was limited. The budgeting and preparation of State PIP for 2009-10 was changed and District level officers were involved in the overall system. The salient features of the changes are detailed below –
    - The preparation of the District PIP was done by a committee formed at the District level comprising 5 members including District Program Manager and District Accounts manager and other officers from Government set up. The capacity building was undertaken of these officers at the state level and they were asked to prepare the Action Plan and send it to the state.
    - After receiving the District PIP at the State level it was further discussed with the District Program managers, District Account Managers and District M& E officer, with an aim to fine tune them.
    - The fine tuned District PIP's were required to be sent to the State Health Society, Bihar after approval from the District Health Society.
    - On receiving the sanction of State PIP from MOHFW, New Delhi, the DPM were involved in a budgeting exercise, in which they were required to plan the envelope for quarterly expenditure for various NRHM activities. The State Health Society, Bihar allocated funds to the districts under major heads of NRHM A, B and C and NRHM D. The district were given the autonomy to allocate funds to the blocks under various activities.
    - The State Health Society, Bihar has issued guidelines regarding fund allocation to the districts vide letters no. 10095 dated 12/05/09 and letter no. 10096 dated 12/05/09 to the Districts in regarding the allocation of funds to the Districts as per the District PIP. The important points of the letters are as below-
        - Guidelines for allocation of yearly and quarterly funds to PHCs and facilities by the District.
        - Provision of increase in expenditure by 25% of the quarterly budgeted expenditure except in case of JSY, ASHA, Pulse Polio.
        - Release of funds after 1st quarter to the Districts would be based on expenditure of 80% of the opening balance and the release made for the 1st quarter.
        - Districts would release funds to the Block only to the extent of 50% of Quarterly Expenditure budget less Opening balance including interest earned on funds of the major head. The subsequent release of funds would be dependant on 80% of expenditure of funds available during the 1st quarter.
        - Allocation of funds to eligible units based on unit cost.
        - Guidelines to release of funds to PHCs and facilities within 24 hours of submission of expenditure report and to the Districts within 48 hours of submission of expenditure reports.

- Expenditure under major heads not to cross the overall envelope of 25% of the quarterly expenditure

3.8.4 Block Level

- Treasury Route: The block level DDOs prepare the budget as per the guidelines and budget heads available to them for expenditure. The budget is forwarded to the District Level Officials.
- NRHM: The block level health manager and Medical Officer in charge are consulted in a workshop held at district level for preparation of the District Health Action Plan. The plan is basically prepared at the District level and only inputs and details are taken from block level officials.

3.9 Major Cost Drivers across various levels

3.9.1 Relationship between budget allocation and disease profile

The budget allocation in the treasury route is mainly for the administrative expenses of the facilities at various levels and also the State level bodies. The budget allocation under NRHM is also made under pre-decided line items focussing mainly on Maternal and Child Health, Routine Immunization, Pulse Polio and National Disease Control Programe. There are many donor supported programmes like that of UNICEF, NIPI, WHO-NPSP which are providing funds on maternal and child health issues. The current practice of budget allocation being done to the State and also to District gives an impression that it is not driven to the desired extent by the needs but by the availability of resources under various schemes.

There is however a pattern of budget allocation which indicates that there is a relationship of allocating funds to the districts which have the poorest indicators but still the allocation is not entirely driven by a need based Action Plan for any district. There is a need to tune the development of Health Action Plan to identify issues and challenges as a whole and not to compartmentalize them in the rigid constraints and boundaries of a particular programme.

3.9.2 Major Cost Drivers at the State Level

- The major cost driver of Department of H& FW is the Rural Health Services Allopathy which is almost 41.05 % of the total expenditure incurred in the state. The Urban health services- Allopathy with 22.11% of the total expenditure comes a distant second cost driver. The RCH Flexipool budget head is the third highest cost driver of the state expenditure. The main reason behind focus on the Rural Health Services- Allopathy seems to be the aim to provide medical facilities at grass root level in the rural areas.
- The expenditure on National Disease Control Programme is only 0.64% of the total expenditure in the state. The National Disease Control Programme covers various diseases like Blindness, RNTCP, Malaria, Kalaazar etc under a single umbrella.

Table 13: Cost drivers of Department of H& FW and NRHM at State Level

Rs in crore

Budget Head	Expenditure incurred during FY 2007-08	% of Total Expenditure
Rural Health Services-Allopathy	544.88	41.05
Urban health Services -Allopathy	293.47	22.11
RCH Flexipool- NRHM	174.97	13.18
Rural family welfare services	128.20	9.66
Medical Education, Training and Research	106.14	8.00

Budget Head	Expenditure incurred during FY 2007-08	% of Total Expenditure
Public Health	29.66	2.23
NRHM Flexipool	12.18	0.92
Direction and Administration	10.10	0.76
National Disease Control Programme	8.53	0.64
Rural Health Services- Other Systems of medicine	6.43	0.48
Urban health Services -Other system of medicine	6.17	0.47
Training	4.18	0.31
Maternity and child health	1.48	0.11
Urban family welfare services	0.81	0.06
Research and Evaluation	0.04	0.00
Grand Total	**1327.24**	
Source- State Health Society, Bihar		

3.9.3 District Level

A district receives funds from Department of Health and Family Welfare, Bihar and from Central Government through NRHM and Bihar State AIDS Control Society. The district also receives funds from various donor agencies like UNICEF, NIPI etc.

The main cost drivers under the Department of Health and Family Welfare are PHC's, Additional PHC's and District Hospital. In Gaya Distric 34.71% out of the total expenditure has been spent on PHC followed by 23.43% on Additional PHC. In Muzaffarpur district the highest expenditure has been incurred on Family Welfare i.e. 43.41% followed by Additional PHC 18.64%.

Table 14: Cost drivers of Department of H& FW 2007-08

Rs in crore

Gaya	Expenditure	% of Total exp	Muzaffarpur	Expenditure	% of Total exp
Additional PHC	4.11	23.43	Additional PHC	3.99	18.64
Blindness	0.14	0.78	Dispensary	1.46	6.83
Chickenpox	0.29	1.67	Family Welfare	9.31	43.41
Civil Surgeon	0.46	2.64	Minimum need Prog	1.49	6.97
Health sub-centre	1.27	7.24	PHC	2.54	11.86
Primary Health Center	6.09	34.71	Referral Hospital	0.33	1.53
Referral hospital	0.63	3.58	Sadar Hospital	2.31	10.76
Sadar Hospital	2.86	16.32			
Village hospital	1.69	9.64			
Total	**17.55**			**21.44**	
Source- Utilization Statements of the Respective Districts					

The major cost driver under NRHM for both the district from 2005-06 to 2007-08 has been Pulse Polio program with 32.85% expenditure out of total expenditure in case of Gaya and 52.35% of expenditure in case of Muzaffarpur district. The expenditure on program management has been around 2% on an average for both the districts.

Table 15: Cost Drivers of Gaya District under NRHM -2005-06 to 2007-08

Rs in crore

Programme Head	Average expenditure 2005-06 to 2007-08	% of expenditure
APHC Operationalisation	0.10	3.00
Asha Bag	0.01	0.19
Asha Training & Untied Fund for Sub-Center	0.12	3.49
Data Centre at District Level	0.01	0.39
Dial 102 Ambulance Service	0.02	0.48
Family Planning (Revised Compasation Package)	0.56	16.18
Flexipool Fund (Programme Management)	0.02	0.58
IEC Prescription Slip	0.00	0.10
IMNCI Training	0.07	2.03
JBSY NMBS	0.86	25.10
Mushkan-Ek-Abhiyan	0.07	2.03
Pulse Polio	1.13	32.85
Rogi Kalyan Samiti	0.01	0.19
Routine Immunisation	0.36	10.47
Strengthening of Programme Management	0.07	2.13
Untied Fund for Sub Center Under NRHM	0.02	0.58
Vitamin-A	0.01	0.19
Grand Total	**3.44**	

Source: District Health Society, Gaya

Table 16: Cost Drivers of Muzaffarpur District under NRHM-2005-06 to 2007-08

Rs in crore

Programme Head	Average expenditure 2005-06 to 2007-08	% of expenditure
Asha Bag	0.01	0.37
Asha Training & Untied Fund for Sub-Center	0.08	2.96
Basic Instrument of ANMs	0.04	1.48
Data Centre at District Level	0.01	0.37
Dial 102 Ambulance Service	0.01	0.37
Family Planning (Revised Compasation Package)	0.17	6.17
Family Planning Mega Camp	0.01	0.49

Programme Head	Average expenditure 2005-06 to 2007-08	% of expenditure
Flexipool Fund (Programme Management)	0.08	2.96
IMNCI Training	0.01	0.25
JBSY NMBS	0.54	20.00
Mobile Medical Unit	0.02	0.74
Pulse Polio	1.41	52.35
Revised Compensation Package	0.00	0.12
Routine Immunisation	0.30	10.99
Vitamin-A	0.01	0.37
Grand Total	2.70	

Source: District Health Society, Muzaffarpur

3.9.4 Block level

At the block level the major expenditure driver is the JBSY which constitutes around 48% of the total expenditure at the block level followed by Pulse Polio and Remuneration to ANM's.

Table 17: Cost Drivers at Block Level for Year 2008-09

Rupee Figures

Programme Head	Wazirganj (District Gaya)	Sakra (District Muzzafarpur)	Average	% of expenditure
	2008-09	**2008-09**	**2008-09**	**2008-09**
JBSY	53, 04008	27,11720	40,07864	48
Pulse Polio	1,13,6970	14,67955	13,02,463	15
RKS ANMH	94,7780	17,16,000	13,31,890	16
Family planning	42,1150	3,00,750	36,09,50	4
Muskan	31,5725	28,050	1,71,888	2
Untied fund	11,8869	3,34,304	2,26,587	3
Routine Immunisation	10,9350	5,79,800	3,44,575	4
Seed money	99,603	29,700	64,652	1
Muskan vehicle	80,000	0	40,000	0
UF PHC	50,000	0	25,000	0
Nurse A grade	38,097	1,31,750	84,924	1
Vit A	23,600	23,800	23,700	0

Programme Head	Wazirganj (District Gaya)	Sakra (District Muzzafarpur)	Average	% of expenditure
Asha Divas	19,500	0	9,750	0
Block Management Fund	2,427	2,30,449	1,16,438	1
Asha Trg	0	4,57,280	2,28,640	3
J.E Campaign	0	1,15,672	57,836	1
Flixipool Fund	0	30,800	15,400	0
Total	**86,67,079**	**81,58,030**	**84,12,555**	**100**

3.10 Quick Estimates of Annual Recurring Budget for running Key Health Facilities

3.10.1 For the Health Sub-Center

The NRHM aims to ensure Health Sub-Centers facility on the Government of India Population norms of 1 per 5000 populations in general areas and 1 per 3000 populations in tribal areas. As per 2001 Census, population of the Bihar State is approximately 8, 29, 98,509. Existing number of HSCs in the State is 8858 out of a total requirement of 16623.

The quick estimate of the Health Sub Centre has been worked out only for the administrative portion since the medicines and other consumables are usually supplied from District headquarters or Directorate of Health and Family Welfare. The recurring expenditure per month for a HSC is Rs 60,000.

Table 18: Quick Estimate of Annual Recurring Expenditure for Health Sub-Centre

Head of Expenditure	Amount (Rs)
Salary of ANM (17000 Treasury + 8000 NRHM)	25000
Salary of HV and HS – Treasury	25000
Annual untied funds	10000
Total recurring expenditure per month	60000
Annual Recurring expenditure	7,20,000
No. of patients	15000
Cost per patient	48

3.10.2 For the 24*7 PHC

The NRHM aims to ensure PHCs on the Govt. of India population norm of 1 per 30000 populations in general areas and 1 per 20000 populations in tribal/ remote areas. As per 2001 census, Population of Bihar State is approximately 8, 29, 58,509. The existing numbers of PHCs in the State currently stand at 1243 out of a total requirement for 2787 PHCs. There are 121 PHCs which do not have their own building. The team estimated quick cost based on their visit to PHCs in Gaya and Muzaffarpur. The recurring expenditure on an average for a PHC is Rs 4, 94,200 per month.

Table 19: Quick Estimate of Annual Recurring Expenditure for the 24*7 PHC

Cost Particular	Amount (Rs)
Treasury route	
Doctor salary	1440000
Dentist salary	60000
Security Guard salary	228000
Ambulance	96000
Generator, cleanliness	540000
Electricity	36000
Office expenses	12000
Telephone	12000
NRHM Route	
Annual Maintenance Grant	100,000
Seed Money	100,000
Untied fund	25,000
Salaries	3,26,400
Tota Expenditure per year	**2975400**
Number of Deliveries per month	1,916
Patient Load per month	24,602
Cost per patient	121
Family planning operations	434

Site visit photographs to PHC Muraul (Muzaffarpur) and PHC Manpur (Gaya)

3.10.3 For the 24*7 CHC

Government of Bihar is in the process of upgrading PHCs to CHCs. There are 76 referral hospitals in Bihar which have been used for deriving quick estimates. The team visited referral hospitals in Sakra in Muzaffarpur and Wazirganj in Gaya and both these were actually PHCs which have been upgraded to referral hospitals. The estimated cost of yearly recurring expenditure for a referral hospital is Rs 43, 32,150. Hence, the monthly recurring expenditure therefore comes to around Rs 3, 61,012. The quick estimate is detailed below:

Table 20: Quick Estimate of Annual Recurring Expenditure for the 24*7 CHC- Referral Hospitals

Cost Head	Amount (Rs)
Treasury Route	
Personnel	2,765,400
Travel	6,600
Admin	6,500
Professional services & inevitable payments	460,500
Vehicle purchase/POL	7,900
Maintenance	263,150
Material and supply	26,300
Communication	11,800
Uniform	7,800
Electricity charges	7,800
Medicines store	657,900
Food	110,500
NRHM Route	
Annual Maintenance Grant	100,000
Seed Money	100,000
Untied fund	25,000
Salaries	3,26,400
Annual Recurring Expenditure	**48,83,550**
OPD patients per month	4,44,80
Cost per Patient	110
Source – Interview, Expenditure reports	

3.10.4 For 100-300 bedded hospital at District/Sub-District Level

The quick estimate has been calculated for sub divisional hospitals. There are 23 sub divisional hospitals in Bihar. The quick estimate of cost comes out to be Rs 3, 67, 76,050

Table 21: Quick Estimate of Annual Recurring Expenditure for the District/Sub-District Level

Cost Head	Amount (Rs)
Treasury Route	
Personnel	15,963,600
Travel expenses	43,500
Administrative cost	42,500
Professional services & inevitable payments	1,739,100
Rent	34,800

Cost Head	Amount (Rs)
Construction	4,34,800
Equipments	1,304,300
Vehicle purchase/POL	30,400
Rented vehicle	95,700
Maintenance	11,739,100
Material and supply	503,000
LTC	26,000
Communication	17,400
Uniform	19,300
Electricity charges	434,800
Medicines store	3,478,200
Food	869,550
NRHM Route	
Seed Money for RKS	1,00,000
Maintenance Grant	5,00,000
Total annual recurring expenditure	3,69,23,350
Number of patients	4,00,000
Cost per patient	92
Source – Interview, Expenditure reports	

3.10.5 District drug warehouse and logistics system

The drug warehouse quick estimate for annual recurring expenditure comes at Rs 7, 08,000 as detailed below.

Table 22: Quick Estimate of Annual Recurring Expenditure for District Drug Warehouse

Cost Head	Amount (Rs)
District Hospital – 2 Pharmacist counters @ Rs 7000 honararium for each for 12 month	1,68,000
Referral Hospitals – 1 Pharmacist Counter @ Rs 7000 honararium for each for 12 month	84,000
Computer Operators – 3 nos @ 6000 for 12 Months	2,16,000
Management cost including renovation and Furnishing	2,00000
Capacity building	40,000
Total	**7,08,000**
Source – Interview, Expenditure reports	

3.10.6 District Training Centre (for ANM training):

There are 21 ANMTCs in Bihar; the training capacity of these institutes varies from 60 to 90 participants per batch. These training centres were not functioning to their full capacity in the past but the government has been able to restart 12 ANM training centres. The Quick estimate of Annual Recurring expenditure for these Centres comes out to Rs 20.40 lacs.

Table 23: Quick Estimate of Annual Recurring Expenditure of ANM Training Centre

Cost Head	Amount (Rs)
Personnel- Principal, Faculty, Librarian	9,60,000
Management cost including security, stationery, cleaning, other office supplies	6,00,000
Visiting Faculty	1,60,000
Electricity and other charges	1,20,000
Books and Equipments	1,00,000
Contingency	1,00,000
Total	**20,40,000**
Source – Interview, Expenditure reports	

3.10.7 District level M&E system (including HMIS)

Monitoring and supportive supervision is an essential and integral part of the program development and implementation process. The activities which may be included in a typical monitoring plan would be, development of a monitoring strategy, block level meeting, district level meeting of the various stakeholders at all levels, periodic field visits, developing understanding of reporting formats and registers, processing of statistical data and records and providing feedbacks. Community based monitoring can also be introduced along with involvement of NGOs in providing support. There is also a need to make available infrastructure like computers and internet connection at the block level. The quick estimate of annual recurring expenditure is Rs 3.76 lacs.

Table 24: Quick Estimate Annual Recurring expenditure of District Level M& E System

Cost Head	Amount (Rs)
Recurring cost of Internet and Telephone to DHS @ 2000 pm	24,000
Recurring cost of Internet and Telephone to Block @ 1000 pm	12,000
AMC for computers including software like Antivirus etc	8,000
Monitoring visits to blocks including cross Visits	1,20,000
Capacity building of staff at District and Block le level and sensitisation of MOICs and Civil Surgeon	2,50,000
Meeting expenses @ 15000 per meeting x 12	1,80,000
Total	**5,94,000**
Source – Interview, Expenditure reports	

3.10.8 District level IEC/BCC

The quick estimates of District level IEC under government set up as found out during the teams visit is Rs 6, 17,000 which mainly comprises of salaries and office expenditure. These IEC Bureaus can be further strengthened for developing District level IEC and BCC. The total annual recurring expenditure of strengthening District level IEC Bureau would be Rs 6, 80,000.

Table 25: Quick Estimate of Annual Recurring Expenditure of District level IEC Bureau

Cost Head	Amount (Rs)
Personnel	6,00,000
Contingency	8,000
TA/DA	7,000
Total	**6,17,000**
Source – Interview	

Table 26: Quick Estimate of Annual Recurring Expenditure of Strengthening District level IEC Bureau

Cost Head	Amount (Rs)
Workshop/Seminar/meeting with development partners and stakeholders at district and block level	3,40,000
Development of IEC/ BCC strategy at District level	1,00,000
District level IEC Coordinator @ 15000 and Support staff @ 5000	2,40,000
Total	**6,80,000**
Source – Interview	

3.10.9 District-wide outreach services

The services of the Mobile Medical Units (MMUs) can be used to reach-out to the population in the remote and inaccessible areas. By providing 1 MMU per block the target of this population can be covered. The unreachable and inaccessible villages can be mapped and tours can be scheduled in advance. This service can be used to provide both preventive as well as curative services. The model can be implemented through Public Private Partnership, whose estimated costing would roughly be as under.

Table 27: Quick Estimate of Annual Recurring expenditure of One Mobile Medical Unit

Cost Head	Amount (Rs)
Drugs	1,00,000
Consumables	25,000
Vehicle Maintenance	5,000
POL	1,00,000
Staff cost	3,60,000
Contingency	10,000
Total	**6,00,000**

3.10.10 District wide Ambulatory Care – Government Set Up

The ambulances available are mostly used for various types of protocol related duties and for sending patients to Patna Medical College or other referral hospitals. The cost comprises mainly of Drivers salary and Repair and Maintenance.

Table 28: Cost of Ambulatory Services under Government Set up

Cost Head	Amount (Rs)
Drivers salary	1,80,000
Repair and Maintenance excluding cost of major repairs	60,000
Diesel	Rs 7-8 per km
Diesel charges assuming 100 km run daily	3,00,000
Total	**5,40,000**
User charges recovered	Rs 6 per km
Source – Interview	

3.10.11 District-wide Ambulatory Care- Service under State Health Society

Under this service a special number 102 has been allotted to call for Ambulance for emergency transport and to call the health institutions for emergency service. This has been running in all the Divisional Headquarters of the State, where a call centre has been established to manage the operation of the service. Hospitals have been accredited to provide the emergency services. Also private ambulances have been empanelled to take care of the patient load. In the year 2007-08, around 7500 requisition were successfully handled by this service. This service has been outsourced to a private agency for operationalization. Accordingly there were 169 ambulances with the government and 199 with the private sector making to a total of 368 ambulances functional in the state as on July 2009.

Table 29: Distribution of Empanelled Ambulances in the State

Division	Government	Private	Total
Patna	25	26	51
Gaya	30	14	44
Bhagalpur	20	32	52
Chapra	30	12	42
Muzafarpur	43	76	119
Purnia	21	39	60
Total	**169**	**199**	**368**
Source: State Health Society Records			

The Costing of the service for State Health Society in Public Private Partnership model is detailed below.

Table 30: Costing of the Ambulatory Service in the PPP Model

Fig in Rs

Head	Gaya	Muzafarpur
Payment to private organization	41,000	41,000
User fee	150	180
Cost of personnel for 1911	7000	7000

Head	Gaya	Muzafarpur
Calls attended Apr-Dec 08	1067 calls	1853 calls
Estimated Total user fee collected	1,60,050	3,33,540
Total cost for Apr-Dec 08 incurred by SHS, Bihar for 102 for 9 month	**3,69,000**	**3,69,000**
Cost per call attended to SHS	346	199
Source- NSHRC - Emergency Response Service of Bihar: Ambulance Services		

As is evident, the cost per call attended would be very high in those districts where the calls attended would be less.

3.10.12 District Wide Administrative and Supervisory Costs

The district administration and supervision of the Department of Health and Family Welfare is primarily carried out by the District Medical Officer. The quick estimates have been calculated for the District Medical Officer's office. The details are as under:-

Table 31: Quick Estimate of District wide Administrative and Supervisory cost

Head	Amount in Rs
Treasury Route	
Personnel	4,245,263
Travel expenses	33,158
Administrative cost	52,632
Rent	29,211
Construction	78,947
Equipments	132
Vehicle purchase/POL	75,000
Maintenance	263,158
Material and supply	50,000
LTC	2,632
Communication	26,316
Uniform	6,579
Electricity charges	172,368
Medicines store	32,105
Total	**5,067,501**
Programme Management Cost under NRHM for DPMU	**12,00,000**
Total	**62,67,501**
Source – Interviews and FMRs	

Section 4: Funds Flow across Various Levels

4.1 Funds Flow through treasury route

The main financing agent through the treasury route for Health & Family Welfare (H&FW) in Bihar has been the grants from Central Government which have increased continuously from 2004-05 to 2007-08 except in the year 2006-07 when the state received least Central Government Grant out of these four years. The percentage contribution of Central Government Grants has on average been around 82.96% of the total revenue in H & FW.
The analysis of the States' own sources of revenue shows that it largely includes receipts under the following heads–

- User charges from Hospitals under Urban Health Services
- Fees etc collected from Medical Colleges under Medical Education, Training and Research Head
- General receipts under Medical and Public Health Budget Head

The grants given by the Central Government under Medical and Public Health and Family Welfare is detailed below –

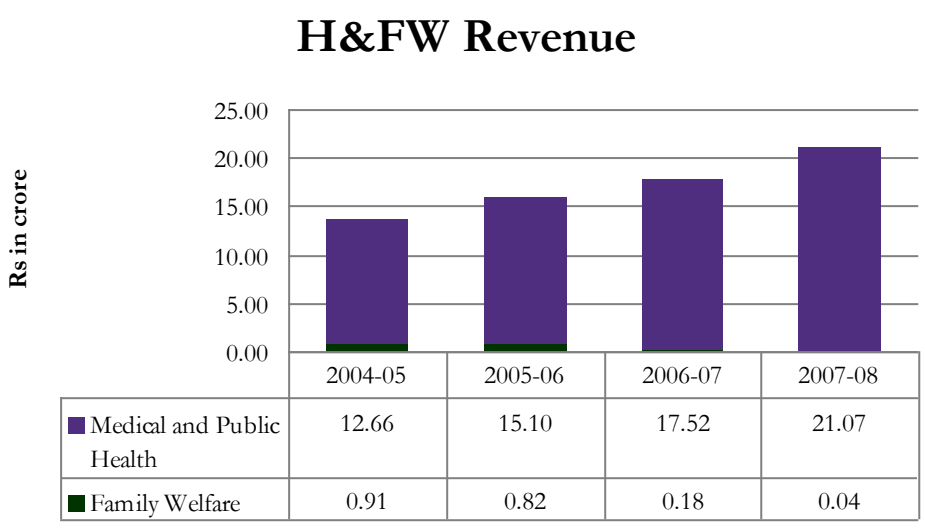
Table 32: Details of Grants given by Central Government

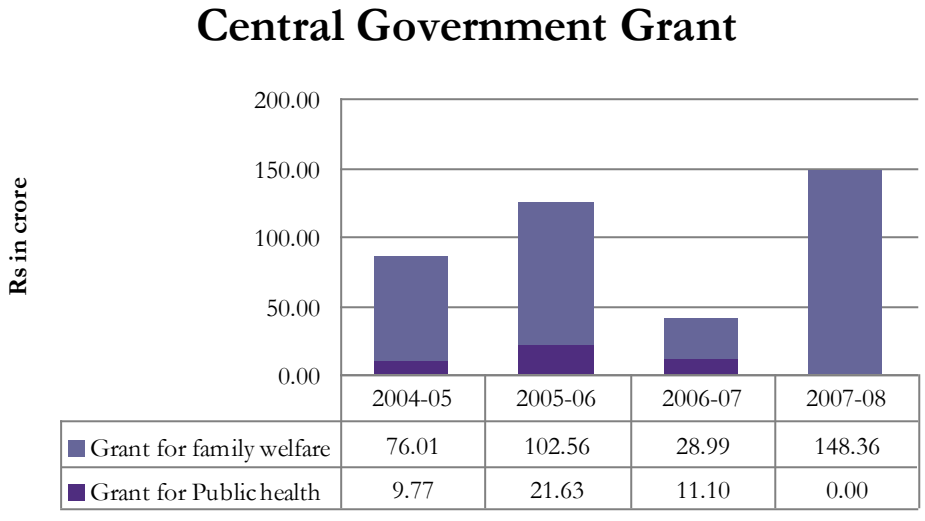
Details of Grant	Years in which given
Prevention and control of diseases kalazar control program	2004-05 and 2005-06
National Leprosy Control Programme	2005-06
Rural Family Welfare Services	2004-05 and 2005-06
National TB Control Programme	2005-06

Table 33: Revenue of Health and Family Welfare Department of Bihar

Rs. in Crore

Major Head Name	2004-05	2005-06	2006-07	2007-08
Family Welfare	0.91	0.82	0.18	0.04
Medical and Public Health	12.66	15.10	17.52	21.07
H&FW Revenue from Bihar State	13.57	15.92	17.70	21.11
Grant for Public Health	9.77	21.63	11.10	0.00
Grant for Family Welfare	76.01	102.56	28.99	148.36
Grants from Central Government for H&FW	85.78	124.20	40.08	148.36
Grand Total	99.35	140.12	57.78	169.46
% of state contribution to total revenue in H & FW through treasury route	13.66	11.36	30.63	12.45
% of central grants to total revenue in H& FW through treasury route	86.34	88.64	69.37	87.55
Source – Finance Accounts of Bihar				





4.2 Funds Flow through Society route

- The Government of India's funds are released to the State through two separate channels, i.e. through the State budget and directly through the State Health Society. Further the department outlay for the procurement of vaccines, drugs, equipment etc; is spent centrally and assistance to the state has been in the form of kind.

- Presently the State Health Society is getting Grants-in-Aid from GoI through electronic transfer by crediting the account of SHS. These funds are transferred to District Health Society account as untied funds as per their respective District Action Plans, which then get transferred to the CHCs, PHCs, district hospitals and RKS for smooth conduct of the activities of RCH- II.

- On the same lines of the GOI regarding transfer of funds, SHS is under the process of implementing the system of e-transfer of funds to the districts and blocks. This process is likely to be completed very soon.

- The year wise release of NRHM funds shows a constant increasing inflow of funds in the State through the society route. The quantum of fund flow under NRHM is much more than the inflow of funds under the treasury route from GOI in form of Grants and also by the own sources of revenue of Department of Health and Family Welfare of Bihar. The total fund inflow from treasury route in 2007-08 was Rs 169.46 crores whereas from the Society route was Rs 482.10 crores which is almost 3 times more.

- The highest funds have been released for the head of NRHM flexi pool and the total funds released under this head in the period of four years has been Rs 547.99 crore. The funds release under RCH has increased tremendously in 2008-09.

- The fund flow under NRHM in 2008-09 has almost doubled as compared to 2007-08. In the heads there is no specific trend with negative and huge positive growth in releases are evident. This is an indicator that the releases of funds are not done in a phased manner. The variation in release of funds with no major variation in allocation by GOI in these heads may be mainly due to factors like late submission of expenditure reports and UC or non-achievement of targets as set out in the PIP.

- Fund Flow under NRHM to the Districts, PHCS and facility level has undergone a major change in 2009 with the release of funds being done on the basis of expenditure done by the district and the facilities. The 2nd release of funds is equal to 50% of the expenditure limit for the first quarter, if the district spends 80% of the funds available with it in the First quarter. Funds are to be released to the eligible units within 24 hours of receiving expenditure reports. In case the funds are not released within 24 hours then Civil Surgeon, District Program Manager and District Accounts Manager are held responsible. The same process is followed for disbursement from State to the District but the time limit is of 48 hours.

Table 34: Funds released by GOI to Bihar

Rs in crore

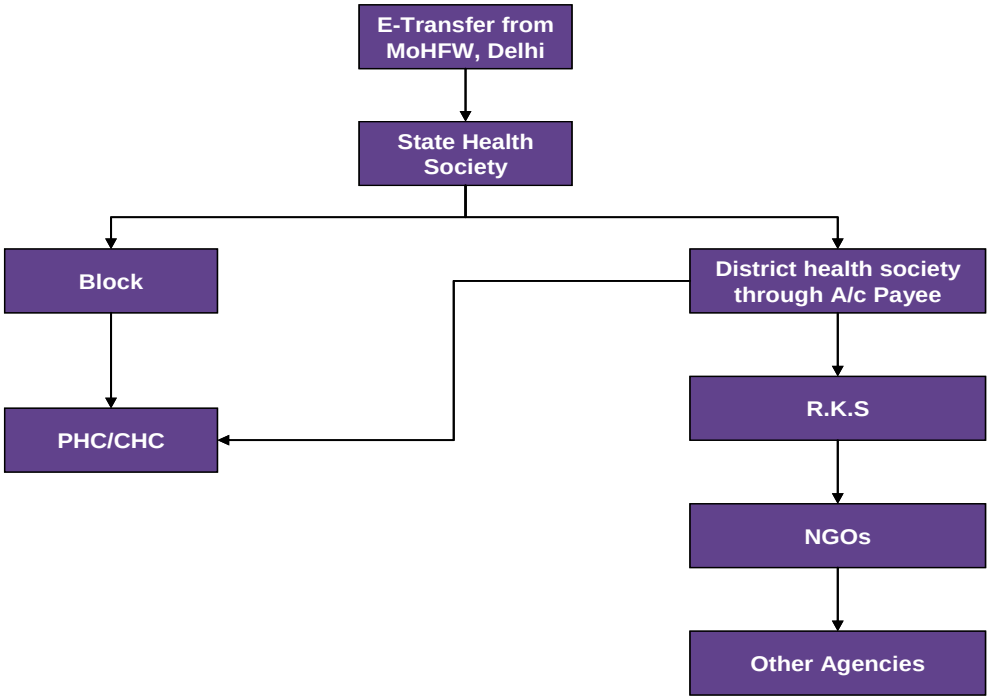
Heads	2005-06	2006-07	2007-08	2008-09	Grand Total
Total released under NRHM out of which	315.88	490.23	482.1	938.29	2226.5
RCH Flexipool	29.38	113.14	0	351.17	493.69

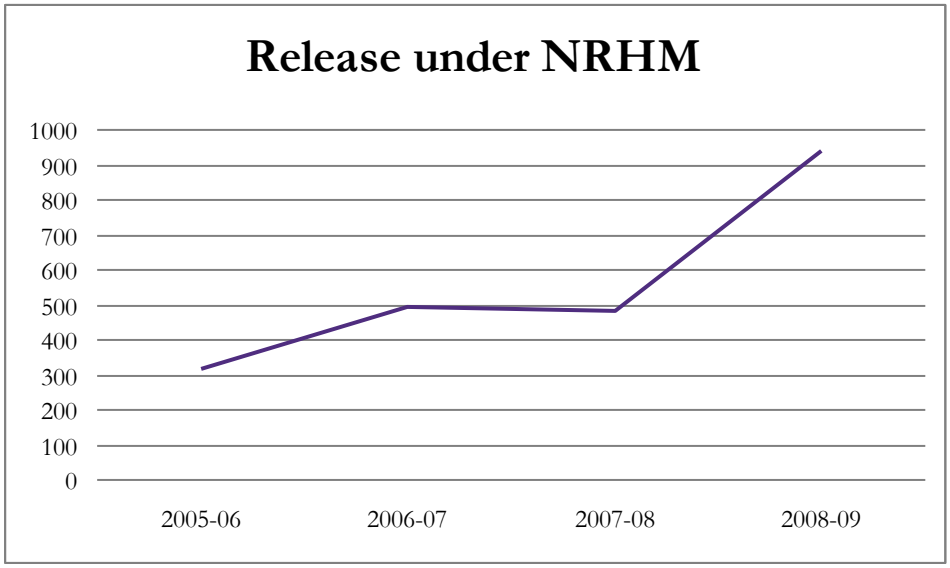
Heads	2005-06	2006-07	2007-08	2008-09	Grand Total
NRHM Flexipool	68.37	125.79	137.63	216.2	547.99
National Disease Control Programme	36.66	36.7	15.49	18.88	107.73
Grand Total	450.29	765.86	635.22	1524.54	3375.91
Source					

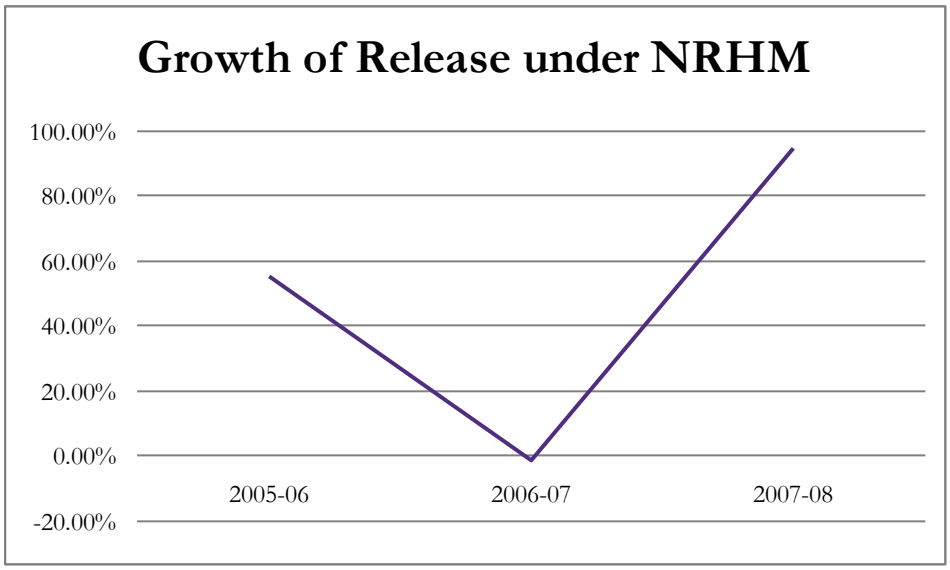
Table 35: Growth in Fund Release under Various Heads

Heads	2006-07	2007-08	2008-09
Total Allocation under NRHM	55.20%	-1.66%	94.63%
RCH Flexipool	285.09%	No release	-
NRHM Flexipool	83.98%	9.41%	57.09%
National Disease Control Programme	0.11%	-57.79%	21.89%
Source			

Funds Flow Mechanism for SHS Bihar







4.3 Release of funds to Blocks

Districts release funds to the blocks under various programme heads of NRHM. The releases of funds are for RKS seed money, ANM remuneration, JBSY etc. The release of funds to the blocks has increased in both the districts of Muzaffarpur and Gaya.

Table 36: Release of funds to Blocks and Facilities of Muzaffarpur

Fig in Rs Lac

Name of District/Agency	Total release 2008-09	Total release 2007-08
Kanti	127.77	74.03
Kurhani	108.80	39.54
Sakra	99.74	64.01
Motipur	96.23	42.92

Name of District/Agency	Total release 2008-09	Total release 2007-08
Saraiya	95.49	29.85
Paroo	90.27	58.00
Bochahan	85.55	90.07
Minapur	84.11	49.68
Mushari	84.01	21.67
Sadar Hospital Muz.	81.34	67.69
Sahebganj	80.01	43.23
Gaighat	79.58	61.63
Katra	77.95	40.34
Muraul	76.13	26.23
Aurai	61.58	20.78
Nodal Officer Urban	43.30	0.38
DIO cum ACMO	11.29	1.05
CS cum Member Sec. Muz.	3.22	0.00
District H.Q	3.03	29.13
RDD Muz.	0.75	0.10
ACMO Muz.	0.20	0.00
District mass media	0.00	0.00
Others	0.00	9.54
SKMCH Muz.	0.00	0.22
Total	1390.35	770.09

Table 37: Release of funds to Blocks and Facilities of Gaya

Fig in Rs Lac

Name of District/Agency	Total release 2007-08	Total release 2008-09
Accredited N. Home	0.00	5.38
Amas	37.93	38.92
Atri	41.90	44.88
Bankebazar	0.25	0.00
Barachatti	6.20	21.77
Belaganj	42.06	48.60
Bodhgaya	0.10	0.00
C.S. Office (Medicine)	53.72	62.33
Dobhi	31.67	42.52
Dumariya	0.52	0.00
Fatehpur	0.00	0.00
Gurua	10.00	0.00
H. Q.	2.93	9.12
H. Q.	0.75	0.00
Imamganj	0.85	16.73
Konch	8.74	0.00
L.E.Z. Hospital	54.02	66.61
Manpur	3.21	0.00
Mohanpur	30.66	53.11
N. Bathani	0.00	35.61
Pariaya	0.00	5.53
Pilgrim Hosp.	39.92	0.00
RDD	32.70	33.68
Sherghati	43.32	0.00

Name of District/Agency	Total release 2007-08	Total release 2008-09
Tekari	43.67	50.76
Town Block	0.12	68.00
Urban	53.00	0.00
Wazirganj	15.00	0.00
Khizersarai	40.25	62.55
Total	**593.49**	**666.1**

4.4 Funds flow from RKS

The main source of fund for Rogi Kalyan Samiti is User Charges and NRHM funds at all the levels. In the facilities which have ambulance the user charges of Ambulance @ 6/- per km is also collected. The expenditure heads, as per the discussion with officials at District and Block levels are as below –

1. Payment of Loss of wages under Kalaazar
2. Salary of Data Entry operators
3. Repair and Maintenance of building

4.5 Number and types of accounts maintained across various levels

4.5.1 **State Health Society**

The Account of State Health Society is being operated as per the delegated powers. The persons authorized as per the powers delegated to them are also operating the bank accounts of DHS.

4.5.2 **District Health Society**

State Health Society, Bihar has vide its letter number SHSB/FA/86109/10327 dated 27/5/2009 has advised the District Health Socities to maintain 11 accounts for various components of the NRHM program. Our observations based on the visit to the District is as under –

District Health Society, Muzaffarpur

The DHS, Muzaffarpur is maintaining only 2 accounts. On discussion it was found that the bank interest is divided proportionately over the funds of various components. The officers shared that the accounts have not been opened due to difficulties in maintaining separate cheque books and records.

4.5.3 **Block Level**

The team visited PHC, Murol in Muzaffarpur were 3 bank accounts are being maintained.

4.6 Major Bottlenecks in Funds Flow

There are several reasons for delays in funds flow in the Treasury Route, some of which have been enumerated below:

- Delay in sending allocations from Government of India;
- Delayed allocation by the Finance Department of the Bihar Government to Ministry/Department of Health and Family Welfare;
- Delayed allocation of funds by the Health & Family Welfare Department to the Directorate of Health and FW, etc.

- Delayed release of funds from the Directorate to the field DDOs.[2]

For the Society Route, the major bottlenecks exist at three stages which the team could assess based on its visit to two sample districts have been listed below:

a) **Stage 1 – Delayed submission of SOE by the District and Blocks-**
It is one of the major issues in the financial management. The reasons for this dealy could be attributed to the following:

i. SHS, Bihar has established a new financial system of quarterly allocation of expenditure. In this system it is extremely important that the release of funds is done in 1st month of the quarter. The funds of Apr-June 09, being the first quarter of this change, were released in June 09. This delay had a cascading effect on the subsequent release by the district, like in Muzaffarpur, the funds were released in full, instead of the recommended limit of 50% in June 09 to the block and the trend was continued. The purpose of retaining 50% of funds with District was therefore defeated leading to fund crunch. The district therefore had to wait till it achieved 80% expenditure for getting subsequent release of funds.

ii. In order to receive funds at district level, districts have to spend at least 80% of the funds allocated in previous quarter which consists of both capital and revenue expenditure. The capital expenditure is usually done by other government agencies. This results in the district not getting funds due to non-achievement of target.

iii. In case a PHC has spent 80% of its funds and submitted the expenditure, it is not necessary that all the PHCs have also achieved the threshold limit of expenditure. The district therefore also does not achieve 80% expenditure target and is not able to get funds from the state. This results ultimately in a fund crunch at the block level leading to backlog of payments. Hence even a good performing PHC suffers from fund crunch without any fault of its own.

iv. The block level officials reported not getting the guidelines for spending funds along with the release of funds. There are apprehensions of departmental inquiry or termination of employment in case funds are spent incorrectly. There is therefore a tendency not to spend the money. There are also problems in getting the expenditure approved in absence of clear reference to guidelines in the release of funds especially at the PHC level.

v. The team observed that advances have been given to Civil Surgeon to the tune of lakh of rupees for expenditure which should have been done at DHS directly. These advances lead to blockage of funds and also adherence

[2] Grants-in-Aid to States / UTs through the Treasury Route: Problems in Salary Payment and Solutions -a report by Rajesh Kumar, ICAS *National Consultant (Finance), MOHFW*

to procurement procedures cannot be ensured by DHS staff since the expenditure is being done by Civil Surgeon. For example in DHS, Muzaffarpur, advances of Rs 47,22,735 were outstanding against Civil Surgeon as per the audited financial statements for year ending 31/3/2009 –

Advance given to	Purpose	Balance as on 31/3/2009
Civil Surgeon	Health Work Training	3,57,750
Civil Surgeon	IMNCI Training	6,55,711
Civil Surgeon	SBA Training	42,504
Civil Surgeon	Medicine Purchase	36,66,770
Total		**47,22,735**
Source: Audited Financial Statements, 2008-2009		

vi. In District Health Society, Muzaffarpur only Cash book has been maintained and ledger has not been maintained. The process of preparing FMR is also not entirely correct since Trial Balance is not prepared before a FMR is prepared. The lack of basic accounting records and information invariably leads to errors in accounting, reconciliation and preparation of FMRs. These also contribute to the delay in submission of FMR.

vii. PHC, Murol maintains only a cash book and the FMR on scrutiny showed apparent errors even in filling up of data in the columns and calculation thereon. These errors contribute further to delay in release of funds from DHS.

viii. Lack of capacity of District and Block level accountants on various aspects of financial management including maintaining of books of accounts and preparation of SOE and on programmatic issues as well.

ix. Since the block level officials are themselves not clear about expenditure guidelines they are not able to support ANMs in their expenditure at HSC level. This also leads to blocking of funds.

b) Stage 2 – Expenditure Approval

i. Approval of expenses at the District level is done by the District Magistrate. The District Accounts Manager is not in a position to expedite this process of approval, which sometimes leads to delays beyond the control of District Health Society.

ii. On submission of FMR by the district, it was reported by District officials that there is delay of around seven days in receiving funds after SOE submission although the SHS, Bihar officials shared that they make efforts to release the funds in 48 hours from receiving the funds. The team could assess that a part of this delay happens due to the time lag between the DHS sending the FMR and SHS receiving the same and sometimes due to queries of SHS on FMR. SHS cannot process an FMR for release of funds until it is entirely correct.

iii. Blocks reported that there is no time limit for receiving funds from the District after they submit their FMR. There is a guideline for releasing funds within 24 hours but the same was not found to be followed. The main reason again seems to be either lack of funds in the district or problems with FMR submitted by blocks.

c) Stage 3- Release of funds

i. SHS, Bihar is getting funds regularly after the submission of Audit Report and UC was regularised. There were no reported delays in receiving funds from the State.

ii. District Health Society also gets funds within a reasonable time limit after submission of FMRs.

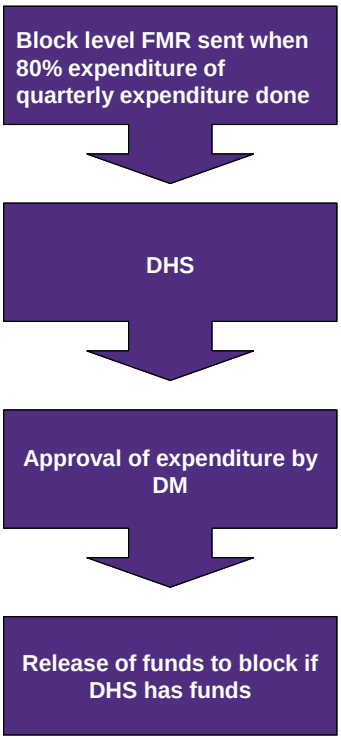
iii. The blocks in which the team visited in Muzaffarpur was not getting funds regularly and there were backlog of payments.

d) Stage 4 – Program Implementation

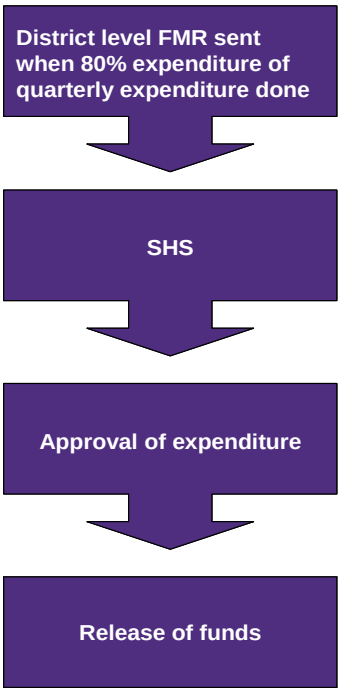
i. Funds are also blocked at District and Block level due to delay in program activities and implementation. For example, in DHS Muzaffarpur and Gaya no expenditure was incurred in the following programs during the year ended 31/3/2009 –

District	Programme Head	Total Unspent balance
Muzaffarpur	Mobile Medical Unit	5,44,295
Muzaffarpur	Health Camp	12,60,000
Muzaffarpur	ORS Packet	3,18,441
Muzaffarpur	Mamta/LCD Tv	1,90,100
Muzaffarpur	Bio Metric System	2,50,000
District	**Programme Head**	**Total Unspent balance**
Muzaffarpur	RI Strengthening	1,50,29,125
Gaya	APHC Construction	1,59,45,000
Gaya	CHC Upgradation	40,00,000
Gaya	ANM Training School	500,000
Gaya	Const. of PHC	12,193,475
Gaya	Data Centre at Dist. Level	13,46,135
Gaya	Const. of Drug Store	3,174,300
Gaya	Repair & Rennovation Sadar Hospt.	15,45,950
Gaya	IUD Training	2,40,000
Gaya	Asha Kit A & B	18,00,000
Gaya	Health Camp in Middile School	15,00,000
Source: Audited Financial Statements, 2008-2009		

Process Flow Chart of Expenditure Reporting and Fund Release to Block



Process Flow chart of Submitting District level FMR and Release of Funds



Section 5: Health Expenditure at various levels

5.1 Public Health Expenditure in Bihar

The Public Health Expenditure in Bihar has increased from Rs 1,220 crores in 2005-06 to Rs 1,833.67 crores in 2007-08. The per capita expenditure including Department of H& FW and NRHM has increased from Rs 137.38 to Rs 193.01 during the four year period.

Table 38: Public Health Expenditure[3]

Rs. in Crores

Source	2005-06	2006-07	2007-08
Medical and Public Health, Ayurvedic and Homeopathy expenditure	1014.85	1152.75	1387.03
NRHM	205.15	290.61	446.64
Total	**1220**	**1443.36**	**1833.67**
Population	8.88	9.29	9.5
Per capita expenditure in Rs	137.38	155.36	193.01
Source			

5.2 Expenditure of Department of Medical, Health and Family Welfare

The expenditure of Department of Medical, Health and Family Welfare has almost doubled from Rs 629.41 crore in 2004-05 to Rs 1,387.03 crore in 2007-08. The major increase has been in the year 2005-06 in which the growth of health expenditure has been 37.98**%** from the base year of 2004-05. This growth has been both in the revenue as well as in the capital expenditure. It is pertinent to note that 2005-06 was the year in which there was change in government in Bihar.

The expenditure of Department of Medical, Health and Family Welfare as a percentage of Total State Expenditure was 5.12% in the year 2005-06 but thereafter it declined to 4.47% in 2006-07 and in 2007-08 it increased again to 4.72%.

The percentage of revenue expenditure of Department of Medical, Health and Family as compared to revenue expenditure of the state has remained between 4-5% but the percentage of capital expenditure of Department of Medical, Health and Family Welfare shows a major increase from 1.82% to 6.62% in the year 2005-06 and thereafter has declined to 3.23% in 2006-07 and 4.02% in 2007-08.

[3] The expenditure done under National AIDS Control Programme has not been included.

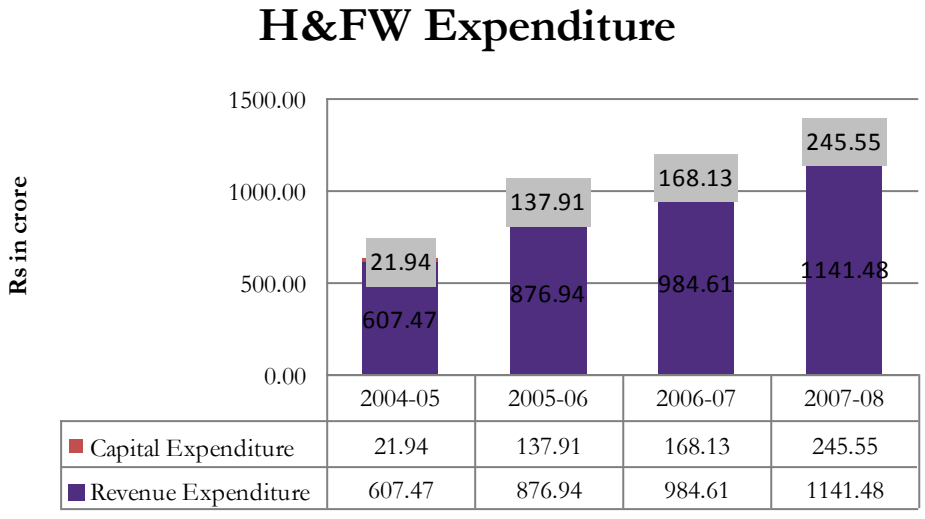
The expenditure of Department of Medical, Health and Family Welfare as a percentage of GSDP shows a constant increasing trend from 0.86% in 2004-05 to 1.32% in 2007-08.

The per capita expenditure of Department of Medical, Health and Family Welfare also shows an increasing trend during the period and has doubled from Rs 70.88 to Rs 142.70. This growth reflects increased expenditure on health services by the government even with the increase in population by around 0.84crore from 2004-05 to 2007-08.

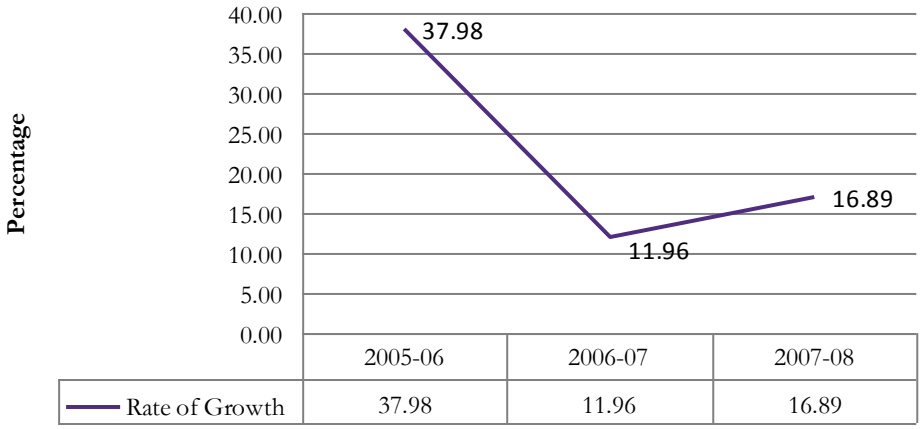
Table 39: Analysis of expenditure of Health and Family Welfare Department

Rs in Crore

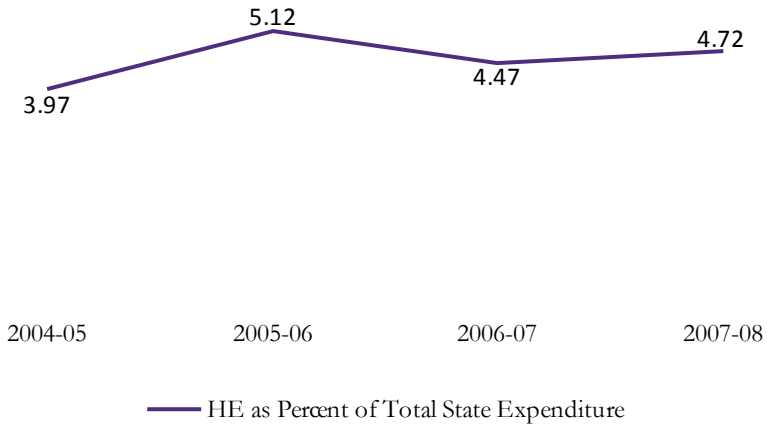
Particulars	2004-05	2005-06	2006-07	2007-08
Expenditure of Deptt. H & FW of which (HE)	629.41	1014.85	1152.75	1387.03
Revenue Expenditure	607.47	876.94	984.61	1141.48
Capital Expenditure	21.94	137.91	168.13	245.55
Rate of Growth	Base year	37.98	11.96	16.89
Total State Expenditure	15842.95	19839.89	25796.16	29357.37
HE as Percent of Total State Expenditure	3.97	5.12	4.47	4.72
Total State Revenue Expenditure	14638.44	17755.99	20585.03	23253.59
Revenue Expenditure as Percent of Total State Revenue Expenditure	4.15	4.94	4.78	4.91
Total State Capital Expenditure	1205	2084	5211	6103.78
Capital Expenditure as Percent of Total State Capital Expenditure	1.82	6.62	3.23	4.02
GSDP	73220.82	80156.53	98956.76	105148.34
HE as Percent of GSDP	0.86	1.27	1.16	1.32
Population	8.88	9.29	9.5	9.72
Per Capita Expenditure of Department of Health and Family Welfare (Rs)	70.88	109.24	121.34	142.70
Source – Finance Accounts – 2004-05 to 2007-08, Study of State Finances- RBI				



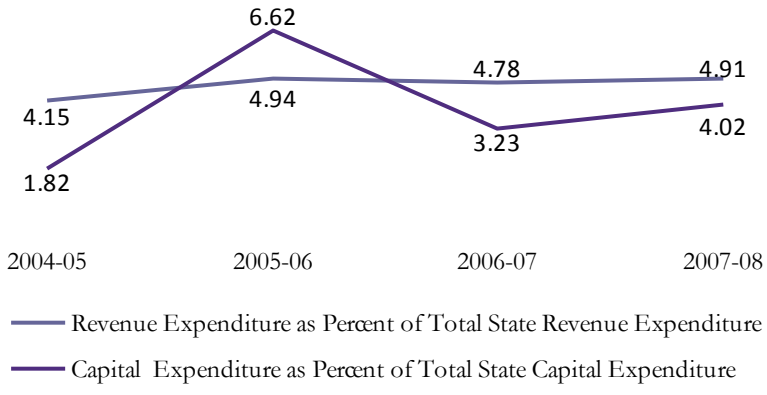
H&FW Expenditure- Growth YOY

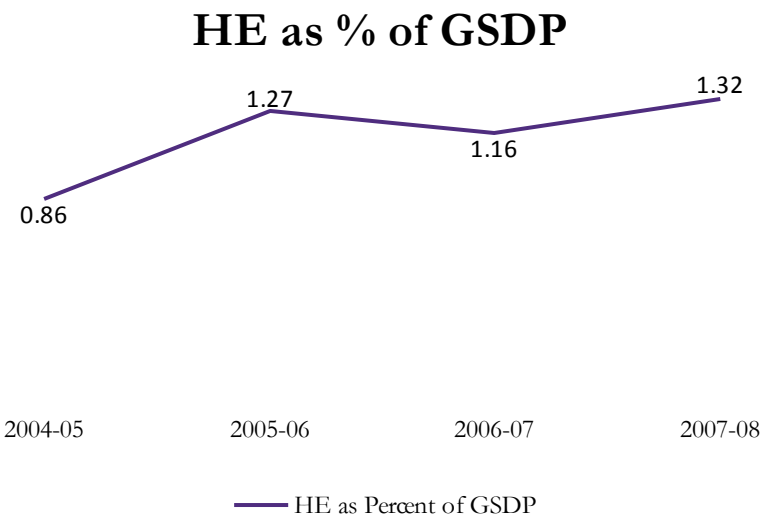


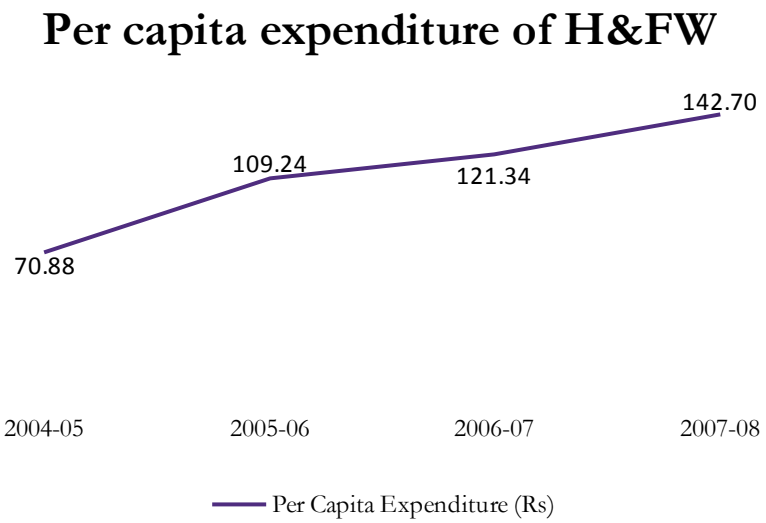
State HE as % of State Expenditure



RE and CE as % of State Expenditure







5.3 Revenue expenditure on Health and Family Welfare

- The analysis of revenue expenditure on Health and Family Welfare shows that the maximum expenditure was incurred on Urban Health Services- Allopathy in the year 2004-05 but from 2005-06 onwards the expenditure has increased on Rural Health Services- Allopathy.
- The total expenditure incurred in 2007-08 for Rural Health Services – Allopathy is 544.88 crore as against Rs 293.47 crore for Urban Health Services – Allopathy. The other major expenditure includes- Rural Family Welfare Services, Medical Education and Training and Public Health.
- The percentage composition of expenses shows that the major expenditure is incurred on the Rural Health Services- Allopathy and Urban Health Services – Allopathy.

- The percentage of expenditure on Rural Health Services – Allopathy out of the total expenditure has increased from 30.07% to 47.73% over the period of four years, whereas the percentage of expenditure on Urban Health Services – Allopathy has decreased from 34.10% to 25.71% from year 2004-05 to year 2007-08.
  This reflects that the quantum of expenditure on Rural Health Services – Allopathy has increased after launch of NRHM in year 2004-05 and there has not been a reduction of expenditure incurred by the Department of Health and Family Welfare on Rural Health. It also signifies that in terms of expenditure, NRHM funds have, perhaps, supplemented the Departments' spending on Rural Areas and have not merely replaced it.

Table 40: Analysis of Revenue Expenditure of Health and Family Welfare- Sub Major Head wise

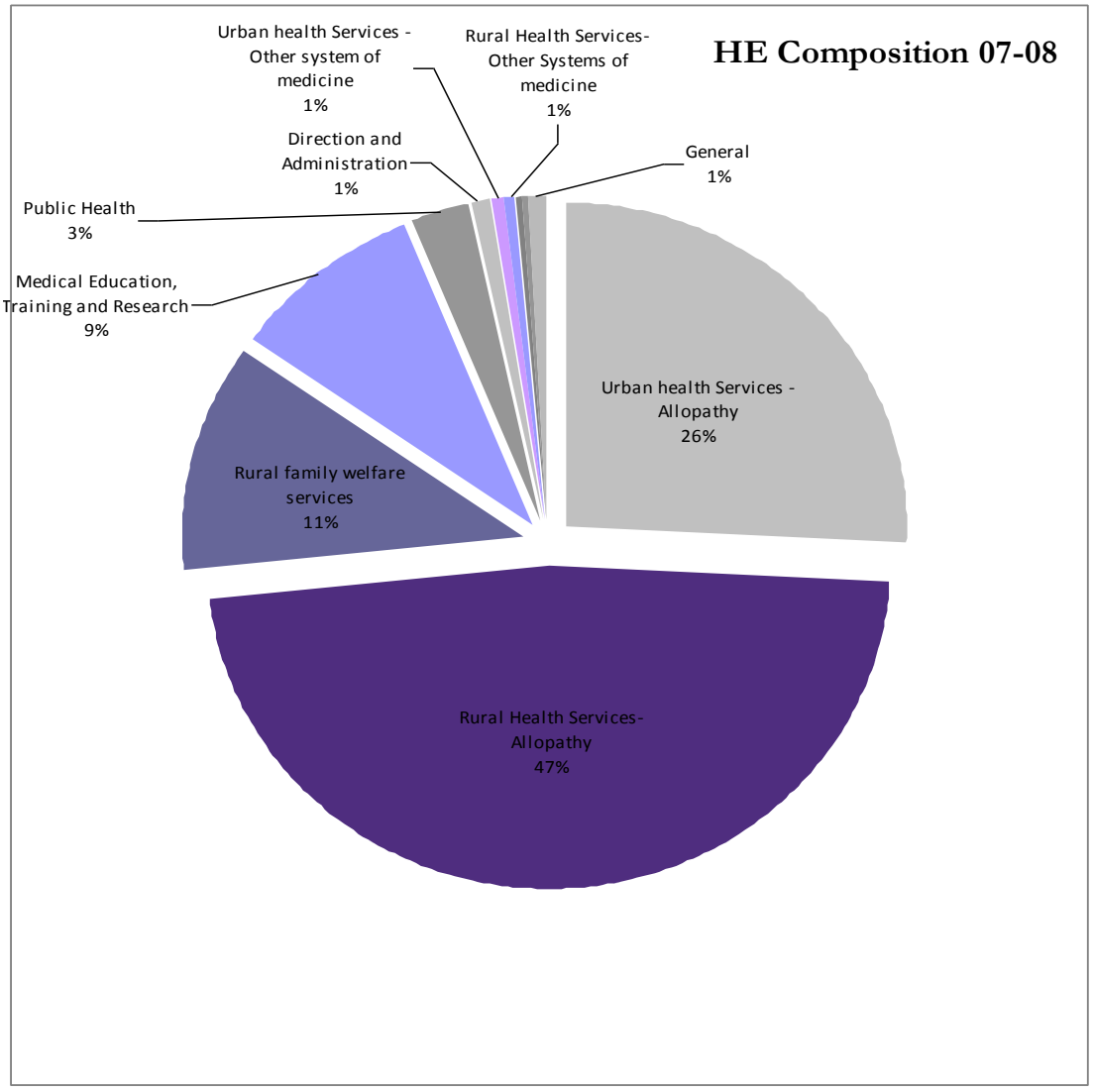
Fig in Rs

Sub Major Head of Revenue Expenditure	2004-05	2005-06	2006-07	2007-08
Urban health Services -Allopathy	207.16	263.03	308.67	293.47
Rural Health Services-Allopathy	182.68	377.17	396.74	544.88
Rural Family Welfare Services	88.56	101.66	120.23	128.20
Medical Education, Training and Research	60.14	75.23	78.00	106.14
Public Health	44.35	31.84	49.45	29.66
Direction and Administration	7.65	8.51	10.30	10.10
Urban Health Services -Other system of medicine	5.15	7.18	6.85	6.17
Rural Health Services- Other Systems of medicine	4.98	5.78	5.47	6.43
Training	3.08	3.58	3.99	4.18
Compensation	1.76	0.64	0.00	0.00
Maternity and Child Health	1.11	1.41	1.41	1.48
Transport	0.47	0.29	0.00	0.00
Urban Family Welfare Services	0.36	0.58	0.80	0.81
Research and Evaluation	0.01	0.04	0.06	0.04
General	0.00	0.00	2.65	10.00
Deduct- Collection of excess payments	0.00	0.00	0.00	-0.07
Total	**607.47**	**876.94**	**984.61**	**1141.48**
Source: Finance Accounts – 2004-05 to 2007-08				

Table 41: Revenue Expenditure of Health and Family Welfare- Sub Major Head Wise – Percentage Distribution

Sub Major Head of Revenue Expenditure	2004-05	2005-06	2006-07	2007-08
Urban health Services -Allopathy	34.10	29.99	31.35	25.71
Rural Health Services-Allopathy	30.07	43.01	40.29	47.73
Rural family welfare services	14.58	11.59	12.21	11.23
Medical Education, Training and Research	9.90	8.58	7.92	9.30
Public Health	7.30	3.63	5.02	2.60
Direction and Administration	1.26	0.97	1.05	0.88
Urban health Services -Other system of medicine	0.85	0.82	0.70	0.54
Rural Health Services- Other Systems of medicine	0.82	0.66	0.56	0.56
Training	0.51	0.41	0.41	0.37
Compensation	0.29	0.07	0.00	0.00
Maternity and child health	0.18	0.16	0.14	0.13
Transport	0.08	0.03	0.00	0.00
Urban family welfare services	0.06	0.07	0.08	0.07
Research and Evaluation	0.00	0.00	0.01	0.00
General	0.00	0.00	0.27	0.88

Sub Major Head of Revenue Expenditure	2004-05	2005-06	2006-07	2007-08
Deduct- Collection of excess payments	0.00	0.00	0.00	-0.01
Total	**100**	**100**	**100**	**100**
Source: Finance Accounts – 2004-05 to 2007-08				



5.4 Capital Expenditure on Health and Family Welfare

- The capital expenditure has been incurred on construction and upgradation of referral hospitals, medical colleges, sub centers/additional PHCs under NRHM, PHCs etc.
- There has been a significant increase in the capital expenditure from year 2004-05 and it increased from Rs 21.94 crore to Rs 245.55 crore in the year 2007-08.
- There has been a substantial expenditure of Rs 120.09 crore in the year 2007-08 on construction of health Sub-Centre/Additional Health Centres under NRHM.
- There has also been regular expenditure from 2005-06 on construction of Primary Health Centres. In the year 2006-07 there has been an expenditure on construction of Sub-Divisional Health Centre (NABARD Sponsored) of Rs 52.87 crore and of Rs 2.56 crore in 2007-08.
- The expenditure pattern portrays expenditure at primary, secondary and tertiary levels of care as expenditure has been incurred for construction of PHCs, sub divisional hospitals, additional PHCs, and medical colleges.
- If we assume that the capital expenditure has been incurred on creation of infrastructure, then the trends would indicate a step towards improvement in the quality of health expenditure focusing on tertiary levels of care and at the same time spending on the repairs and upgradation of primary health care facilities.

Table 42: Details of Capital Expenditure of H& FW

Rs in Crore

Capital Expenditure Particulars	2004-05	2005-06	2006-07	2007-08
Construction of under-constructed building of referral hospitals	10.97	35.86	5.32	0.75
Other expenditure	4.05	0.00	0.00	0.00
Construction of Nurses hostel, residence and garage at PMCH campus	2.82	2.41	0.00	0.00
Bhagalpur Medical College Hospital, Bhagalpur	1.27	1.00	0.53	0.35
Construction of extra floor of Patna Dental College and Hospital	1.06	0.00	0.00	0.00
Border area development program	1.00	0.00	0.00	0.00
Other schemes each costing Rs. 1 Crore or less	0.77	4.15	0.76	1.20
Construction of building for Primary Health Center	0.00	53.52	19.63	49.97
Building construction for Sadar Hospital	0.00	16.50	33.30	8.00
Building construction for Sub-Divisional Hospital	0.00	10.00	20.20	38.84
Land acquisition for AIIMS (Allopathy)	0.00	8.17	0.23	1.60
Construction of residential and office building of District Medical Officer	0.00	3.00	8.79	1.10
Patna Medical College	0.00	1.50	3.00	2.85
Anugraha Narayan Medical college, Gaya	0.00	1.30	2.42	1.00
Repairs of culvert for DMCH Women Hostel	0.00	0.50	2.39	0.00
Construction of buildings of Sub-Divisional Health Centre (NABARD sponsored scheme)	0.00	0.00	52.87	2.56
Construction of building for Patna Medical College and Hospital	0.00	0.00	6.45	13.04
Construction of building for Darbhanga Medical College and Hospital	0.00	0.00	3.90	0.35

Capital Expenditure Particulars	2004-05	2005-06	2006-07	2007-08
Construction of Building for Shri Krishna Medical College and Hospital, Muzaffarpur	0.00	0.00	2.66	0.97
Indira Gandhi Heart Institute, Patna	0.00	0.00	2.00	2.49
Magadh Medical College and Hospital, Magadh	0.00	0.00	2.00	0.00
Shree Krishna Medical College, Muzaffarpur	0.00	0.00	1.68	0.00
Construction of building of Health Sub-Centre/Additional Primary Health Centre(NRHM)	0.00	0.00	0.00	120.09
Construction of Rajkiyee Ausdhalaya in Urban area	0.00	0.00	0.00	0.38
Total	**21.94**	**137.91**	**168.13**	**245.55**
Source – Finance Accounts – 2004-05 to 2007-08, Study of State Finances- RBI				

5.5 Expenditure under National Rural Health Mission

- The expenditure under NRHM has increased from Rs 205.15 crore in 2005-06 to Rs 610.06 crore in 2008-09, with Rs 1552.46 crore being spent in the state of Bihar in the last four years.
- The major expenditure has been incurred in RCH Flexipool followed by National Disease Control Programme.
- The expenditure under NRHM is 25.88% on an average of the Expenditure incurred by the Department of H& FW.
- The per capita expenditure of NRHM increased from Rs 23.10 to Rs 47.01 during the period 2005-06 to 2008-09.

Table 41: Expenditure under NRHM

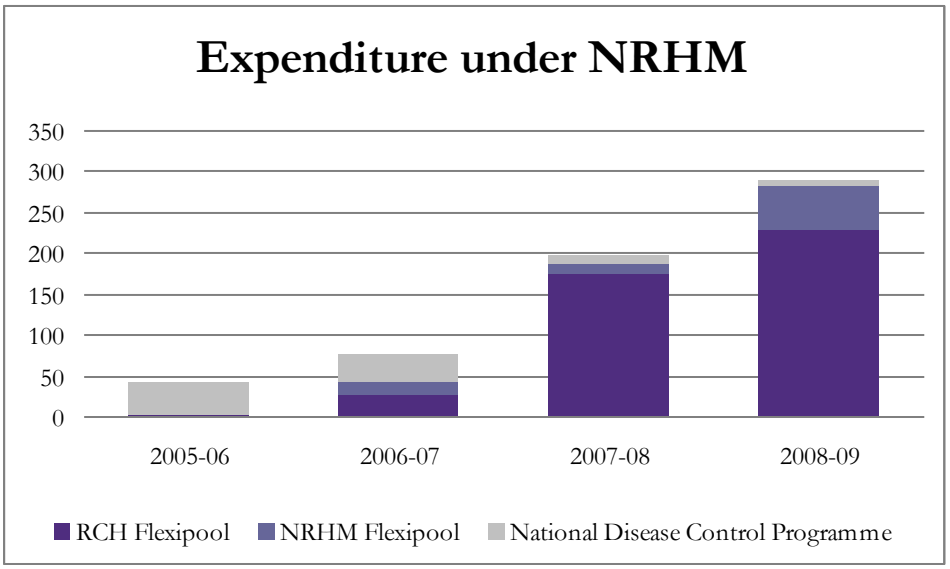
Rs in crore

Heads	2005-06	2006-07	2007-08	2008-09	Grand Total
Total under NRHM out of which	205.15	290.61	446.64	610.06	1552.46
RCH Flexipool	2.4	27.48	174.97	227.56	432.41
NRHM Flexipool	0.59	13.18	12.18	54.1	80.05
National Disease Control Programme	38.39	34.22	8.53	8.34	89.48
Source: MOHFW Website					

Table 42: Expenditure Comparison of Department of H& FW and NRHM

Rs in crore

Particulars	2005-06	2006-07	2007-08
Expenditure of Deptt. H & FW of which (HE)	1014.85	1152.75	1387.03
Expenditure under NRHM	205.15	290.61	446.64
% of NRHM expenditure to Expenditure of Deptt. H & FW	20.21	25.21	32.20
Population	8.88	9.29	9.5
Per capita expenditure under NRHM in Rs	23.10	31.28	47.01
Source: MOHFW Website			



5.6 Health Expenditure at District Level

5.6.1 District Health Expenditure, Department of H & FW

District Muzaffarpur

The total expenditure of District Muzaffarpur as per records available during the teams visit was Rs 21.44 crore. The main expenditure has been incurred on Additional PHC, PHC, and Sadar Hospital of Muzaffarpur.

Table 43: Expenditure under Department H& FW 2008-09- District Muzaffarpur

Rs in crore

Head	Amount
Family Welfare	9.14
Additional PHC	3.99
Dispensary	1.46
Family Welfare	0.17
Minimum need Program	1.49
PHC	2.54
Referral Hospital	0.33
Sadar Hospital	2.31
Total	**21.44**
Source – Expenditure register maintained at Civil Surgeon office	

District Gaya

The total expenditure of District Gaya as per records available during the teams visit was Rs 17.55 crore. The main expenditure has been incurred on Additional PHC, PHC and Sadar Hospital of Gaya.

Table 44: Expenditure under Department H& FW 2008-09- District Gaya

Rs in crore

Head	Amount
Additional PHC	4.11
Blindness	0.14
Chickenpox	0.29
Civil Surgeon	0.46
Health sub-centre	1.27
Primary Health Center	6.09
Referral hospital	0.63
Sadar Hospital	2.86
Dispensary	1.69
Total	**17.54**
Source – Expenditure register maintained at Civil Surgeon office	

5.6.2 District wise Expenditure under National Rural Health Mission

- The total expenditure incurred by Gaya has increased almost four times and in case of Muzaffarpur it has doubled during the phase of three years from 2005-06 to 2007-08.
- The maximum expenditure in Gaya District has been incurred on Pulse Polio in the period 2005-06 to 2007-08 of Rs 3.39 crores followed by JBSY in which the total expenditure was of Rs 1.62 crores. The least expenditure overall has been incurred in IEC Prescription Slip and Vitamin A.
- The maximum expenditure in Muzaffarpur District has been incurred on Pulse Polio in the period 2005-06 to 2007-08 of Rs 4.23 crores followed by JBSY in which the total expenditure was of Rs 2.58 crores. The overall least expenditure has been incurred in Revised Compensation Package and IMNCI Training.

Table 45: Expenditure under NRHM

Rs. in crore

District	2005-2006	2006-2007	2007-2008	Grand Total
Gaya	0.22	2.86	7.26	10.33
Muzaffarpur	0.23	2.60	5.28	8.10
Grand Total	**0.44**	**5.45**	**12.53**	**18.43**
Source - Audited Financial Statements of State Health Society, Bihar				

Table 46: NRHM Expenditure Details – Gaya District

Fig in crore

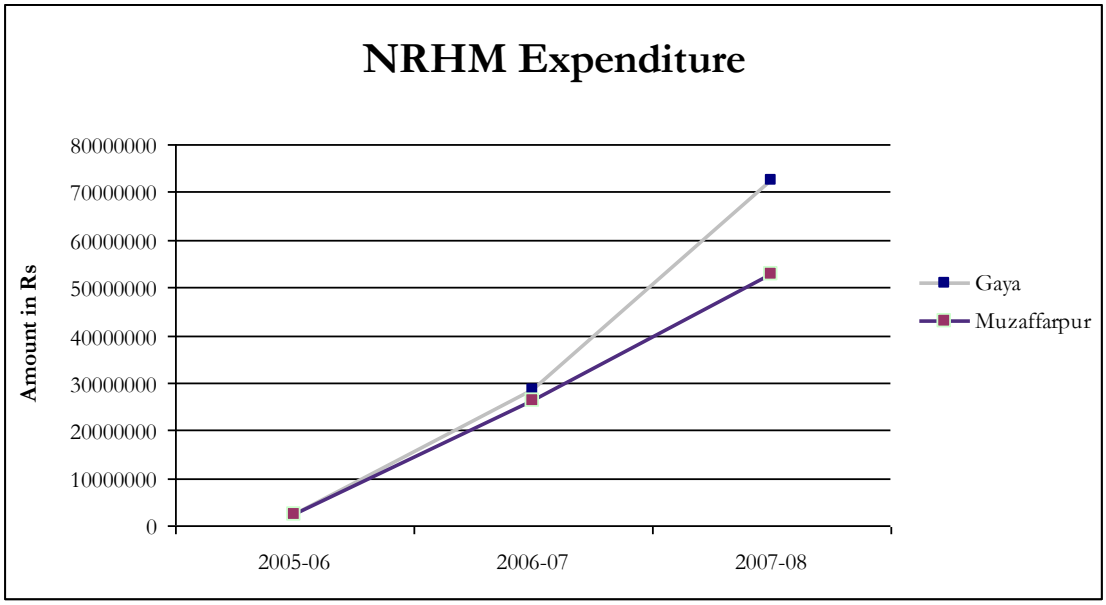
Programme Head	2005-2006	2006-2007	2007-2008	Grand Total
Pulse Polio	0.00	1.44	1.95	3.39
JBSY NMBS	0.00	0.13	2.46	2.58
Family Planning (Revised Compasation Package)	0.00	0.25	1.42	1.67
Routine Immunisation	0.22	0.42	0.44	1.08
Asha Training & Untied Fund for Sub-Center	0.00	0.15	0.21	0.36
APHC Operationalisation	0.00	0.31	0.00	0.31
Strengthening of Programme	0.00	0.01	0.21	0.22

Programme Head	2005-2006	2006-2007	2007-2008	Grand Total
Management				
IMNCI Training	0.00	0.01	0.20	0.21
Mushkan-Ek-Abhiyan	0.00	0.00	0.21	0.21
Untied Fund for Sub Center Under NRHM	0.00	0.06	0.00	0.06
Flexipool Fund (Programme Management)	0.00	0.04	0.02	0.06
Dial 102 Ambulance Service	0.00	0.01	0.04	0.05
Data Centre at District Level	0.00	0.03	0.01	0.04
Asha Bag	0.00	0.00	0.02	0.02
Rogi Kalyan Samiti	0.00	0.00	0.02	0.02
Vitamin-A	0.00	0.00	0.02	0.02
IEC Prescription Slip	0.00	0.00	0.01	0.01
Grand Total	**0.22**	**2.85**	**7.25**	**10.32**
Source- Audited Financial Statements of State Health Society, Bihar				

Table 47: NRHM Expenditure Details – Muzaffarpur District

Fig in crore

Programme Head	2005-2006	2006-2007	2007-2008	Grand Total
Pulse Polio	0.00	1.92	2.32	4.23
JBSY NMBS	0.00	0.08	1.54	1.62
Routine Immunisation	0.21	0.33	0.35	0.89
Family Planning (Revised Compasation Package)	0.00	0.04	0.46	0.50
Flexipool Fund (Programme Management)	0.01	0.06	0.17	0.25
Asha Training & Untied Fund for Sub-Center	0.00	0.12	0.12	0.24
Basic Instrument of ANMs	0.00	0.00	0.12	0.12
Mobile Medical Unit	0.00	0.04	0.02	0.06
Family Planning Mega Camp	0.00	0.00	0.04	0.04
Vitamin-A	0.00	0.00	0.03	0.03
Dial 102 Ambulance Service	0.00	0.00	0.03	0.03
Data Centre at District Level	0.00	0.00	0.03	0.03
Asha Bag	0.00	0.00	0.03	0.03
IMNCI Training	0.00	0.00	0.02	0.02
Revised Compensation Package	0.01	0.00	0.00	0.01
Grand Total	**0.23**	**2.60**	**5.28**	**8.10**
Source- Audited Financial Statements of State Health Society, Bihar				



5.6.3 Block and Facility Level Expenditure under NRHM

The total expenditure of Block and Facilities in Muzaffarpur district increased from Rs 631.85 lakhs to Rs 1235.44 lakhs whereas in Gaya it increased from Rs 640.04 lakhs to Rs 984.90 lakhs. The analysis of expenditures in the blocks of Gaya and Muzaffarpur indicates that the maximum expenditure in 2008-09 has been incurred on JBSY, Routine Immunization, ANM Remuneration and Pulse Polio.

Table 48: Block and Facility level Expenditure Muzaffarpur district

Rs. in Lakhs

Name of District/Agency	2008-09	2007-08
Aurai	46.80	18.02
Bochahan	100.09	58.61
CS cum Member Sec. Muz.	0.00	0.06
DIO cum ACMO	9.55	0.06
District H.Q	0.00	27.69
District mass media	0.00	0.00
Gaighat	82.51	39.49
Kanti	119.12	52.00
Katra	79.79	25.11
Kurhani	80.96	29.94
Minapur	73.87	44.94
Motipur	76.65	40.26
Muraul	59.98	28.14
Mushari	67.53	21.48
Nodal Officer Urban	30.23	0.57
Others	18.54	0.48
Paroo	90.04	40.80

Name of District/Agency	2008-09	2007-08
RDD Muz.	0.00	0.00
Sadar Hospital Muz.	74.65	76.84
Sahebganj	70.16	30.86
Sakra	81.58	67.70
Saraiya	73.39	28.80
Total	**1235.44**	**631.85**

Table 49: Block and Facility level expenditure of Gaya district under NRHM

Rs. in Lakhs

Name of PHC	2007-08	2008-09
Accredited N. Home	0.00	2.10
Amas	31.20	41.10
Atri	30.99	49.83
Bankebazar	5.51	18.04
Barachatti	36.27	51.42
Bathani	0.00	0.00
Belaganj	38.65	65.99
Bodhgaya	26.65	38.42
C.S. Office	12.69	0.00
Dobhi	0.70	5.81
Dobhi	0.00	0.00
Dumariya	5.85	6.18
Fatehpur	41.18	57.55
Gurua	28.59	50.83
H. Q.	29.57	33.43
Imamganj	21.54	31.48
Konch	32.33	39.18
L.E.Z. Hospital	0.00	50.72
Lady Elgin	48.27	0.00
Manpur	27.28	51.94
Mohanpur	20.10	31.76
N. Bathani	0.00	7.64
Nimchak Bathani	0.00	0.00
Pariaya	21.98	23.10
Pilgrim Hosp.	9.38	0.00
RDD	0.00	0.00
RDD. Magadh	0.00	0.00
Sherghati	38.50	65.60
Tekari	35.10	82.64
Town Block	12.41	25.15
Urban	0.00	0.00
Wazirganj	47.46	86.67
Khizersarai	37.84	67.94

Name of PHC	2007-08	2008-09
Fatehpur	0.00	0.38
Total	**640.04**	**984.9**

Table 50: Program Head wise expenditure of Wazirganj block, Gaya District

Rs. in Lakhs

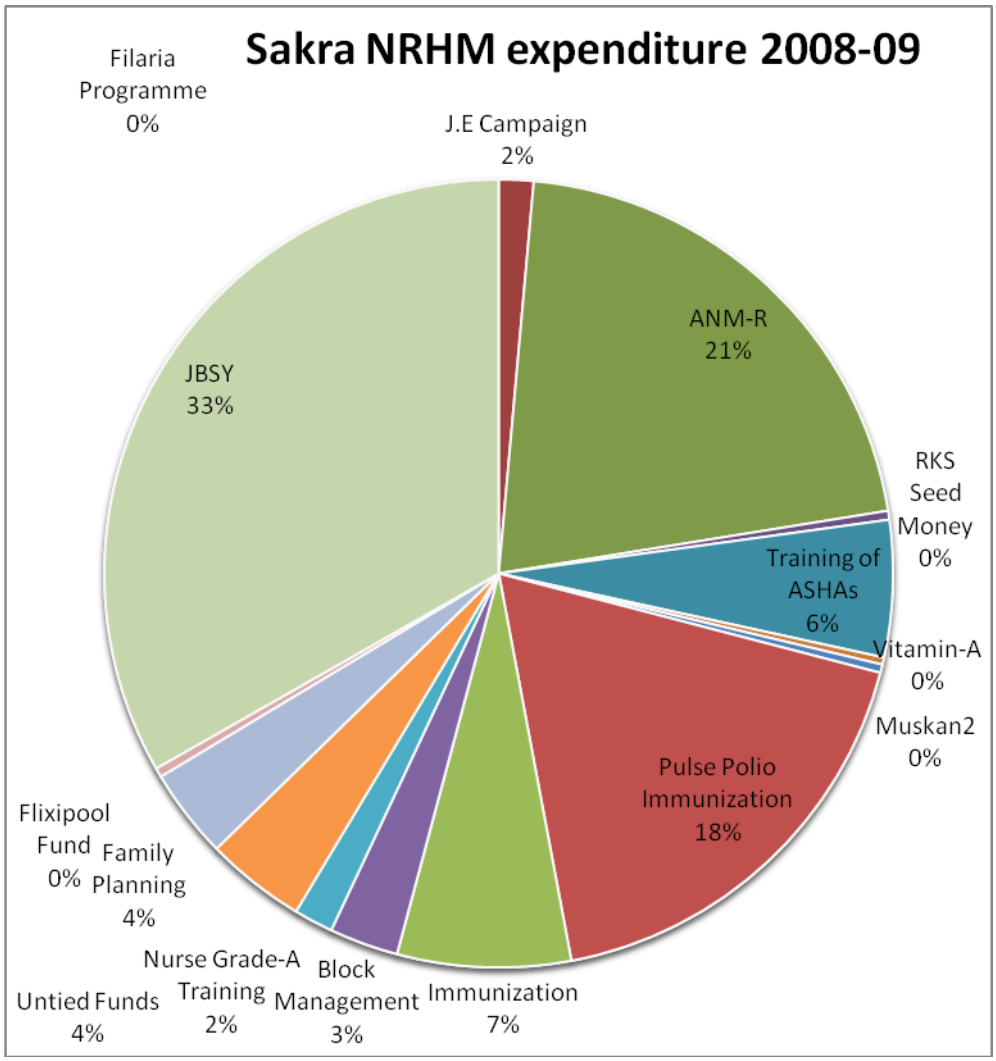
Programme Head	2007-08	2008-09
JBSY	2752300	5304008
Pulse Polio	986967	1136970
RKS ANMH		947780
Family planning		421150
Muskan		315725
Untied fund		118869
Routine Immunisation	221050	109350
seed money		99603
Muskan vehicle	0	80000
UF PHC		50000
A grade		38097
Vit A	22200	23600
Asha Divas		19500
Block Management Fund		2427
Asha Trg	202131	0
Family Planning	561330	
Total	**4745978**	**8667079**

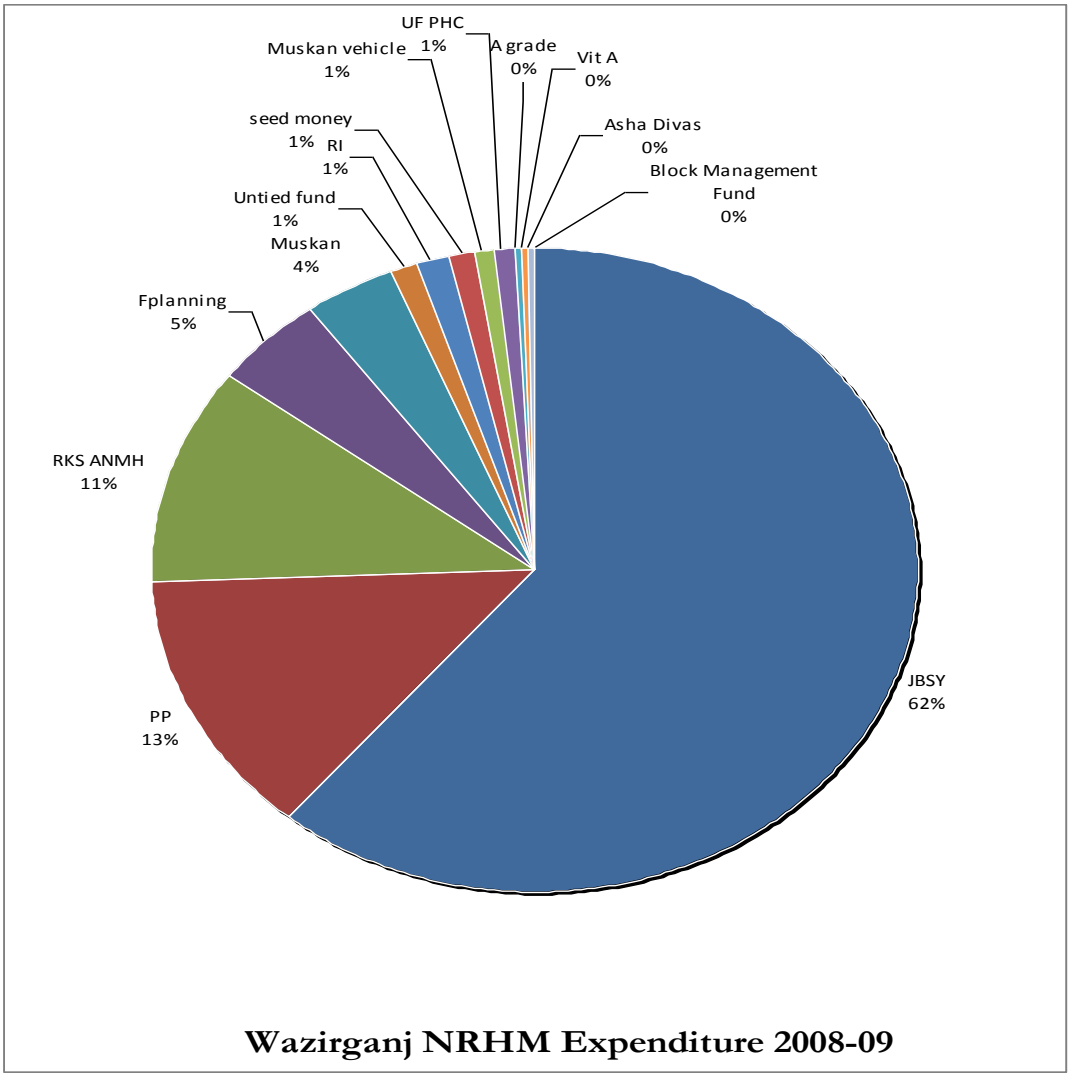
Table 51: Program Head wise expenditure of Sakra block, Muzaffarpur District

Rs. in Lakhs

Programme Head	2008-09	2007-08
Immunization	579800	708029
Family Planning	300750	390300
Pulse Polio Immunization	1467955	2427418
Vitamin-A	23800	24200
Flixipool Fund	30800	1804980
JBSY	2711720	1414680
J.E Campaign	115672	
ANM-Remuneration	1716000	
RKS Seed Money	29700	
Training of ASHAs	457280	
Muskan	28050	
Block Management	230449	
Nurse Grade-A Training	131750	

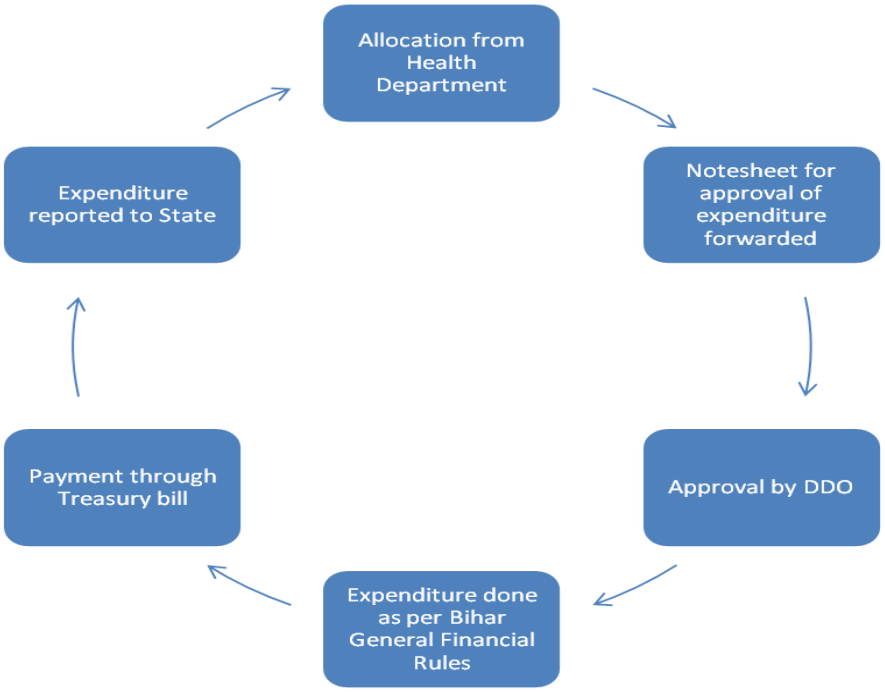
Programme Head	2008-09	2007-08
Untied Funds	334304	
Total	**8158030**	**6769607**





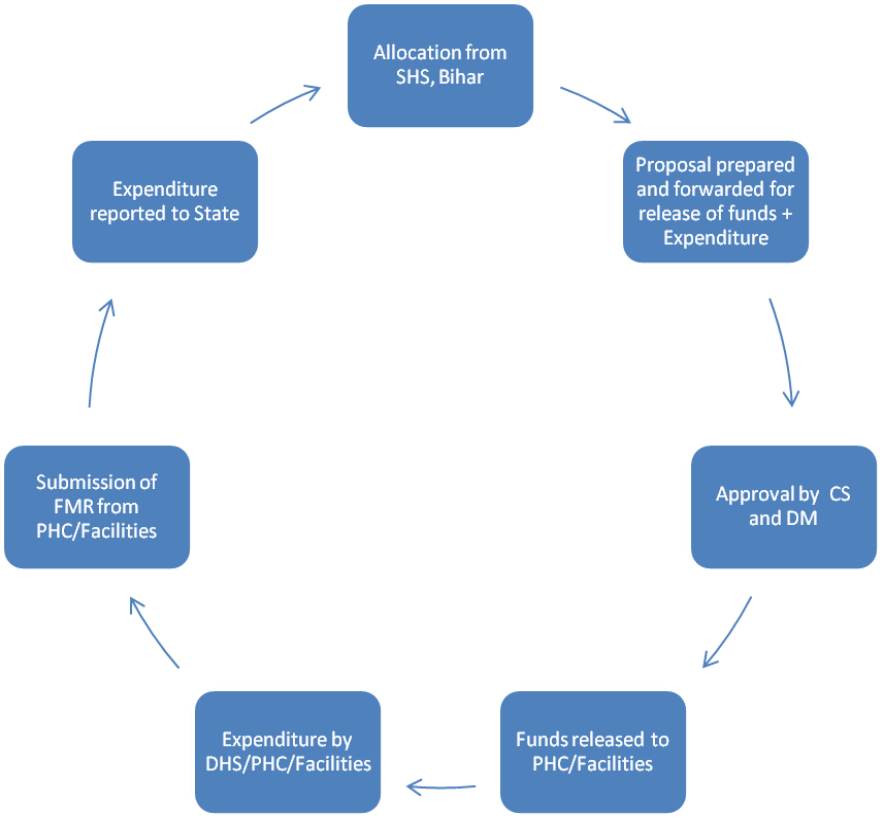
5.7 Expenditure cycle in the Treasury Route

The expenditure cycle starts with the intimation of allocation from Department of Health and Family Welfare. The expenditure is then incurred as per the line items of budget allocation. The note sheet for approval is prepared and forwarded by the dealing clerks to the DDO for approval. The expenditure is then incurred as per the Bihar General Financial Rules and other extant rules. The payment is made through treasury bills and the expenditure is reported to the Department of Health and Family Welfare.



5.8 Expenditure Cycle under Society Route/NRHM

The expenditure cycle before the year 2009-2010 began with the DHS receiving funds from SHS, Bihar as per the demand sent by them. The expenditure cycle post 2008-2009 begins with the quarterly allocation of expenditure by SHS, Bihar. The DHS then sends the proposal for release of funds and other expenditure to District Civil Surgeon and District Magistrate for approval. The funds are then released to the facilities. The expenditure that needs to be spent by DHS is spent by them. The PHC submit expenditure reports which are collated at District level. The DHS submits the expenditure report to SHS, Bihar.



5.9 Estimation of Total Amount of Funds required in the Pipeline

5.9.1 State level Society

At the SHS, Bihar level no delay of funds was found in the 2009-10. The major reasons of earlier delays have been non-submission of audited financial statements to MOHFW. An estimate of funds required in pipe line based on the audited financial statements for year ending 31/3/2009 is Rs 123.50 crore. There is no considerable delay of funds from MOHFW if the UC and audited financial statements are submitted.

Table 52: Calculation of Funds Requirement in Pipeline

Fig. in Crores

Particulars	Amount
Average monthly expenditure	64.40
Average amount of advances	59.10
Total fund requirement in pipeline per month	123.50

5.9.2 District Level Society

The analysis of data from the Audited Financial Statements of 2008-09 shows that Muzaffarpur has funds of around Rs 2 crore in the pipeline per month whereas Gaya has around Rs 1.36 crore of funds in the pipeline. The average of figures for these two districts shows that funds required in pipeline for a month is around Rs 1.70 crore. SHS, Bihar has now laid down guidelines for release of funds within 48 hours by the state. The total time requirement from the submission of expenditure by district to getting funds is still 7-10 days which is mostly due to communication and approvals lag. Hence, a district may be allowed to retain 15 days of its funds requirement.

Table 53: Calculation of Funds Requirement in Pipeline

Fig in Rs

Particulars	Muzaffarpur	Gaya	Average
Average monthly expenditure	1,17,44,267	94,88,086	1,06,16,176.5
Average amount of advances	86,24,780	41,54,125	63,89,452.5
Total fund in pipeline per month	2,03,69,047	1,36,42,211	1,70,05,629

Section 6: Monitoring & Supervision (including Audits)

6.1 Monitoring and Supervision

6.1.1 Financial Control, Monitoring and Supervision – Health Department

The institutions and departments which are functioning under the State Government and which draw funds from Treasury are governed by State Government rules and guidelines like Bihar Finance Rules and Treasury Rules. These rules primarily lay down the mode of procurements, disbursements, giving out of advances and their adjustments etc. The Government of Bihar amended the Bihar Finance Rules in 2005 to bring about changes in the rules as per the present scenario. At present, there are separate rules for Travelling Allowance, Pension, Provident Fund, Budget Manual etc. The following are some significant points regarding Financial Control and Budgeting in the Health Department –

- Bihar Budget Manual and standing instructions for the Drawing and Disbursing Officers (DDOs) provide that revised estimates for the current year and budget estimates for the next year should be sent to the Department by 1 July which in turn sends it to the Finance Department by 1 October every year.
- Provision to surrender unspent balance by 25th March every year.
- The budget control register is prepared and it helps the Department in preparation and formulation of budget on actual. The expenditure control register serves as an important tool for prudent expenditure management apart from anticipating savings at the close of the financial year.
- The Budget Manual and Treasury Code requires the controlling officer to avoid rush of expenditure in March by keeping a close watch on month wise progressive expenditure of department and DDOs.
- As per Rule 475 of Bihar Financial Rules, the Head of Departments are responsible to reconcile the departmental figures of expenditure with those appeared in the books of AG (A&E) on quarterly basis
- Bihar Treasury rules provide that the officer, who drew funds on abstract contingent (AC) bills, should submit detailed contingent (DC) bills so as to reach the Accountant General not later than 25th of the month following that to which they relate.
- Bihar Treasury Code provides that all monetary transactions should be entered in cash book as soon as they occur and attested by the head of office in token of check exercised by him.
- The State Government established (1953) internal audit wing under the control of Finance Department. The internal audit wing is headed by Chief Controller of Accounts functioning under the administrative control of Secretary-cum-

Commissioner of Finance Department. The internal audit of Health Department was undertaken by audit wing of Finance Department.[4]

6.1.2 Financial Control, Monitoring and Supervision – Society

- The State and the District is following the Double Entry System of accounting on Cash Basis. In addition to this for proper accounting and maintenance of books, a manual cum guidelines had been issued to the districts. Also the monthly auditor appointed at each district is reporting on the accounting procedures followed by the districts on a monthly basis, along with the deviations, if any.
- The Financial Management Group at State consists of the State Finance Consultant and State Accounts Officer. Similarly at districts, District Accounts Manager (DAM) is looking after the financial matters
- The financial monitoring is being done through the understated mechanisms-
    - Analysis of SOEs submitted by the districts and its comparison with audited expenditures on monthly basis and reconciliation of the same by the financial consultant.
    - Training cum discussion meets with all the districts officials at regular intervals.
    - Audits
        - Comprehensive audit (Annual) as per the Directions of GoI.
        - Monthly Audit is being conducted and reports are submitted to state regularly which are then reviewed.
        - Audit by CGA officials is also going on as on date.
- State Health Society monitors the funds released to the districts on the basis of the Financial Management Reports (FMRs) submitted by them. The criteria for monitoring are the pre set expenditure limit for the district. In case a District has not been able to spend the money according to the pre set expenditure limit, then the funds are allocated to Districts which have achieved their targets. The fund for the district which has not been able to spend money is reduced to the extent of unspent balance with that district.

6.2 Audits and Audit Observations

6.2.1 Audit arrangement of Department of Health and Family Welfare

The Accountants General, Bihar conducts the audit of transactions of the Consolidated Fund of the State and hence all the transactions of Department of Health and Family Welfare are also audited by them. The findings of the audit of CAG of India are submitted to the State Legislature. The Reports are normally presented in the budget session and contain the findings on the audit of the transactions of the previous year

The following are the significant audit observations on Department of Health and Family Welfare as reported by the CAG in various years –

- Blockage of funds due to non-installation of machines –CAG Audit report(Civil) 31/3/08
- Savings of Rs 292.10 crore in Grant number 20 – Health Department - CAG Audit report(Civil) 31/3/08

[4] CAG Audit Report Civil 31/3/2006

- CAG in the Audit Report (Civil) 31/3/2006 have expressed their opinion about the Internal Control Mechanism in Health Department, the major observations are as under:-
  - Budget estimates were not prepared on the basis of actual requirement which resulted into saving of Rs 1072.82 crore and lapse of Rs 497.16 crore during 2001-06.
  - 690 Drawing and Disbursing Officers did not submit DC bills of Rs 136.43 crore during the years 2003-06 to AG (A&E). Only Rs 1.24 crore were utilised on purchase of medicines and equipments against available funds of Rs 10.06 crore provided under PMGY.
  - The expenditure of Rs 2.21 crore incurred on National Malaria Eradication Programme (NMEP) and control of Kalazar proved unfruitful due to non-spraying of DDT within prescribed time.
  - Internal audit observations containing monetary value of Rs 48.97 crore were noticed during 2001-06. Of this Rs 4.41 crore relates to defalcation, misappropriation and recovery. Paras involving Rs 0.04 crore only were settled during 2001-06.
  - The Department failed to properly monitor the execution of various schemes.

6.2.2 Audit arrangement of the Society

- The accounts of the State Health Society, Bihar and District Health Society are audited yearly by Chartered Accountants appointed by the societies. Chartered accountants provide report to the State Health Society, Bihar along with observations on the accounts. The system of concurrent audit has also been started in all the districts except seven districts in which the concurrent audit system is yet to be started.
- The following are the significant audit observations of the Auditors on the financial statements of State Health Society, Bihar –

a) Financial Year 2005-06

- In many districts, though cash books are maintained, yet these cash books do not serve the purpose because expenses and receipts of all the activities are mixed up. In some of thecases it was found that books of accounts (ledger & other subsidiary books) are not being maintained.

b) Financial Year 2006-07

- Consolidation of the accounts of District Health Societies was not found to be in practice.
- Reconciliation of balance with PHC's and balance as per District Health Society was not done.
- Bank reconciliation statements of PHC's are required to be prepared regularly.
- Single cash book and bank account maintained for all transactions by PHC's.

c) Financial Year 2007-08

- Reconciliation of balance with PHC's and balance as per District Health Society was not done.
- Bank reconciliation statements of PHC's are required to be prepared regularly.

- The Significant Accounting Policies and Notes on Accounts have not been disclosed in the Audited Financial Statements.

- The team found that although the Auditors report for FY ending 31/3/2009 mentioned that proper books of accounts as required by law are kept by DHS, Muzaffarpur; it became known that only cash book but no ledger is maintained. Similar observations were made in respect of PHC, Murol where only cash book is maintained. These instances although do not provide a pervasive evidence about non- maintenance of books since the team only interviewed the District Accountant but still there seems to be a gap which needs to be addressed.
- Auditors have not been sensitized about the programs and requirements of NRHM. This places a significant limitation in verifying the end use of funds when auditing the accounts.
- SHS, Bihar has not laid down internal control and accounting guidelines in a consolidated form but these are mostly in the form of letters issued on a need basis. In the absence of complete information about the directions of SHS, Bihar to the DHS and from DHS to PHC, the auditors' ability to view information in light of guidelines becomes limited.
- Financial Statements of District Health Society, Muzaffarpur for FY 2007-08 and 2008-09 were not signed by the Member Secretary and President although auditors seal and signature were present. This is an indicator that the procedures of approval of Financial Statements in the General body meeting of District Health Society and placing initials on the Financial Statements by Member Secretary and President has possibly not been done.

6.2.3 Capacity related Issues

- Financial Management is mostly limited to release of funds and collecting UCs at all levels. District Accountants and FMG at SHS, Bihar have extremely limited time and resources to undertake capacity building of accounts staff below them.
- Chartered Accountants can be involved at the SHS, Bihar level to provide consultancy on matters related to internal control, developing accounting policies and systems as well as capacity building of accountants at all levels.
- Communication with the field level units at all levels specially those relating to financial and implementation guidelines are not clear and multiple communiqués are currently being sent.
- Co-ordination between contractual staff and staff of government set up needs to be improved.
- District level officials have to do multitasking depending on the directions of the Civil Surgeon and District Magistrate. This puts a constraint on the ability of the District team to plan the activities as per their expected job responsibilities. For example, the district team of DHS, Muzaffarpur shared that they were not able to focus on budgeting and planning as much as they would have liked due to various other work which required their attention.
- During the visit of PHC, Murol, Medical Officer in charge shared that there is an urgent need to sensitize the RKS members on the functioning and duties of *Rogi Kalyan Samitis*. The sensitization of these members would help in effective functioning of RKS at block levels.

Section 7: Conclusions

- A district receives funds from the Department of Health and Family Welfare, Government of Bihar and from the State Health Society, Bihar under various budget heads. The district spends the funds received from the Bihar Government as per the approved budget communicated to them and in case of NRHM the expenditure is done as per the approved PIP.
- The funds received from Department of Health and Family Welfare mainly comprises of salary, other administrative costs and drugs etc. The funds received under NRHM are received as per the program budget allocations for the district. The team could estimate that a district spends funds of Department of Health and Family Welfare as detailed below –

Facility	Percentage of Total Expenditure
PHC	22
Additional PHC	21
District Hospitals	15
Health Sub centres	10
Civil Surgeon office and others	22
Program Activities	10
Total	**100**

- A district also receives funds under NRHM which is spent as per the budget allocation received from the State Health Society, Bihar. The team could estimate on the basis of sample districts that the funds received under NRHM have been spent as detailed below –

Programme Head	Percentage of Total expenditure
Pulse Polio	43
JBSY NMBS	23
Family Planning (Revised Compasation Package)	11
Routine Immunisation	11
APHC Operationalisation	2
Asha Kits	2
Asha Training & Untied Fund for Sub-Center	2
IEC Prescription Slip	2
Flexipool Fund (Programme Management)	1
IMNCI Training	1
Mushkan-Ek-Abhiyan	1
Strengthening of Programme Management	1

Untied Fund for Sub Center Under NRHM	1
Data Centre at District Level	0
Dial 102 Ambulance Service	0
Rogi Kalyan Samiti	0
Vitamin-A	0
Total	**100**

- A block receives funds from the District Health Society under various heads. The earnings from user charges of *Rogi Kalyan Samiti* are also a source of fund available at the block level. The analysis of two sample blocks of Gaya and Muzaffarpur shows that JBSY and Pulse Polio are the major program cost drivers at the block level.

Program Head	% of Exp. 2008-09
JBSY	48
Pulse Polio	15
RKS ANMH	16
Family planning	4
Muskan	2
Untied fund	3
Routine Immunisation	4
seed money	1
Muskan vehicle	0
UF PHC	0
Nurse A grade	1
Vit A	0
Asha Divas	0
Block Management Fund	1
Asha Trg	3
J.E Campaign	1
Flixipool Fund	0
Total	**100**

- The quick estimates of annual recurring expenditure and cost per patient of Health Sub Centres, PHC, Referral Hospitals and District Hospitals have been worked out based on interviews by the team of various officials and on the basis of expenditure

Name of Facility	Quick estimate Annual Recurring	Cost/Patient
Health Sub Centre	7.20	48
24*7 PHC	29.75	121
24*7 CHC (Upgraded PHC's) Referral	48.84	110
District Hospitals	369.23	92
District Drug Warehouse and logistics	7.08	
District Training Centre	20.40	
District level M& E system	5.94	
District level IEC/BCC	6.17	
District wide outreach service	6.00	
District Ambulatory service	5.40	
District Administrative & Supervisory Cost	62.67	

data. The cost of per patient has been calculated for OPD patients in all the cases.

- Costs of various facilities are certainly held down by problems in regular financial flow of funds and inefficiencies of allocation. Some of the key issues in this context are highlighted below -
    - Health Sub Centre level expenditure are held down by the ANMs limited capacity in understanding financial guidelines, undertaking expenditure according to them and preparing UCs/vouchers to be sent to Block level officials. This results in blocking of further release of funds even in cases where funds have been spent.
    - Backlog due to improper flow of funds in the past
    - Non-availability of funds due to non achieving of 80% expenditure target
    - Capital expenditure requires additional time for utilization which is not factored at the time of planning quarterly expenditure. This leads to blockage and non-release of funds
    - Approval of expenditure is done by Civil Surgeon and DM and the DHS officials cannot expedite the process
    - Allocation of funds to the district and allocation of quarterly expenditure is not backed by a work plan for the program.
- There are variations in bottlenecks in various districts. The team found that some bottlenecks in Gaya were different from Muzaffarpur and some were the same. The various bottlenecks were identified on the basis of sample districts visited by the team are divided into four stages of expenditure cycle –
    - Submission of SOE by the District and Blocks
        - Delay in the process of finalizing expenditure envelope for the districts has a cascading effect and leads to fund crunch at all levels.
        - Capital expenditure is also being included in the quarterly expenditure threshold whereas capital expenditure by its nature requires more time hence the district is not able to meet the 80% expenditure criteria and leads to fund crunch
        - In some cases, blocks have spent 80% of the funds released to them and also submitted their expenditure report, but since for the district to achieve 80% expenditure threshold other blocks also need to achieve the target, the district is not able to get funds from SHS, Bihar. This causes fund crunch in the block which has spent money and achieved its target.
        - The blocks do not get information about the line items/program for which the funds are being along with release of funds. This leads to a tendency of not spending funds fearing termination or inquiry in case the funds are spent on wrong head/line items.
        - Advances are given to Civil Surgeon to the tune of lakh of rupees for expenditure which needs to be done by DHS like procurement of medicines, Training etc. The funds are blocked in these type of advances since the DHS is not able to push the expenditure at Civil Surgeon level.
        - Books of accounts are not maintained correctly and completely which leads to difficulties in preparation of FMRs and follow up of expenditure.
    - Expenditure approval
        - Approval of expenses at District level is done by District Magistrate. The District Program Manager and District Accounts Manager are not in a position to expedite the process. This delay leads to delayed submission of expenditure report by the District.

  - Release of funds
    - There is backlog of payments in many blocks. These backlogs of payments create problems since these were not taken into consideration during the quarterly expenditure planning.
  - Program Implementation
    - Funds are also blocked at various levels due to non delivery of program activities.

- The districts, it was assessed, have the capacity to absorb the funds which are made available to them based on a need based plan for the district. Each district would have its own focussed area in which funds can be utilised. The district officials during the visit shared that the expenditure has increased after SHS, Bihar has provided them with yearly and quarterly expenditure allocations. They said that it was easier since they have knowledge about the overall allocation. An example of this was found in District Muzaffarpur where the advance of Rs 10.91 crore lying with the PHC has been reduced to Rs 6.84 crore by February 2010, which is the lowest quantum of advance since 2007-08.

Section 8: Recommendations

- **Financial Tracking of Expenditure** without linking them with the programmatic indicators would not give desired results, since it is important to ensure that the expenditure is being incurred to achieve the laid down objectives of the programme. This implies that each financial indicator should be directly related to physical achievement/progress at the implementation level.

- Financial Tracking indicators can only be used if basic financial management system is functional at every level. In the absence of such a system, the required data would not be available. In districts/blocks where there is problem with the basic financial management system, capacity building and providing adequate human resource and infrastructure has to be ensured. Then only will it be possible to track expenditure and gather information from those units.

- The suggested indicators are being provided in a type of form which can be shared with the districts and below district level officers to help them in monitoring not only the expenditure but also the overall system. The form sould ideally be filled every month and submitted to the approving unit by 10th of next month.

- In order to link up the Financial Tracking with the effectiveness and efficiency of the programme it is suggested that the same be done through the existing HMIS.

- Suggested Form for Financial Tracking Indicators

SUGGESTED FINANCIAL EXPENDITURE TRACKING FORM		
1	Name of District/Block/Facility	
2	Month/Year (MM/YY)	
BASIC FINANCIAL MANAGEMENT SYSTEM INDICATORS		
3.1	Books of Accounts maintained	
a.	Cash book	Y/N Updated upto __/___/2010
b.	Bank book	Y/N Updated upto __/___/2010
c.	Ledger	Y/N Updated upto __/___/2010
d.	Stock Register	Y/N Updated upto __/___/2010
3.2	Frequency of Entry in books of Accounts (Recommended frequency is Daily)	
3.3	Books are maintained	

	Manually/Computerised	
3.4	If computerized, then when was last back up taken	__/___/2010
3.5	Date of last bank reconciliation prepared	__/___/2010
3.6	Date of last reconciliation with District Health Society/State Health Society	__/___/2010
FUND RELEASE INDICATORS (*The expenditure indicators need to be filled up for each budget head against which funds have been released from the State Health Society, Bihar)*		
4.1	Funds available at the start of month	Rs
4.2	Funds released to field units during the month	Rs
4.3	Expenditure submitted by field units during the month	Rs
4.4	Expenditure incurred at the unit during the month	Rs
4.3	Amount of Blocked funds at field unit level *(Blocked funds at any below unit level would mean a fund released to a unit but has not been utilized within the time frame as per the action plan. Funds not utilized would include funds spent but expenditure report not submitted)*	Rs
4.4	Reason for blocked funds at field unit level	
4.5	Amount of non-released funds in the month	Rs
4.6	Reason for non- released funds	
4.5	Fund eligibility of Unit for the month- Expenditure incurred by Field units + Expenditure at unit level (for which report is submitted) 1 month grace period can be given to the unit to ensure that 80% funds released in 1st month are utilized other wise funds for the 3rd month not to be released.	Rs
BUDGET ALLOCATION INDICATOR (*The budget allocation indicators need to be filled up for each budget head against which funds have been released from the State Health Society, Bihar)*		
5.1	% of total allocation utilized as on month end	
5.2	% of total allocation utilized as on last financial year ending	
5.3	Is there an increase or decrease in utilization % over last financial year ending	
5.4	Please give reasons in case of increase/ decrease in utilization %	

- **Suggested Guidelines for Reallocation of Funds within a District Between Facilities and Centres**
    - A need based approach should be undertaken when reallocating funds between facilities and centres. Such an approach would look to identify the needs of the underlying program for which the funds are to be released rather than only focusing at the utilization percentage. In almost all the cases, reallocation of funds to another block would adversely affect the beneficiaries of the program. Hence, it needs to be ensured that beneficiaries do not suffer because of non-utilisation of funds.
    - Proactive monitoring needs to be undertaken so that District Health Society Machinery addresses the problem only when there is low/non utilisation of funds.
    - Reallocation of funds should not be done with a view to improve the fund utilization pattern of the district only.
    - District Program Manager and District Accounts Manager should visit the Block/Facility which is not able to spend funds to identify gaps and address those issues.
    - Fund reallocation should only be done when the District has identified the problem and its nature is such that it cannot be addressed by the District Health Society officials. These types of problems should be documented and reported to the State Health Society, Bihar for corrective action, if any. Examples of such problems can be- Fraud, Block Health Manager or Accountant resigning, capacity constraints
    - If the root cause of non-expenditure by a block can be addressed by the district, then all the efforts need to be made to do so.

- **Standardized Framework for Estimating Health Financing Needs and Tracking Expenditure**

A step by step suggested framework for estimating the health financing needs at the district level is provided below.

Suggested Framework For Estimating Health Financing Needs District Level	
STEP 1	Preparation of Health Action plan based on Disease profile of District in an evidence based approach
STEP 2	Estimate total resource requirement as per Health Action Plan prepared
STEP 3	Identification of agents available for financing like State Government, Central Government Sponsored Schemes, NRHM, External Donors, Private Players working on Corporate Social Responsibility
STEP 4	Allocation of resources as per the agents and existing schemes and infrastructure ensuring no duplication of services
STEP 5	Identification of unmet needs and gaps
STEP 6	Exploring possibility of synergy within existing services and agents to fill gaps and address needs

Suggested Framework For Estimating Health Financing Needs District Level	
STEP 7	• Explore Public Private Partnership/ Donor support options for unmet need • Provision for chargeable services

- **On the Financial management of NRHM**
  - There is an urgent need of capacity building of District and Block level Accountants on the following aspects –
    - Accountancy in development sector projects since usually accountants are trained for business based accounting including computerized accounting
    - Requirements of accounting records as per NRHM guidelines
    - Processing of files and documentation required at DHS level.
    - Preparing FMRs
    - Preparing Annual Financial Statements as per NRHM guidelines
    - Reconciliation of accounts
    - Financial Monitoring
    - Budgeting
    - Basic programmatic aspects along with implementation guidelines
  - Finance manual should be prepared, in Hindi, and made available to all the District Accountants and Block accountants for reference. These manuals can cover all the aspects suggested to be covered in training. These would be of immense help whenever a new recruitment is made and would also act as reference material to accounts as well as program staff.
  - The limit of 80% of expenditure can be monitored separately for funds retained at the district level and funds released to the blocks. District should be given the flexibility to ask for release of funds from state for each block which achieves the expenditure target instead of waiting for it to achieve the 80% threshold on the whole. This would ensure that good performing blocks do not hold back expenditure anticipating delay in release of funds.
  - The 80% limit needs to be applied separately for capital and revenue expenditure since capital expenditure would by its nature need more time to be spent.
  - Districts Program Managers and Accounts Managers of good performing districts could be asked to share their experiences through an e-group in getting approvals, liaison , monitoring etc with other DPMs and DAMs so that solution to local level bottlenecks could be found out through mutual consultation. This kind of e-group can also be used for resolution of queries. The group can be moderated by the State Health Society, Bihar and they can also take a lead in the formation of this e-group.
  - Meeting of all the District Accounts Manager should be done along with Block level accountants at the State level. This would enable identification of issues and gaps between the District and Block machinery.
  - The auditors should be given an induction training of 2-3 days in which all the programmatic, procurement and financial guidelines are explained to them. This would help in building their perspective and to audit the books with a better understanding of the program. The auditors should be required to depute these trained persons for audit.
  - Auditors' panel should be prepared at State and District level. The Auditors may be selected on a random basis from this panel to further strengthen the independence of opinion of auditors. The panel of auditors could be revised every two years.

- Meeting of all the concurrent auditors of District Health Societies should be done on a monthly basis to understand financial position and bottle necks in all the Districts.
- Concurrent Audits in the Districts should be aimed at overall improvement of the internal control system rather than only reporting. Reporting checklists can be prepared by involving the DPM, DAM, Block level officials and Statutory Auditors to begin with.
- A team of better performing DAMs may be given the work of providing training to their respective counterparts in the neighboring in order to enhance their capacities and towards bringing the desired efficiency shift.

Annexure 1: Checklists

DOCUMENT CHECK LIST – STATE LEVEL

Table 5

Document and Year	Year	Agency
Copy of Plan and Non plan expenditure – Printed book with details of Budget estimate, Revised Estimate and Expenditure of heads of 2210,2211,4210,4211	2004-05, 2005-06, 2006-07,2007-08	Directorate Health Services
Copy of Demand for Grants - for Muzzafarpur and Kishanganj	2004-05, 2005-06, 2006-07,2007-08	Directorate Health Services
Copy of Budget manual		Directorate Health Services
Copy of Delegation of Power		Directorate Health Services

DOCUMENT CHECK LIST FOR STATE HEALTH SOCIETY

Table 6

Document and Year	Year	Agency
Copy of Sanctioned Action Plan and funds release letters along with date of actual receipt of funds by society	2004-05, 2005-06, 2006-07,2007-08	State Health Society, Bihar SACS
Details of Budget Allocation, Release, and Expenditure of Districts	2004-05, 2005-06, 2006-07,2007-08	State Health Society, Bihar SACS
Copy Financial Statements of State Society including audit reports	2004-05, 2005-06, 2006-07,2007-08	State Health Society, Bihar SACS
Copy of UC of the state society	2004-05, 2005-06, 2006-07,2007-08	State Health Society, Bihar SACS
Copy of Delegation of Power	2004-05, 2005-06, 2006-07,2007-08	State Health Society, Bihar SACS
Copy of Appointment letter of Auditors , TORs	2004-05, 2005-06, 2006-07,2007-08	State Health Society, Bihar SACS

1. Major bottlenecks in funds flows:
    a. Delay in release of funds to society- from centre level to state level

Name of Society	Year	Month of release first instalment of funds	Delay in release of first instalment of funds	Month of release second instalment of funds	Delay in release of second instalment of funds

(Note – This table is to be filled from data collected at State level. Documents from which the data to be taken – Release letter of funds, Delay to be calculated from the date of sanction of annual action plan to the date of release of funds. In case of release of funds in more than 2 instalments then the details to be noted in a separate page)

2. Trend of submission of annual accounts/Utilisation Certificate

Year	Month of submission of Annual accounts/UC

(Note – Month of Submission of Annual Accounts/UC to be taken from the forwarding letter or any other document available for reference.)

DOCUMENT CHECK LIST FOR DISTRICT LEVEL

Table 7

Document and Year	Agency
Budget Allocation to DDOs at Block- 2004-05, 2005-06, 2006-07	CMO OFFICE, District Ayurvedic Officer, District Homeopathic Officer
Budget allocation under NRHM to Blocks	NRHM Programme Manager
Quick Estimate of *of annual recurring budget for running District Hospital*	Civil Surgeon
Quick Estimate of *of annual recurring budget for running Drug Warehouse and Logistic System*	Incharge Drug Warehouse and Logistic
Quick Estimate of *of annual recurring budget for running District Training Centre*	Incharge Training Centre
Quick Estimate of *of annual recurring budget for running District M&E System including HMIS*	Incharge
Quick Estimate of *of annual recurring budget for running District Level IEC/BCC*	Incharge
Details of outreach and ambulatory	CMO Office

services in the district and costing	
District Administrative and Supervisory cost	CMO Office
Financial Statements of Rogi Kalyan Samiti	Rogi Kalyan Samiti Office
Financial Statement of Societies at District level	Program Officers
Sanctioned Annual Action Plans of Societies at District Level	Program Officers
Details of User charges collected by Rogi Kalyan Samiti	Rogi Kalyan Samiti Office
Delegation of Power	CMO Office, CS Office, Rogi Kalyan Samiti

DOCUMENT CHECK LIST FOR BLOCK LEVEL

Table 8

Document and Year	Agency
Estimation (quick estimates) of annual recurring budget for running- Sub Centre	Sub Centre
Estimation (quick estimates) of annual recurring budget for running- PHC	PHC
Estimation (quick estimates) of annual recurring budget for running- CHC	CHC
Financial Statements of Rogi Kalyan Samiti	Rogi Kalyan Samiti Office
Delegation of Power	PHC, CHC

INTERVIEW/PERSONAL DISCUSSION CHECKLIST

3. Fund Flow Process
    a. Central Government to Directorate
    b. Directorate to District
    c. District to Block and Facilities
    d. Central Government to Societies – State
    e. State Society to District Society

4. Number and types of accounts maintained across various levels
    a. Directorate level
        i. Directorate Health
        ii. Directorate ISM
    b. District level
        i. CMO
        ii. Civil Surgeon
        iii. District ISM officer
    c. Block level
    d. Facility level
    e. Society

5. Major bottlenecks in funds flows:
    a. Delay in release of funds to society-from state level to district level – Year 2004-05, 2005-06 and 2006-07

Table 9

District	Name of Society	Year	Month of release first instalment of funds	Delay in release of first instalment of funds	Month of release second instalment of funds	Delay in release of second instalment of funds

(Note – This table is to be filled up from the data taken from District level. Documents from which the data to be taken – Release letter of funds, Delay to be calculated from the date of sanction of annual action plan to the date of release of funds. In case of release of funds in more than 2 instalments then the details to be noted in a separate page)

    b. Delay in release of funds to society- from centre level to state level

Table 10

Name of Society	Year	Month of release first instalment of funds	Delay in release of first instalment of funds	Month of release second instalment of funds	Delay in release of second instalment of funds

(Note – This table is to be filled from data collected at State level. Documents from which the data to be taken – Relese letter of funds, Delay to be calculated from the date of sanction of annual action plan to the date of release of funds. In case of release of funds in more than 2 instalments then the details to be noted in a separate page)

6. Trend of submission of annual accounts/Utilisation Certificate
   a. District level
      i. Society Route

Table 11

District	Name of Society	Year	Month of submission of Annual accounts/UC

(Note – Month of Submission of Annual Accounts/UC to be taken from the forwarding letter or any other document available for reference.)

      ii. Treasury Route

Table 12

District	Name of DDO	Year	Month of submission of Expenditure statement

(Note – Month of Submission of Annual Accounts/UC to be taken from the forwarding letter or any other document available for reference.)

   b. State level
      i. Society Route

Table 13

District	Name of Society	Year	Month of submission of Annual accounts/UC

      ii. Treasury Route

Table 14

District	Name of Society	Year	Month of submission of Annual accounts/UC

7. Reasons for delay of funds release
    a. State Level Agency
    b. District Level Agency

8. Reasons for delay in submission of accounts
    a. State Level Agency
    b. District Level Agency

9. Procedure followed for incurring expenditure
    a. State level
        i. Approving Authority
        ii. DDO
        iii. Process flow chart
    b. District level
        i. Approving Authority
        ii. DDO
        iii. Process flow chart

    c. Rogi Kalyan Samiti
        i. Approving Authority
        ii. DDO
        iii. Process flow chart
    d. Facility level
        i. Approving Authority
        ii. DDO
        iii. Process flow chart
    e. Sub District Hospital
        i. Approving Authority
        ii. DDO
        iii. Process flow chart
    f. Block Hospital
        i. Approving Authority
        ii. DDO
        iii. Process flow chart
    g. PHC level
        i. Approving Authority
        ii. DDO
        iii. Process flow chart

10. Expenditure cycle
    a. Societal Route
    b. Treasury Route

Quick Estimates Sheet – PHC

a. Name of PHC
b. Name of District
c. Name Block
d. Name of Person with whom discussed
e. Basis of Estimates – Discussion/Expenditure report
f. Cost details

Cost	Particulars
Personnel	
Supplies – Drugs, Vaccines	
POL	
Administrative Cost	
Consumables	
Number of Deliveries per month	
Patient Load per month	

Note –
1. Please add extra heads of expenditure, if needed
2. Expenditure and other data to be taken for a month.

Quick Estimates Sheet – CHC

a. Name of CHC
b. Name of District
c. Name of Person with whom discussed
d. Basis of Estimates – Discussion/Expenditure report
e. Cost details

Cost	Particulars
Personnel	
Supplies – Drugs, Vaccines	
POL	
Administrative Cost	
Consumables	
Number of Deliveries per month	
Patient Load per month	

Note –
1. Please add extra heads of expenditure, if needed
2. Expenditure and other data to be taken for a month.

Quick Estimates Sheet– District Hospital

a. Name of District Hospital
b. Name of District
c. Name of Person with whom discussed
d. Basis of Estimates – Discussion/Expenditure report
e. Cost details

Cost	Particulars
Personnel	
Supplies – Drugs, Vaccines	
POL	
Administrative Cost	
Consumables	
Number of Deliveries per month	
Patient Load per month	

Note –
1. Please add extra heads of expenditure, if needed
2. Expenditure and other data to be taken for a month.

Quick Estimates Sheet – District Drug Warehouse and Logistics system

a. Name of District
b. Name of Person with whom discussed
c. Basis of Estimates – Discussion/Expenditure report
d. Cost details

Cost	Particulars
Personnel	
POL	
Administrative Cost	
Consumables	
Rent	

Note –
1. Please add extra heads of expenditure, if needed
2. Expenditure and other data to be taken for a month.

Quick Estimates Sheet – District Training Centre

a. Name of District
b. Name of Person with whom discussed
c. Basis of Estimates – Discussion/Expenditure report
d. Cost details

Cost	Particulars
Personnel	
POL	
Administrative Cost	
Consumables	
Training related cost	
Rent	
Personnel	

Note –
1. Please add extra heads of expenditure, if needed
2. Expenditure and other data to be taken for a month.

Quick Estimates Sheet – District M&E

a. Name of District
b. Name of Person with whom discussed
c. Basis of Estimates – Discussion/Expenditure report
d. Cost details

Cost	Particulars
Personnel	
POL	
Administrative Cost	
Consumables	
M&E related cost	
Rent	

Note – 1. Please add extra heads of expenditure, if needed
2. Expenditure and other data to be taken for a month.

Quick Estimates Sheet – District IEC

a. Name of District
b. Name of Person with whom discussed
c. Basis of Estimates – Discussion/Expenditure report
d. Cost details

Cost	DTC
Personnel	
POL	
Administrative Cost	
Consumables	
IEC	
Rent	

Note –
1. Please add extra heads of expenditure, if needed
2. Expenditure and other data to be taken for a month.

Quick Estimates Sheet – District Outreach Services

a. Name of District
b. Type of outreach services
c. Name of Person with whom discussed
d. Basis of Estimates – Discussion/Expenditure report
e. Cost details

Cost	

Note –
1. Please add extra heads of expenditure, if needed
2. Expenditure and other data to be taken for a month.

Quick Estimates Sheet – District Ambulatory Service

a. Name of District
b. Type of Ambulatory Services
c. Name of Person with whom discussed
d. Basis of Estimates – Discussion/Expenditure report
e. Cost details

Cost	

Note – 1. Please add extra heads of expenditure, if needed
2. Expenditure and other data to be taken for a month.

Quick Estimates Sheet – District Administrative and Supervisory Cost

a. Name of District
b. Name of Person with whom discussed
c. Basis of Estimates – Discussion/Expenditure report
d. Cost details

Cost	Year
Personnel – CMO, CS, BMO office	
POL	
Administrative Cost	
Rent	

Note –
1. Please add extra heads of expenditure, if needed
2. Expenditure and other data to be taken for a month.