



**Ministry of Health and Family Welfare
Government of India**

E- Training Module on “PIP/Budget Preparation”

April, 2011

Learning Objective of the Module

The aim of this training module on "Budget/PIP Preparation" is to help the finance and accounts staff to develop an understanding of the following:

- ✓ Importance of Programme Implementation Plan (PIP)
- ✓ Steps involved in preparation and approval of State PIPs
- ✓ Concept of District Health Action Plan and its purpose
- ✓ Revised PIP guidelines circulated to states and its requirements
- ✓ Broad contents of the PIP and the important aspects to be included
- ✓ Role of finance and accounts staff in the preparation of PIPs/ DHAPs

Table of Contents

- ✓ Introduction to PIP
 - What is PIP; &
 - Its importance
- ✓ Preparation and Approval process of PIPs
 - Bottom up approach
 - PIP Preparation -Key steps involved
 - PIP Approval – Key steps involved
 - Timelines- Preparation & Approval of PIPs
- ✓ Revised Framework for PIP
 - Key Highlights
 - Suggested Contents of the PIP
 - Brief Orientation on "Chapter on Financial Management"
 - Other Key Concepts/ Instructions relating to Budget/PIP
- ✓ District Health Action Plan
- ✓ Role of Finance and Accounts staff in Preparation of PIP
- ✓ Areas of Improvement for States in making PIP more effective
- ✓ Priority Actions for 2011-12
- ✓ Self Assessment
- ✓ Annexure

Introduction to PIP

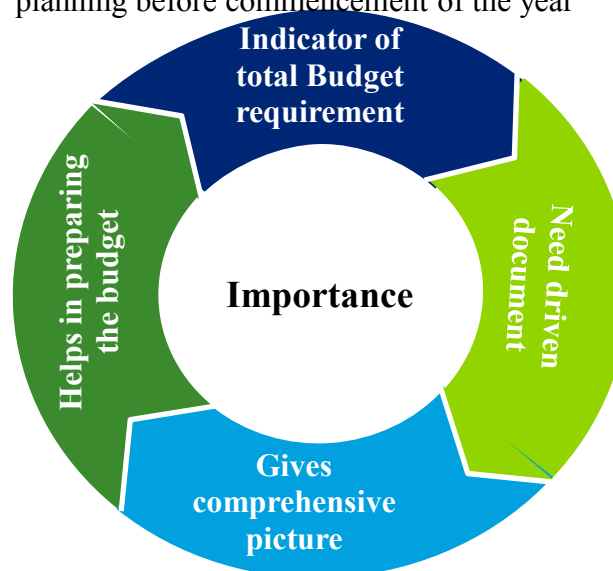
Introduction to PIP

What is Programme Implementation Plan?

State Programme Implementation Plan is a document to be prepared by States annually which helps them in identifying and quantifying their targets required for programme implementation for the proposed year. The documents are then finalized in the NPCC (National Programme Coordination Committed) meeting for Administrative approval, Resource envelope is created and accordingly conveyed to the state. On finalization of the budget in the NPCC Meeting, it becomes an Official document available in the Ministry's site for general viewing.

Importance of Programme Implementation Plan

- Indicator of the total budget requirement of the state for carrying out the programme activities and helps in planning before commencement of the year



- For each programme component, the unit cost is fixed which helps in budgeting for the programme division and consolidation of the programme budget for the State.

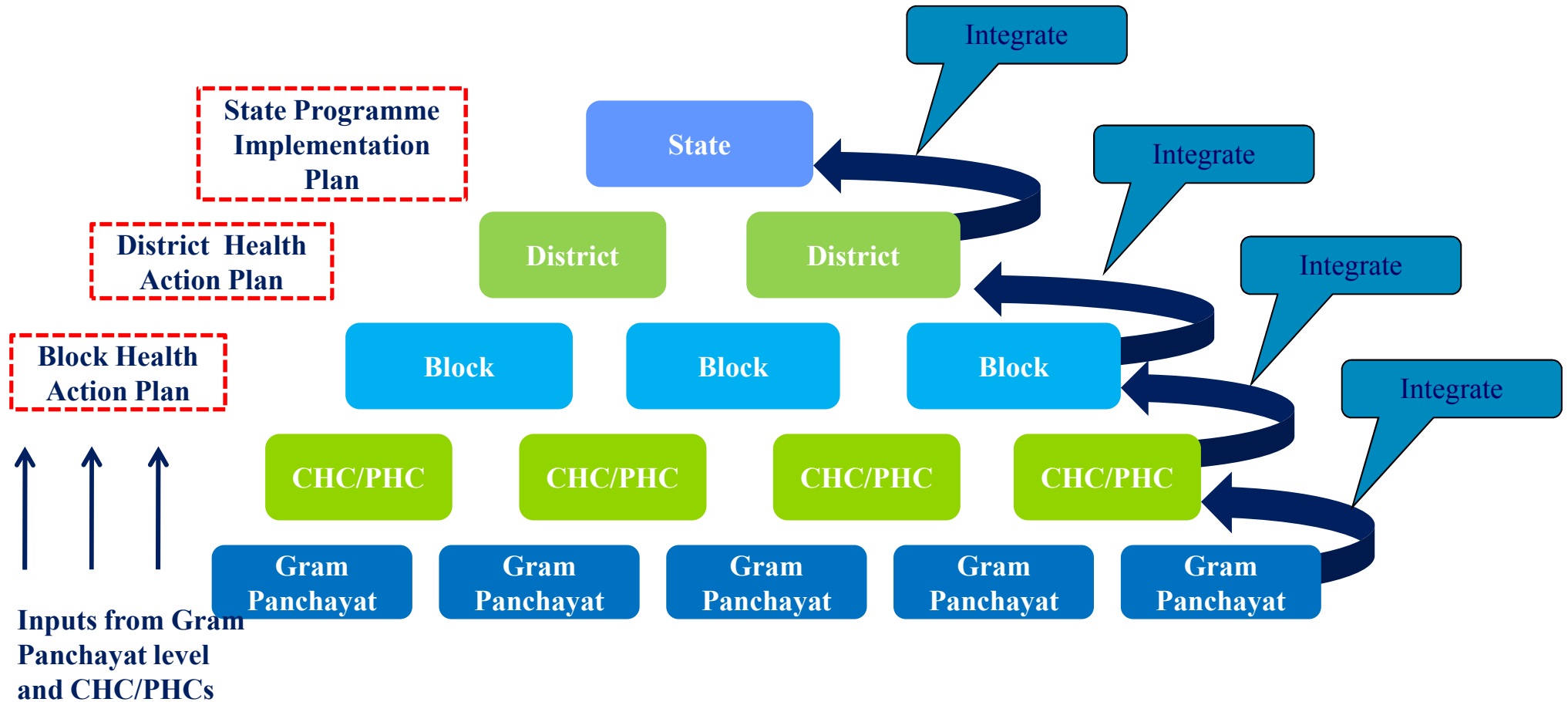
- Need driven document prepared by consolidating information from various District Health Action Plans (DHAPs) submitted by districts under the State.
- DHAPs contain inputs on the needs of the districts in terms of programme implementation and hence the funds required for the same.

- Gives comprehensive picture by taking inputs from various programme divisions (like Maternal Health, Child Health, Family Planning Services, Immunization etc.) who prepare their achievable physical targets for the year on the basis of annual population or other determining factors

Planning and Approval Process of PIPs

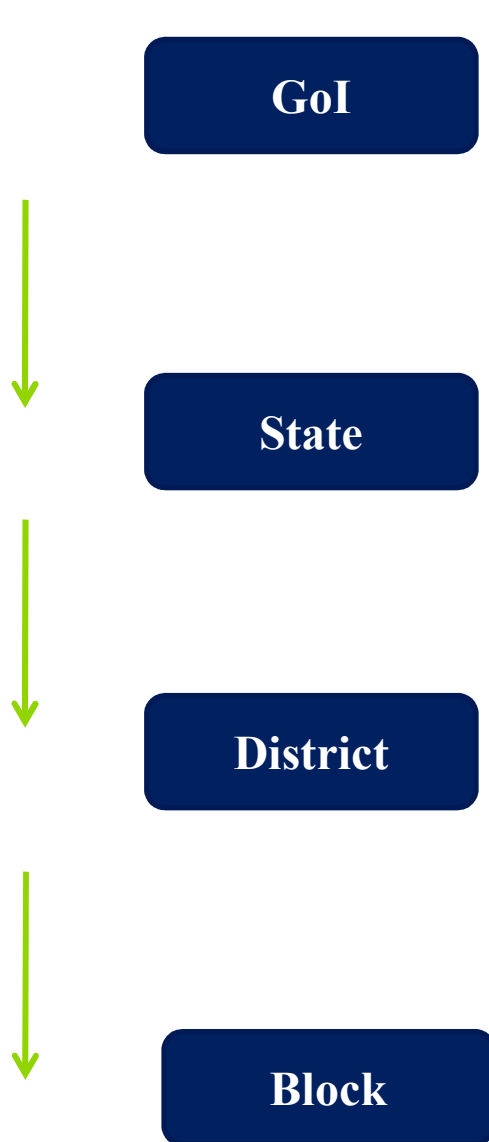
Bottom Up Approach

A bottom up approach is followed for preparing the State PIP wherein the inputs are taken from block, CHC/PHC and Village level to prepare a District Health Action Plan(DHAP). These DHAPs are then consolidated to prepare a State PIP.



PIP preparation- Key Steps

- 1**
 - *Communication of guidelines and timelines for preparation of PIP to states*
 - *Resource envelope more or less would be same as per last year budget, unless specific instruction for increase /decrease has been communicated by GOI.*
- 2** *Communication on resource allocation to the Districts*
 - *Resource allocation to be determined based on population of the district and other determining factors. A weightage of 1.3 to high focus districts and 1.0 to the other districts needs to be given subject to state's suitability.*
- 3**
 - *Districts intimate blocks to submit Block Action Plans*



- 6**
 - *Submission of draft State PIP to GOI*
 - *For finalizing State PIP, an action plan meeting should be held between the State and district officials to approve or disapprove their requirements after discussion*
 - *Each programme division at the states approves/ disapproves its respective targets*
- 5**
 - *Preparation and Submission of District Health Action Plans to the State*
 - *For finalizing DHAP, an action plan meeting should be held between the district and block officials to approve or disapprove their requirements after discussion*
- 4**
 - *Preparation of Block Action Plans and Submission to the respective districts*
 - *Inputs to be taken from CHCs/ PHCs, ASHAs, Village Gram Panchayats etc*

PIP Approval – Key Steps

Following are the steps involved in the finalization of PIPs after their submission to the Center by the States:

Review by FMG and Programme Divisions

After submission of PIPs by the states to the GOI, the FMG and respective programme divisions at GOI level review them in detail.

Sub- Group Meetings

Pre- appraisal/ sub group meetings are held with state officials to discuss their demand of the budget as per the targets decided, compare with previous year achievements.

Finalization of PIPs

Based on the suggestions made in the sub group meetings, PIPs are revised.

Discussion at NPCC meetings

NPCC meetings are held at Ministry or discussion on the PIPs where each State makes a proposal through presentation. These meetings have representatives from each division to approve/ disapprove the targets and inappropriate proposals.

Finalization of PIPs & Preparation of RoPs

Suggestions made in the NPCC are incorporated in the form of Record of Proceedings (RoPs) and PIPs are finalized.

Approval of RoPs

The SSMD approves the RoPs and sends them to the states by 31st March of the year.

Key Timelines- Preparation & Approval of PIPs

<u>Activity</u>	<u>Timeline</u>
Communication of Resource envelope to Districts by the State	10 th December
Submission of District Plans based on Village/Gram Panchayats/ Block Panchayat Samiti Plans	31 st December
First Draft PIP to be submitted to State Health Mission	15 th January
Receiving of PIP in MOH&FW, GOI	Third week of January
Pre-appraisal/ sub-group meetings at Center	Last week of January up to Mid February
Discussion at NPCC meetings	Mid February to Mid March
Submission of RoPs to AS&MD by the Group Leaders of the Sub- Groups	
Approved RoPs sent to the states after ASMDs approval	

Revised Framework for PIP

Key Highlights

- ✓ GOI has revised the framework of preparation of PIPs recently and accordingly the revised guidelines for preparation of PIPs (2011-12) have been circulated to the states and UTs
- ✓ These aim to reduce the size of the framework and demand of information from the states so as to make PIPs less bulky without compromising with the strategic inputs and other essential information.
- ✓ ***Some of the key highlights of the revised framework include:***
 - Consolidated budget to be divided under 17 functional heads like HR, Training, Procurement etc (*format appended as Annexure I*).
 - Analysis of financial and physical outcomes on various parameters of the PIP (for the previous 2 years) to be included
 - Certain conditions have been introduced for release of funds to the States/ UTs for implementation of PIPs.
 - Resources available from State Government and other sources and respective activities to be indicated
 - An amount to be proposed for evaluation and assessment activities of NRHM to encourage continuous assessment /evaluation
 - Initiatives taken to address service delivery gaps to strengthen health systems to be highlighted

Suggested Contents of PIP

Chapter No.	Name	Brief Content/ Purpose
	Executive Summary (<i>Details provided in Annexure II</i>)	<ul style="list-style-type: none"> • Gives an overview of the PIP • Focuses on vision of the state in health sector, progress made since inception of NRHM, goals and strategies for coming year, new initiatives and innovations etc. • Provide a summary of the budget in broad functional heads
1	Outcome Analysis of PIP	<ul style="list-style-type: none"> • Indicates the physical and financial outcomes in respect of various parameters of the PIP of the last 2 years • This helps in reviewing the progress of implementation of the PIP of current year and the trend of expenditure for various components of the programme
2	Policy and Systemic Reforms in Strategic Areas (<i>Details provided in Annexure II</i>)	<ul style="list-style-type: none"> • Provides details, steps and timelines on initiatives taken by states for strengthening systems to enable better outcomes. • States need to clearly describe the policies and systems they need to put in place in respect of at least 20 management imperatives
3	Conditionalities (<i>Details provided in Annexure II</i>)	<ul style="list-style-type: none"> • This chapter gives details/ status on the certain conditionalities to be met for the release of funds from the Center

Suggested Contents of PIP

Chapter No.	Name	Brief Content/ Purpose
4	Scheme/ Program under NRHM (<i>Details provided in Annexure II</i>)	<ul style="list-style-type: none"> This chapter specifies details for physical targets set and required funds under NRHM for various components and activities under the RCH Flexible Pool, Mission Flexible Pool, Routine Immunization, National Disease Control Programs and Inter Sectoral Convergence
5	Monitoring and Evaluation (<i>Details provided in Annexure II</i>)	<ul style="list-style-type: none"> Focuses on providing details on the strategy for strengthening Monitoring and Evaluation in the state. Budget lines across programmes may be mentioned, clearly mentioning the source of funding (NRHM, RCH etc)
6	Financial Management	<ul style="list-style-type: none"> Under this chapter, States are expected to provide information on the present status and proposals on the important Financial Management aspects (Budgeting, Audit, HR, Tally, Handbooks, Accounting Packages, Key Priority Areas, HMIS Uploading, MIS, Training, E-Banking etc and any other special initiative taken) to bring about improvement in financial management systems
7	State Resources and other Sources of Funds (<i>Details provided in Annexure II</i>)	<ul style="list-style-type: none"> Gives details of the resources available with the states for health sector along with respective activities for which these funds will be utilized
8	Priority Projects if additional resources are available	<ul style="list-style-type: none"> In this chapter, states should give a list of priority projects which they might like to take up in case additional resources become available from the GoI. Additional projects could be of any types, e.g., construction projects, HR requirements, training needs, disease control efforts, etc.

Chapter on Financial Management

- ✓ States are now expected to provide detailed information on the present status and the proposals on various important issues of financial management and implementation of finance, accounts, audit, fund flow and other financial guidelines issued by the MoHFW.
- ✓ A separate chapter on Financial management under NRHM needs to be incorporated in the PIP, providing information on the following key issues to bring about effective financial management and ensure timely and proper utilization of funds to achieve the objectives of NRHM:

1. Budgeting for various Activities

- Budgeting should be proposed strictly in accordance with Financial Monitoring Report (FMR) Format (*Appended as Annexure III*) with details of 17 functional heads.
- It should facilitate proper analysis of the progressive utilization of funds and take remedial measures
- To indicate whether the Program Management cost has been kept within the ceiling of 6% and the proposals for construction works are within the ceiling of 33% for high focus states and 25% for non-high focus states as per norms

Chapter on Financial Management contd..

2. Financial Management Staff

- Indicate whether Director (F&A), SFM, SAM, Accountants and Data Assistants are in position at State/District/Block levels
- Prepare the action plan to fill up vacant positions
- Indicate whether the remuneration of the PMU staff including NDCPs has been revised and suitable incentive scheme worked out considering local conditions

3. Statutory Audit

- Indicate whether Statutory Audit Report and UCs for previous year have been submitted and deficiencies intimated/feedback given by FMG has been complied with.
- Action taken on Management Letter.
- Highlight any problem being faced regarding the audit process
- Confirm whether the audit reports for the accounts of last year including all NDCPs and covering 100 % of the DHS and 40% of the blocks has been submitted to the FMG by 31st Dec of current year to ensure release of funds in second tranche.

4. Concurrent Audit

- Indicate whether Concurrent Audit has been implemented at the State and all Districts and quarterly summary reports sent to MoHFW
- Provide the reasons if Concurrent Audit has not been implemented
- Provide the Status of Concurrent Auditor appointment for the proposed year and to incorporate the action plan

Chapter on Financial Management contd..

5. Implementation of Tally

- Indicate whether Tally has been procured, training initiated and made operational at State and district level.
- Indicate an action plan to ensure that Tally is implemented. The state may opt for any web based Accounting Package

6. Mode of Fund Transfer

- Indicate whether funds are being released electronically to all districts and blocks.
- Indicate the expected time frame for achievement of e-transfer. Indicate whether e-banking has been adopted by state.

7. Uploading of FMRs on HMIS Portal

- Indicate the present district wise status.
- Provide the reasons if the data is not uploaded
- Provide an action plan for implementation of the same

8. Financial reporting under NRHM

- Monitor the release and utilization of funds for all programmes under NRHM including NDCPs
- Provide a consolidated FMR for all programmes under NRHM including NDCPs
- Indicate whether FMR up to 31st Dec of the current year has been submitted and deficiencies complied with

9. MIS

- Indicate whether the monthly MIS/SFP and quarterly MIS has been submitted along with head wise and age wise details of advances up to 31st Dec of the current year/reporting year.

Chapter on Financial Management contd..

10. RCH-I Unspent Balance

- Indicate whether Unspent Balance of RCH-I has been refunded
- Indicate whether utilization certificates or refunds the activity specific releases by individual program divisions during 2005-06 and 2006-07 have been sent

11. Key Areas for Priority during proposed year (2011-12 currently)

- Incorporate a clear Action Plan for identified backward districts on special interventions for identified high focus districts/backward areas such as difficult, left wing affected, minority, tribal, SC/ST, gender etc. for special incentives to medicos and para-medicos for performing duties in such difficult areas
- Work out an appropriate financial and other incentives scheme for attracting qualified human resource and proposed in the PIP with time-bound targets.

12. Committed and Uncommitted Unspent balances

- Indicate the programme-wise committed unspent balances for the activities approved during the last years which are under implementation.
- Indicate the amount already utilized and the timeframe for utilization of the remaining amount with time frame for completion of the activities.
- Provide programme-wise details of uncommitted balances for the activities approved during previous years but not yet taken.
- Indicate the reasons for non-start of such activities and whether the same are proposed to be implemented during the proposed year

13. Non-Diversion of Funds

Diversion of Funds from One Pool to Another at the any level of the State whether at SHS , DHS , Block , CHC/PHC level is strictly prohibited under NRHM as per GoI guideline. If any diversion has taken place the State should report on the same.

14. Inter-Unit Reconciliation

The SHS should reconcile the fund transfer ed to DHS and Other implementing agencies and expenditure reported from those reporting units. Similarly, all DHS should reconcile with its reporting units. This is important , otherwise entire projections would not represent correct picture.

15. Training

The PIP should clearly indicate the no. of Training programmes conducted during the year against planned in the reporting year and no. of Training programmes proposed for the year coming year.

16. M & E – Financial Management

- Indicate whether any Monitoring and Evaluation mechanism has been developed under Financial management to monitor the financial utilization.
- Indicate whether any Monitoring and Evaluation mechanism is sufficient to improve the Internal Control System.
- Any proposal of the State.

Conditions - To ensure smooth release of funds to the States

In addition to the above, certain important instructions are included which are to be followed by state authorities for ensuring smoother release of funds to states

The States/UTs are prohibited to make any inter allocation of funds under NRHM Pools

To ensure that 15% of its share, based on release of funds by MoHFW is credited to the account of the SHS within one month of issue of the release order & the overall expenditure on health to go up by a minimum of 10% each year.

To intimate the interest amount earned on unspent balances which could be utilized against activities already approved and will also count towards the central share.

To ensure complete delegation of administrative and financial powers at state, district and block levels to ensure smooth fund flow at all levels.

To ensure timely submission of the quarterly and monthly MIS reports in the prescribed format including the statement of funds position and the age-wise and head-wise details of advances given to various implementing agencies.

To submit any proposal for reappropriation between activities/functional heads within activities to MoHFW in advance and should reflect realignment of activities in accordance with priority to high focus districts/involvement of NGOs. etc.

**Key Concepts/ Instructions Related
to Budget/ PIP**

Key Concepts/ Instructions -PIP Preparation

Important components which must be included in PIP

- ✓ State Health Missions & District Health Missions will have total flexibility to include activities that are relevant to the needs of the State & Districts keeping in view the implementation guidelines of various Disease Control programmes.
- ✓ However, all State PIP and District Plans need to include some important components such as **Janani Suraksha Yojana (JSY), ASHA in high focus states, Mobile Medical Units, Untied Grants to facilities and VH&SC, Funds to Rogi Kalyan Samitis, Camps and Sterilization compensation** as mandated by the Centre from time to time as per the respective National Programmes and Implementation framework of NRHM.

Clear Demarcation of Committed Unspent & Uncommitted Unspent Balances

- ✓ While submitting the State PIP for the financial year, the State must indicate the committed part of the unspent balance available with the State. These include activities for which implementation has already started or is underway but full payment has not been made which may shift to next year.
- ✓ State PIP must also separately show the uncommitted unspent part of the funds available with the State which includes the activities approved in the PIP and proposed to be taken up during the current financial year, but could not be taken up may be shifted to the next financial year.

Key Concepts/ Instructions- PIP Preparation

State's Share

- ✓ Under NRHM, during the XI Plan period (2007-2012) the states are required to contribute 15% of total amount released. GOI share would be 85%.
- ✓ It would, however, be ensured that all along, the state expenditure on health increases in real terms and there is no substitution of the state expenditure by Central expenditure.

Ceiling of Civil Works

- ✓ As per Cabinet approval of NRHM, a maximum of 33% of approved SPIP can be spent on civil works in High Focus States and 25% in case of other States.
- ✓ Further, all the civil construction work should be taken up only after including the manpower & equipment requirements so that a large portion of public funds is not blocked in unutilized buildings.

Ceiling on Programme Management Costs

- ✓ A maximum of 6% of approved SPIP can be spent on programme management activities such as hiring of consultants, monitoring and evaluation, mobility support, office expenses etc.

One FRU in each Block

- ✓ Planning and Budgeting in SPIP should meet the basic necessity of providing a functional FRU in each Block comprising of 1,20,000 population in plain areas and 80,000 population in hilly, tribal and remote areas of the State.

Key Concepts/ Instructions - PIP Preparation

Workplan for budget preparation

- ✓ The starting point for preparation of the budget is the work plan
- ✓ Costs should, as far as possible be estimated separately for each activity in the work plan
- ✓ Separate budgets should be prepared for each quarter
- ✓ As far as possible, quantity of work to be carried out in each quarter should be estimated.
- ✓ For each activity, estimate the rate or unit cost. States can estimate a reasonable unit cost on the basis of past experience and taking into account local conditions. Where a quantity and rate cannot be estimated, states can estimate a lump sum amount (exception)

Summary Budget

- ✓ States should provide details of activities (physical targets and corresponding costs) for high focus districts and for the State (consolidated)
- ✓ After the quarterly budgets have been prepared separately for each quarter, consolidate these to arrive at the summary budget
- ✓ The physical targets for the quarter must match the targets provided against the monitorable indicators

Key Concepts/ Instructions – PIP Preparation

Budget Finalization at State Level

- ✓ Budget preparation is a process of iteration. Once a first cut of the budget has been prepared, it needs extensive discussion within the State Planning Team and the State NRHM Director in order to:
 - Re visit and agree priorities. Allocation of funds should be in line with the situation analysis. For example, if a state has a very high MMR, then greater emphasis to 24x7 PHCs providing basic obstetric care is likely to give faster results compared to operationalising FRUs. Similarly, if the sex ratio is a major cause for concern, then greater allocation to implementation of the PNDT Act/ collaboration with education department for IEC/BCC, other measures is necessary.
 - Identify other sources of funds
 - Scale down targets for outcomes
 - Typically the budget would need to be reworked several times before consistency between the situation analyses, targeted outcomes, strategies, work plan and allocation of funds is achieved.
- ✓ After finalization, an in-depth independent review of the budget should be carried out by a chartered accountant to ensure internal consistency and accuracy of figures.

Key Concepts/ Instructions - PIP Approval

Sub- Groups for Examination of PIPs

- ✓ For the year 2011-12, the States and UTs have been distributed into 8 groups for the examination of PIPs and accordingly holding Sub Group meetings and NPCC meetings.
- ✓ The sub groups constitute officers/ consultants from center and state level. . Each group consists of a Group Leader, Nodal Officer, Assistant Nodal Officers and few members (including deputy commissioners, assistant commissioner etc) and consultants from the respective programme divisions.
- ✓ Nodal officer is the contact person for the group and coordinates with the members of the group to carry out the tasks and responsibilities assigned to the group.
- ✓ The overall responsibilities of the sub groups include:
 - Studying the profiles of States/ UTs, past PIPs and RoPs of states/ UTs
 - Study the draft PIP submitted by the states/ UTs , compare with achieved and achievable targets and furnish comments
 - Share the comments on the Draft PIP for revision of PIP
 - Convene and participate in sub group meetings and prepare and obtain approval to the minutes of the meetings and share the same with the states and NRHM division
 - Examine revised PIP with reference to decisions taken in the Sub group meetings
 - Participate in NPCC meetings and prepare RoPs of the NPCC meetings for the respective states

Key Concepts/ Instructions - PIP Approval

In Principle Approval of Budget

- ✓ The approved PIP implies the **approval of budget in principle** i.e. the States/UTs are liable to spend as much amount as approved in the PIP for implementation of the Programme.
- ✓ However, the releases made to states are as per the Budget Estimate (B.E) which are the funds approved to the Health Ministry for the implementation of NRHM.

Additional Budget

- ✓ On the basis of overall Good performance, over and above the B.E., additional funds may be released by the GoI.

District Health Action Plans (DHAPs)

District Health Mission

A District Health Mission has been constituted at the district level which is responsible for planning, implementing, monitoring and evaluating progress of the programme at District level. Some of the key activities which are carried by the District Health Mission:

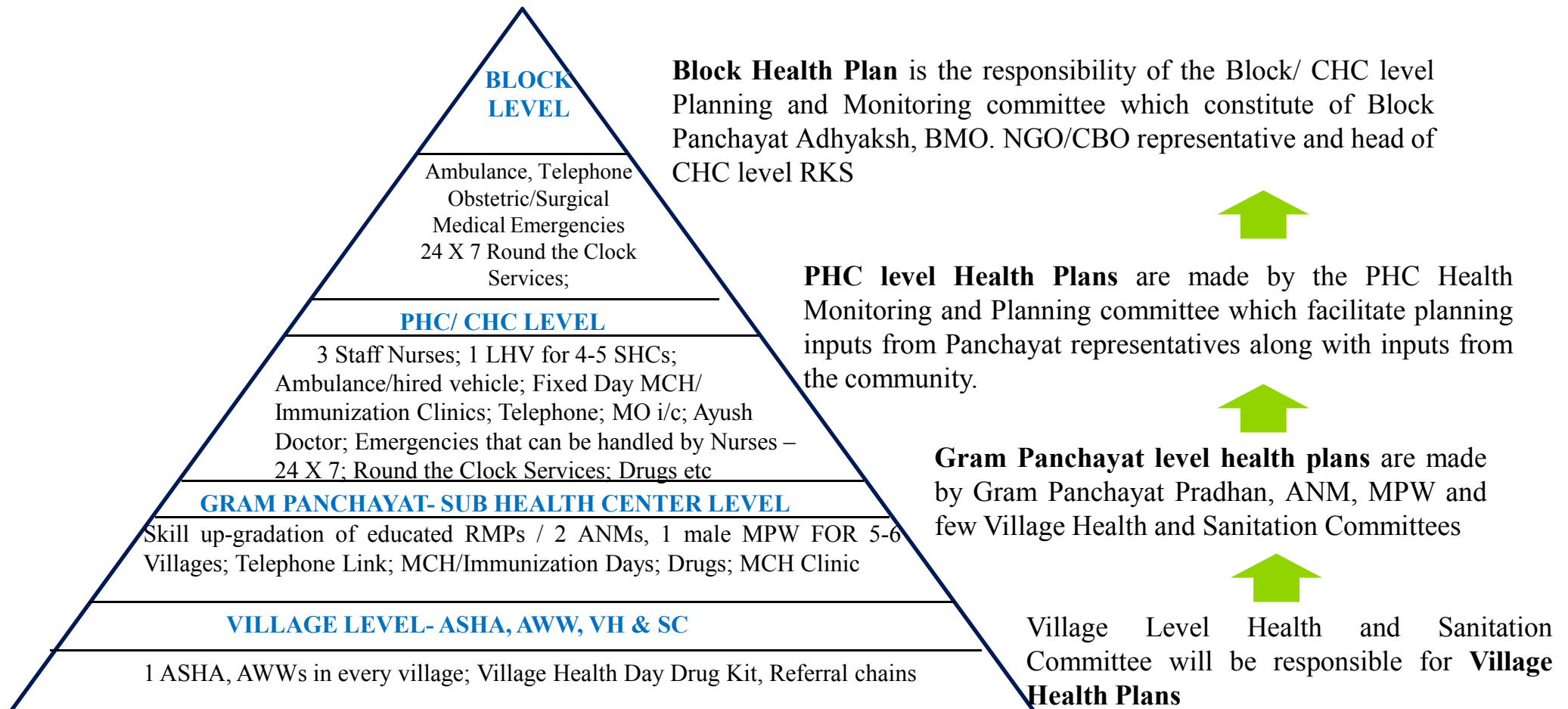
- ✓ Preparation of annual action plans for the district called District Health Action Plan (DHAP)
- ✓ Suggest district specific interventions
- ✓ Carry out health facility surveys and supervision of household surveys
- ✓ Timely disbursement of all claims made
- ✓ Arrange for technical support to the block teams and support sub district level implementing units

➤ *Particularly in planning, the District Health Mission is responsible for the preparation of DHAP which is done by constituting a Planning team responsible for providing overall guidance and support to the planning process.*

➤ *A DHAP depicts the need at sub district level units for programme implementation in terms of infrastructure, HR, procurement, various schemes running etc and provides an overall budget required to execute those activities.*

Planning Process at Sub-District Level

- ✓ Planning process under NRHM is supposed to follow a bottom up approach wherein inputs are taken from implementing levels to form Block Health Plans which are aggregated and consolidated to form DHAPs
- ✓ This requires setting up of planning teams and committees at different levels- Village, Gram Panchayat (Sub Health Center), PHC (Cluster level), CHC/ Block Level and District level.



Activity components shown in the PIP Planning process may be changed, as per the needs of the state

Financial Management Group, NRHM

District Health Action Plan Guidelines

- ✓ Detailed guidelines have been formulated for the Preparation of DHAPs, namely “*Broad Framework for Preparation of District Health Action Plans*” These are available online on http://www.mohfw.nic.in/NRHM/NRHM/Guidlines_index.htm

- ✓ These guidelines elaborate on the following:
 - NRHM
 - DHAP: An introduction
 - Resource Allocation and Financial Norms
 - Conducting situational analysis
 - Block Level Consultations
 - District Planning Workshop
 - Workplan and Unit/ Average Costs
 - Monitoring and Programme Management
 - Structure of DHAPs

Structure of District Health Action Plan

The DHAP should be structured in the following way:

Background	Geographic location, socio-demographic profile of the district and information on key health indicators
Situation Analysis	Coverage with preventive/ promotive interventions, Income and gender equity, undeserved population groups, quality of services and programme environment
Process for Plan Development	Processes undertaken in the planning process including desk reviews, consultations etc. Brief introduction to profile of members included in the district planning to be included
Objectives	Objectives set out for the district should be spelled out giving qualitative levels of achievements. Matrix on key strategies and activities to operationalize them to be included.
Work Plan	In a matrix form and how activities will be conducted with special references to time frame and identify responsible official/agency
Monitoring and Evaluation	Flow of data from different levels i.e. service delivery, community monitoring and long scale data sets to be considered
Budget	Unit costs should be given for each costed activity and source of funding also to be reflected.

Role of Finance and Accounts Staff

Role of Finance and Accounts Staff

State level

Various divisions like Maternal Health, Child health, Family Planning, Immunisation etc decide on their respective targets under various pools. In preparation of PIP , following is the role of the Finance and Accounts division at the state level:

- ✓ Calculate the budget for various schemes and prepare consolidated budget sheet for each of the following programs:
 - A. RCH Flexible Pool
 - B. Mission Flexi Pool
 - C. Routine Immunization
 - D. National Disease Control Programs
 - E. Monitoring and Evaluation
- ✓ Check the rates cost units and calculations of budgets and finally consolidate the budget.
- ✓ Check that the budget proposed as per GOI guidelines and based on the achievable targets.
- ✓ Check that the programme wise summary budget gets tallied with Functional Head wise budget.
- ✓ Check the key priority areas of the budget proposed are duly supported by logical interventions.
- ✓ Check whether integration of NDCPs under NRHM has been taken place.
- ✓ Check whether financial Monitoring and Evaluation is adequate.

Role of Finance and Accounts Staff

- ✓ After preparing these separate sheets, the finance department has to prepare a Functional Head wise classification of the Budget. These 17 heads include the following:

1. Human Resources	7. Untied funds	14. Other Flexible Mission pool activities
2. Training	8. ASHAs	15. Innovations/PPP/ NGO
3. Civil Work	9. RKS/ HMS	16. Operational Cost
4. Procurement- Drugs and Supplies	10. Incentive for Sterilization	17. Financial Aid/ Grant to Institutions
5. Procurement- Equipment	11. Referral Transport	
6. IEC/BCC	12. Other RCH Activities	
	13. Vulnerable groups	

- ✓ Prepare a summary of this consolidated budget to be provided in the executive summary and reconcile with programme wise budget.
- ✓ Prepare the section on Financial Management, outcome analysis of PIP and State Resources and other sources of funds
- ✓ In case, the state is planning to take any new initiatives , the costing for those activities is estimated by the finance department
- ✓ Participate in the sub group and NPCC meetings

Role of Finance and Accounts Staff

District Level

Following points need to be considered by DAM in preparation of DHAP:

- ✓ Detailed guidelines provided on preparation of DHAP should be thoroughly understood and followed
- ✓ Coordinate collection of necessary inputs for planning at the sub-district level
- ✓ Budget should be prepared on the basis of actual Physical vs. Financial Mapping
- ✓ Ensure arithmetic accuracy of the PIP / Budget calculations
- ✓ Budget should be classified as per the prescribed Revised FMR format
- ✓ Ensure timely preparation and submission of the DHAP to the state
- ✓ Comments should be provided on the following aspects:
 - Integration of other NDCPs with the main pools under NRHM
 - Delegation of Financial and Administrative Power (From DHS to HSC/VHSC)
 - Frequency of Meetings (DHS/RKS) and compliances of Action Taken Report
 - Uploading of FMR on HMIS portal
 - Registration Status of DHS and RKS
 - Mode of Fund Transfer from DHS to Blocks/CHC/PHC (e-Banking /e-transfer/Manual)
- ✓ As part of the PIP, Following should be reported w.r.t Financial Management systems:
 - Comments on accuracy and completeness in maintenance of Books of Accounts.
 - Mode of maintaining of Books of Accounts (Manual/ Computerised)

Role of Finance and Accounts Staff

- If computerised (Tally /Tally ERP-9/ Tally ERP-9-Customised Version/ Any other web based accounting software)
- Process of transferring fund to VHSCs and HSCs
- Process of receiving funds from State
- Process of distributing funds from DHS to Blocks/CHC/PHC
- Comments on timeliness of Statutory Audit completion
- Comments on status of Implementation of Concurrent Audit at DHS ,
- Comments on Quality of Concurrent Audit, whether it is adequate to improve the internal control system.
- Timeliness of MIS reporting.
- Release reconciliation from DHS to Blocks/CHC/PHC
- Comments on Monitoring & Evaluation Tool adopted by the DHS
- Comments on diversion of funds from one pool to another under NRHM.
- Disclosure of likely unspent balance of Committed and Uncommitted liability
- Processes adopted by the District for Procurement and IEC-BCC activities under NRHM.
- Comments on Age wise analysis of Advances.
- Comments on timeliness for Quarterly e-TDS filing

Areas of Improvement

Areas of Improvement for states for making PIPs more effective

The transition from implementing a large number of schemes to managing outcomes is an extremely difficult task. While there has been considerable progress since inception, there are a number of areas where states need to improve w.r.t PIP preparation:

District health action -plans still do not address the local issues/requirements fully.

Though the DHAPs are prepared, they are not fully incorporated into the State PIP. The district allocation is made on population/ pro-rata basis and often does not cater to the priorities of the district.

States still seem to have difficulties in preparing an internally consistent PIP

Information provided in situation analysis, goals, strategies, activities, work plan and budget is not consistent with each other.

Quarterly break-up of targets and budgets not provided

This is necessary for more effective monitoring which is not furnished by most of the states. Quite often, the description of the intervention does not match the budget; there are missing elements of cost and large “lump sum” figures.

Areas of Improvement for states for making PIPs more effective

Systematic monitoring against the PIP is yet to take place

The emphasis is still on inputs/ physical achievements, while expenditure is tracked separately. Since 2009-10 most of the districts have started reporting HMIS data. However the states are yet to use the HMIS data to chart their progress against the target effectively. Holistic monitoring leading to reporting of analysis of variances (outcomes, physical targets, work plan, expenditure) would lead to a more informed basis for corrective action.

Absence of systems approach to health is affecting the RCH plan implementation adversely.

Many steps taken are ad hoc and are not sustained in absence of a system. For example HR System: while most of the states are recruiting contractual staff in huge numbers there is no system for HR which should have included sub-systems for recruitment, selection, posting/ transfers, performance appraisal, etc. Emphasis should be more on institutionalization of the adequate functional Systems.

Priority Actions

(As per AS&MD letter on NRHM – Planning Process for 2011-12)

Priority actions in 2011-12 as per PIP Guidelines

*Action Plan for
Maternal Child
Health Centres*

To Map out MCH centres and ensure that a complete action plan for operationalization of the same is detailed in the PIP for each activity

*Action Plan for
Operationalizing HMIS
up to facility level*

To have a road map for web enabled facility based reporting from facility level

*Capacity Development for
all Institutions crafted
under NRHM*

To provide plan for capacity building of ASHA, VHSC, RKS, PRIs, Programme Management Units. To ensure regular meetings of RKS/DHM/SHM

*Human Resource for
Health*

To include the steps undertaken by the States for Filling up the vacant post

*Action Plan on Training
& Skill Development*

To aim at a comprehensive and integrated training & skill development, training plan and include a calendar for the same in the PIP

Priority actions in 2011-12 as per PIP Guidelines

Action Plan for tackling High Burden of Communicable Diseases

To analyze and identify areas/Districts that have a high burden of communicable diseases. To budget for additional funds required NRHM Mission Flexipool

Name Based Tracking

To put in place tracking of information on pregnant mothers and children's immunization

Robust Action Plan for Monitoring

To strengthen their monitoring components and ensure that a clear, detailed action plan for effective monitoring of the programme is prepared

Action Plan for Difficult/ Most Difficult/ Backward/LWE effected Districts

To identify backward areas for greater attention. Special incentive to medicos and paramedics for performing duties in these hard to reach areas must be included in PIP format

Plan for streamlining of procurement and logistics

To ensure sustainable drug supply at all levels and its replenishment. To strengthen the logistics and information systems arrangements

Computation of Resource Envelope of State / UT

Likely Uncommitted Unspent Balance Available under NRHM as on 1 st April of the <u>Proposed Year</u>
GOI Resource Envelope for <u>Proposed Year</u> under NRHM (Allocation of the proposed year)
15% State share (Proposed Year) based on the basis of allocation.	-----
Total	-----

Pool wise break up of Resource Envelope under NRHM

Sl No.	Programme	Likely Uncommitted Unspent balance available as on 1.4.Proposed Year	GoI Resource Envelope under NRHM (Proposed Year allocation)	Total
1	RCH Flexible Pool			
2	NRHM Flexible Pool			
3	Routine Immunisation			
4	NVBDCP			
5	RNTCP			
6	NPCB			
7	NLEP			
8	IDSP			
9	NIDDCP			
10	Direction & Admn. (Treasury route)			
11	PPI Oper. Cost			
12	15% State share			
	Total			
	Committed Unspent Balance up to reporting year to be Revalidated in the proposed year.			

Self Assessment

Self Assessment

1. Arrange the following in the order of occurrence:
 - i. Submission of draft State PIPs to the GOI
 - ii. Discussion on PIPs in NPCC meetings
 - iii. Approval of RoPs and approved RoPs sent to states
 - iv. Sub group meetings for discussion on state PIPs
 - a. i-ii-iv-iii
 - b. i-iv-ii-iii
 - c. iv-i-ii-iii
 - d. ii-i-iv-iii

2. By when should the first draft of the state PIP be sent to the center?
 - a. 15th February
 - b. 30th January
 - c. 15th January
 - d. None of the above

Self Assessment

3. What is the ceiling for amount to be spent on civil works in high focus states and other states respectively?
 - a. 25%, 33%
 - b. 23%, 35%
 - c. 33%, 25%
 - d. 35%, 23%

4. Which of the following does the executive summary of the PIP needs to contain?
 - a. Summary of the budget as per the broad functional heads
 - b. Vision of the state for the health sector
 - c. Physical Vs financial analysis of the last two years
 - d. All of the above

5. Programme Management has to kept within what ceiling?
 - a. 10%
 - b. 6%
 - c. 12%
 - d. 33%

Self Assessment

6. Allocation among the different components/ activities can be made with the approval of the State Programme Manager
 - a. True
 - b. False

7. What is the central and state contribution to the total amount released to the state?
 - a. 75:25
 - b. 90: 10
 - c. 85:15
 - d. 80:20

8. Which all activities come under the purview of the role of state finance and accounts staff in preparing the state PIP?
 - a. Consolidating the budget for all activities/ components
 - b. Preparing a summary budget under 17 functional heads
 - c. Formulate unit costs for all the activities
 - d. All of the above

Answers: 1 (d), 2 (c), 3 (c), 4 (a,b), 5 (b), 6 (b), 7 (c), 8 (a.b)

Annexures

Annexure I

Format of Budget Summary Under 17 Functional Heads

Details of Functional Heads and their Components			
S.No	Main Heads	Components	Budget Amount
1	Human Resources	Contractual Remuneration for ANMs,Nurses,SNs, LHV's	
		Contractual Remuneration for LTs,MPWs	
		Contractual Remuneration of Specialists(Anaesthetists, Pediatricians, Ob/Gyn, Surgeons, Physicians, Dental Surgeons, Radiologist, Sonologist, Pathologist,Specialist for CHCs.)	
		Medical Officers at CHCs / PHCs	
		Contractual Remuneration of PHNs at CHC, PHC level	
		Additional Allowances/ Incentives to M.O.s of PHCs and CHCs	
		Payment to Others - Computer Assistants/ BCC Co-ordinator etc	
		Incentive/ Awards etc. to SN, ANMs etc.	
		Human Resources Development (Other than above)	
		Other Incentives Schemes (Pl.Specify)	
		Strengthening of SHS /SPMU (Including HR, Management Cost, Mobility Support, Field Visits)	
		Strengthening of DHS/DPMU (Including HR, Management Cost, Mobilty Support, Field Visits)	
		Strengthening of Block PMU (Including HR, Management Cost, Mobilty Support, Field Visits)	
		Strengthening (Others)	
		Other Programme Management Costs (Audit Fees, Concurrent Audit etc.)	
		Mobility Support,Field Visits to BMO/MO/Others	
		Payment to AYUSH M.O.s	
Payment to AYUSH Other Staffs			

S.No	Main Heads	Components	Budget Amount
2	Training	Training under Maternal Health	
		Training under Child Health	
		Training under Family Planning Services	
		Strengthening Training Institutions	
		Development of training packages	
		IMEP Trainings	
		ARSH Training	
		Programme Management Training	
		Training (Nursing)	
		Training (Other Health Personnel)	
		Training for Cold Chain Handlers/refrigerator mechanics	
Training of M.O.s /Other Staffs on R.I.			
3	Infrastructure	Upgradation of CHCs, PHCs, Dist. Hospitals to IPHS)	
		Strengthening of District,Sub-divisional Hospitals,CHCs, PHCs	
		New Constructions/ Renovation and Settingup CHCs, PHCs, HSCs,	
		Construction (Others)	
		Minor civil works for operationalisation of FRUs	
		Minor civil works for operationalisation of 24 hour services at PHCs	
		Civil Work under RNTCP	
Other Civil Works			
4	Procurement	Procurement of Drugs & Supplies	
		Procurement of Equipment	
		Procurement of Others	
5	IEC/BCC	Development of State BCC/IEC strategy	
		Implementation of BCC/IEC strategy	
		Health Mela	
		Creating awareness on declining sex ratio issue	
		Other activities	

S.No	Main Heads	Components	Budget Amount
6	Untied funds	Untied funds for, VHSC, SC CHC, PHC	
		Annual Maintenance Grants for CHCs, PHCs	
		Panchayati Raj Initiatives	
7	ASHA	ASHA Payments under NRHM Additionalities	
		Selection & Training of ASHA	
		Procurement of ASHA Drug Kit	
		Incentive to ASHAs under JSY	
		Incentive under Family Planning Services	
		Incentive under Child Health	
		Incentive to ASHA's for motivating families for Sanitary Toilets/Other Incentives	
		Awards to ASHA's/Link workers	
		ASHA Incentive under Immunisation	
		ASHA Incentive under NLEP	
		ASHA Incentive under NVBDCP	
		ASHA Incentive under NBCP	
		ASHA Incentive under RNTCP	
8	RKS	Corpus grants to RKS	
9	JSY	Home Deliveries	
		Institutional Deliveries	
10	Sterilisation	Compensation for Male sterilisation	
		Compensation for Female sterilisation	
		NSV Camps	
		Female Sterilisation Camps	
		IUD Camps	
		Social Marketing of contraceptives	
		POL for Family Planning	
		Repairs of Laproscopes	
Other Expenses			

S.No	Main Heads	Components	Budget Amount
11	Referral Transport	Referral Transport	
12	Other RCH Activities	ARSH	
		Urban RCH	
13	Vulnerable Group	Tribal RCH	
		Vulnerable Groups	
14	Other Mission activities	Research Studies,	
		New Initiatives	
		Support to other programmes	
		District Health Action Plan	
		Mainstreaming of AYUSH	
		MMU	
		SHSRC	
		School Health Programme	
		Health Insurance	
		Planning , Implementation, Monitoring	
15	PPP/NGO	NGO activities,PPP under NRHM Additionlities	
		Other NDCPs (RNTCP, NPCB etc)	
16	Operational Cost (NDCPs)	Mobility,Review Meeting ,field visits,formats &reports,Communication etc for NDCPs	
		Lab consumables, AMC etc for NDCPs	
17	Financial aid/grant to Institutions (NDCPs)	Financial Support to Medical colleges	
		Financial Support to Referral Institutes	
		Financial Support to Sentinel sites	

Annexure II

2. Policy and Systemic Reforms in Strategic Areas

- ✓ It has been observed in that past, that though states have tried to strengthen health systems and used the flexibility under the mission to address service delivery gaps, several of their initiatives have been unevenly implemented across states, resulting in outcomes that could have been better.
- ✓ Hence, in order to ensure necessary thrust on management imperatives for systems strengthening to enable better outcomes, States need to relook and provide details on initiatives/lack thereof, and clear steps with timelines to address them in this chapter.
- ✓ In this chapter, the States need to clearly describe the policies and systems they need to put in place in respect of at least 20 management imperatives (*Refer Detailed PIP Guidelines*)

3. Conditionalities for the Pools under NRHM

The Government of India releases the funds to the States in two instalments. The following conditions have to be fulfilled before the release of these funds;

A. Conditions to be met for the release of the first tranche of funds

The first tranche of funds is received only after the Center has received the up to date FMR of the state for the current year along with provisional UCs. In addition to these financial management requirements, following also have to be met :

- 1) A full-time Mission Director for NRHM, other than the administrative Secretary, not holding any additional charges outside the Health Department
- 2) A full-time Director/Joint Director/Deputy Director (Finance), not holding any additional charges outside the Health Department from a Regular State Service.
- 3) A commitment to increase State Plan Budget for the coming year by at least 10% over and above the 15% State share under NRHM needs to be credited in SHS Bank Account.

Conditionalities for the Pools under NRHM contd..

B. Conditions to be met for the release of the second tranche of funds

Financial requirements for the release of second instalment is the receipt of Audit Report and UCs by the center from the states. In addition, following issues have to be considered:

- 1) **HR Policies & Systems** – Various measures should be initiated to ensure rational deployment with stability of tenure by way of a clear transfer policy and facility based monitoring for results.
- 2) **Drug Policy & Systems** – In order to minimize the out of pocket expenses, a sound procurement and logistics mechanism should be in place.
- 3) **Conditionalities** – The compliance status in respect of the 31 conditionalities, provided for the current year should be provided in the prescribed format. Various divisions look into the compliance of their respective conditionalities and report the status to the finance division. *(Refer Detailed PIP Guidelines)*

Conditionalities under NDCP contd..

C. Conditions to be met for release of Disease Control Program funds for 2011-12

States are required to comply with the conditionalities pertaining to disease control program, in addition to the ones mentioned earlier. These are enumerated below;

I. NATIONAL VECTOR BORNE DISEASE CONTROL PROGRAMME:

Mandatory

- Regular and dedicated State and Districts Programme Officer (VBD) for all Vector Borne Disease
- Contractual positions under NVBDCP to be filled 100% wherever applicable
- Release of Grant-in-Aid under NVBDCP from SHS to DHSs within 30 days after receipt of Grant- In-Aid from GoI

Desirable

- For Malaria, Annual Blood Examination Rate (ABER) should be more than 10% of population under surveillance-State and District-wise.
- Minimum 30% of Pf. Cases should be detected through rapid Diagnostic Test (RDT) I identified malaria – endemic districts.

Conditionalities under NDCP contd..

- Indoor Residual Spray (IRS) coverage should be minimum 80% of targeted population projected in PIP.
- For Dengue, Chikungunya and Japanese Encephalitis (JE), the identified sentinel surveillance hospitals (SSH) to be made functional (at least 80% of allotted SSH).
- For Kala-azar, achievement of cases less than 1 per 10,000 population at Block level (applicable only for State of Bihar, Jharkhand and West Bengal).
- Zonal Entomological to be made functional.

II. REVISED NATIONAL TUBERCULOSIS CONTROL PROGRAM:

Mandatory

- All States and Districts should have regular, full time State and Districts Tuberculosis officers.
- At least 70% of new sputum positive case detection rate should be achieved in all districts/States.
- Default rate should not be more than 5% in any of the Districts /States.

Conditionalities under NDCP contd..

Desirable

- Establishment and accreditation of at least one intermediate reference laboratory for the diagnosis of Multi – Drug Resistant Tuberculosis in the State as per the plan.
- DOT PLUS programme for Multi- Drug Resistant Tuberculosis should be started as per plan.

III. INTEGRATED DISEASE SURVEILLANCE PROGRAM(IDSP):

Mandatory

- Dedicated State Surveillance Officer.
- Reporting of Surveillance data through portal.

Desirable

- Recruited of contractual manpower
- Dedicated District Surveillance Officer.

Conditionalities under NDCP contd..

IV. LEPROSY

Mandatory

- Dedicated State Level officer in each State /UT and District Level officers in 123 districts where PR is more than one per 10,000 populations.

Desirable

- Recruitment of contractual manpower.

4. Scheme/ Program under NRHM

- ✓ This chapter specifies details for physical targets set and required funds under NRHM for various components and activities under the following:
 - A. RCH Flexible Pool
 - B. Mission Flexible Pool
 - C. Routine Immunization
 - D. National Disease Control Programs
 - E. Inter Sectoral Convergence
- ✓ A consolidated budget sheet has to be prepared for sections A, B, C and D as listed above

4. Scheme/ Program under NRHM

Part	Name	Details
A	RCH Flexible Pool	Planning and Budgeting for RCH should cover all the related components such as Maternal Health, Child Health and Family Planning which plan to reduce IMR/MMR/TFR as per National Programme Implementation Plan of RCH-II.
B	NRHM Flexible Pool	Any additional activities which are essential for health system improvement but cannot be funded from any other programme can be funded from the NRHM flexi pool of NRHM Framework for Implementation.
C	Routine Immunization	Planning for Immunization will be as per the guidelines provided by the Immunization Division of MOHFW.
D	NDCPS	Various NDCPs have come out with clear Operation Manual and Monitoring for activities approved in the State PIPs. States are required to follow the broad framework provided under these manuals. Efforts should be made to ensure that there is clear classification of items of expenditure specific to the programme.
E	Inter Sectoral Convergence	Information on requirement of funds and targets for overview of AYUSH activities by states, their plans to mainstream and strengthen AYUSH hospitals, dispensaries and manpower with full justification should be provided in this section.

5. Monitoring and Evaluation

- ✓ The physical and financial progress of NRHM is periodically assessed through monitoring and evaluation activities like HMIS, Surveys and Evaluation Studies.
- ✓ To exploit full benefits of HMIS Portal, States may require augmentation of its IT infrastructure and Human Resources including their training at various levels. Such initiatives need to be backed up by a comprehensive strategy for strengthening Monitoring and Evaluation in the State.
- ✓ This strategy should be detailed in the PIP in this chapter with the associated budget heads. Following components may be included in the strategy:
 - Integration of M&E activities across programmes
 - M&E Action Plan
 - Ensuring Nodal M&E Officers
 - Strengthening IT infrastructure at appropriate levels
 - Training Strategy for M&E
 - Strengthening Mother and Child Tracking System
- ✓ An integrated section giving the M&E strategy with budget lines across programmes may be provided , clearly mentioning the source of funding (NRHM, RCH etc)
- ✓ Format for Budget for M&E to be provided in the PIPs (*Refer Detailed PIP Guidelines attached*)

7. State Resources and Other Sources of Funds

In order to get a complete picture of the resources available for the health sector, the state should clearly indicate the following;

- ✓ Available resources from the State Government and track other sources of funding for the Health Sector
- ✓ Details of the activities for which these funds would be utilized
- ✓ Amount received or likely to be received from each source
- ✓ Activities for which these amounts are to be utilized along with the outcomes of the same
- ✓ Resources made available in Budgeted Estimate and Revised Estimate
- ✓ Amount spent in the last financial year

Annexure III

Format of Revised FMR

Format of Financial Management Report to be submitted by the States/UT Health/RCH Societies to Centre on Quarterly basis National Rural Health Mission (including NDCPs) ("Name of the State/UT") State Health Society _____ FINANCIAL REPORT FOR THE QUARTER ENDED _____ of the Financial Year _____															
NOTES: (1) The total budget and in Col. 1 and Exp planned as per AWP in Col 2 may be indicated as approved by GOI. (2) In case there are overlapping activities (i.e., expenditure may be comprising one or more component (s), it can be shown under the item where the major chunk of it has taken place. (3) Budget and expenditure under Others & Misc. expenditure may be specified in case the amounts are material (say, exceeding 3% of the total budget of the State Society. (4) Under Operationalization of Facilities (FRUs, 24x7 PHCs etc), only dissemination, monitoring and quality may be booked under A.1.1, while procurement of equipments, drugs, civil work and personnel cost may be booked under the relevant functional head as shown in FMR below. (5) Reasons for major variations need to be enclosed with this FMR. (6) Col. for 'Actual Expenditure for the Quarter' should tally with Fund Position Statement)															
S. NO	STRATEGY/ACTIVITIES	(Rupees In Lakhs)													
		Reporting Quarter						Year to Quarter (Cumulative)							
		Physical Progress				Expenditure		Physical Progress				Expenditure			
		Unit of Measure	Target	Actual	Variance %	Budget Allotted as per	Actual Expenditure	Variance	Unit of Measure	Target	Actual	Variance %	Budget Allotted as per	Actual Expenditure	Variance %
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)		
A	RCH - TECHNICAL STRATEGIES & ACTIVITIES (RCH Flexible Pool)														
A.1	MATERNAL HEALTH														
A.1.1	Operationalise facilities (only dissemination, monitoring, and quality)														
A.1.1.1	Operationalise FRUs														
A.1.1.2	Operationalise 24x7 PHCs														
A.1.1.3	MTP services at health facilities														
A.1.1.4	RTI/STI services at health facilities														
A.1.1.5	Operationalise Sub-centres														
A.1.2	Referral Transport														
A.1.3	Integrated outreach RCH services														
A.1.3.1	RCH Outreach Camps														
A.1.3.2	Monthly Village Health and Nutrition Days														
A.1.4	Janani Suraksha Yojana / JSY														
A.1.4.1	Home Deliveries														
A.1.4.2	Institutional Deliveries														
A.1.5	24 Hours Deliveries														
A1.6	Payment to Link Workers/AWW/AWS (other than ASHA)														
A.1.7	Maternal Death Audit														

