



Budget Analysis and Proposals for Bahawalnagar

FY2015/16

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Preface / Acknowledgement

The budget and expenditure analysis of primary health sector especially BHUs set out in this document have been prepared under the Sub National Governance Programme for the District Government Bhawalnagar.

The key elements of this document are

Overall district current budget and expenditure were studied for the past four years 2011/12 to 2014/15 and Actual Expenditures up-to May 2015 and has been projected. The district budget and expenditure were studied in total and separately for salary and non-salary components. The district health departments were studied in detail. Budgetary allocation made and actual expenditures incurred for district health departments. Share of health budget were analyzed.

District health budget and expenditure were analyzed in detail with specific focus on non-salary component. Primary health sector were studied in detail. The budgetary allocation and actual expenditure for BHUs and RHCs were analyzed in detail especially non-salary component. Finally the per-patient cost was calculated and disease pattern were reviewed at BHUs.

I hope that this document would be of value in terms of describing the linkage between budgetary allocations and the public services delivered.

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Executive Summary

Bhawalnagar district budget and expenditure analysis is an immense step in establishing a credible database on public health spending and providing some key analysis and covers only recurrent budget for primary and preventive health care facilities funded by Government of Punjab. The public health sector budget and expenditure figures obtained from the PIFRA system (civil accounts). The analysis did not cover the qualitative impact and aspect of expenditure.

The budget analysis exercise primarily focuses on the health sector budgetary allocations and actual expenditures incurred over a period of four financial years i.e. FY 2011/12 to FY 2014/15 and actual expenditures for 2014/15 (up to May 31, 2015) covering last four financial years. It then proceeds to review the health sector non-development budget in detail and highlights the significant trends in budgetary allocations and actual expenditures. In reviewing the district health sector budget, the study examines budgeting trends for both the primary and secondary health care facilities in the district. For this study, the budgetary documents, Outpatient data and disease patterns collected from the district government, which served as a primary source of information. In undertaking this analysis, the focus of study remained on primary health care. As an in-depth analysis of health sector is current budget, (salary and non-salary component) was carried out. It has been generally observed that there is significant variance in the budgeted amounts and actual expenditures incurred by health department, Bhalnagar. This clearly highlights the gaps in financial management practices observed at the district level. Another important aspect of the district budget is that a large chunk of budgetary allocations made to cater to employee's related expenses (salary component). The non-salary component is quite low for both the primary and secondary health care facilities in the district. Despite this, it is ironic that even the non-salary component is not fully utilized by the district. This non-salary component, which includes budget for procurement of medicines and repair and maintenance of equipment, is critical for effective service delivery at the grass root level. Thus, there is a great scope for introducing practices as if evidence based budgeting and execution of budget with a plan at the district level. The study finally concludes with some key findings based upon which certain recommendations are being prepared for incorporation in the district health budget for FY 2015/16. The ultimate aim of this entire exercise is to prepare the district health managers for undertaking evidence based budgeting in order to address the needs of citizens and to improve service delivery.

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List of abbreviations

AE	Actual expenditure
ANC	Antenatal Care
ARI	Acute respiratory infection
BE	Budget estimates
BHU	Basic Health Unit
DHDC	District Health Development Centre
DHQ	District Health quarters
DHIS	District Health Information System
EPHS	Essential Package of Health Services
EPI	Expanded Programme of Immunization
MHC	Maternity Health Centers
OPD	Out-patient department
POL	Petroleum, oils and lubricants
RHC	Rural Health Centre
SNG	Sub-National Governance
THQ	Tehsil Headquarters
YoY	Year-on-year

1. Introduction

The SNG programme aims to help to ensure government deliver services that better meet the needs of poor people in Punjab and Khyber Pakhtunkhwa (KP). The programme supports the achievement of these objectives by enabling delivery of three programme-level outputs:

1. Decisions by sub-national governments are based on robust evidence;
2. Sub-national government services are more responsive to peoples' needs; and
3. Strengthened sub-national government capability to deliver basic services

In order to support and assist the district governments in making decisions based on evidence of needs, SNG programme has developed evidence based budget proposal for basic health units. This report provides budget proposals for non-salary component of budget for primary healthcare of district Bhawalnagar for FY 2015-16, for improved service delivery at primary healthcare. A detailed analysis of budget and expenditure trends of the district government, Bhawalnagar was carried out and budget proposals were developed to meet the non-salary budget needs of primary healthcare, based on patient load. These costing of the proposals were carried out using formula determined by the minimum service delivery standard.

This report has been divided into two sections: the first section discusses the budget trends for district government, Bhawalnagar with special reference to the primary healthcare budget; and the second section presents some proposals, based on the analysis in first section, to the district government for inclusion in its budget 2015-16 in order to align the budget to citizens' needs and to improve service delivery at the primary healthcare level.

Analysis of budget trends

Budget and expenditures are means through which public policies are translated into tangible and targeted development actions. Government decisions about how to allocate and spend financial resources have the direct impact on the well-being of citizens. However, the disparities in allocations of public funds pose tremendous challenge the efficiency and effectiveness of development interventions and targeting the poor. The Government has recently faced immense pressure to increase the funding for the social sector including health. Therefore, analysing public spending on social sectors especially on health is increasingly becoming top priority of the government.

The focus of this analysis was primary health care delivered through 102 BHUs, which are managed by DOH.

SNG carries out a budget analysis exercise, primarily focusing on health sector budget allocations and actual expenditures incurred in Bahawalnagar during the last four years (i.e. FY 2011/12, 2012/13, 2013/14 and budget estimates for 2014/15).

2.1 Methodology

Data Collection: The analysis is based on budget documents, outpatient data, and disease patterns of the district. All the relevant documents are obtained from the district government. The budgetary data has been obtained from the civil accounts.

Data Cleaning: Before using data for analysis, data was checked for consistency including other validity checks; issues detected were referred back to the relevant department.

Departmental Visits: SNG team kept close liaison with the district officials for all the financial data required for the analysis.

2.2 Note to the Readers

The budget and expenditure analysis in the following sections does not provide commentary on the following:

- Budgetary processes and flows, basis of budgeting and budget priorities used for formulating budget estimates and their revision

- Causes and reasons for low budget execution (spending)
- The qualitative impact and aspects of expenditure
- Budget formulation and budget execution procedures and institutions

2.3 Analysis of District Bhawalnagar current budget and expenditure

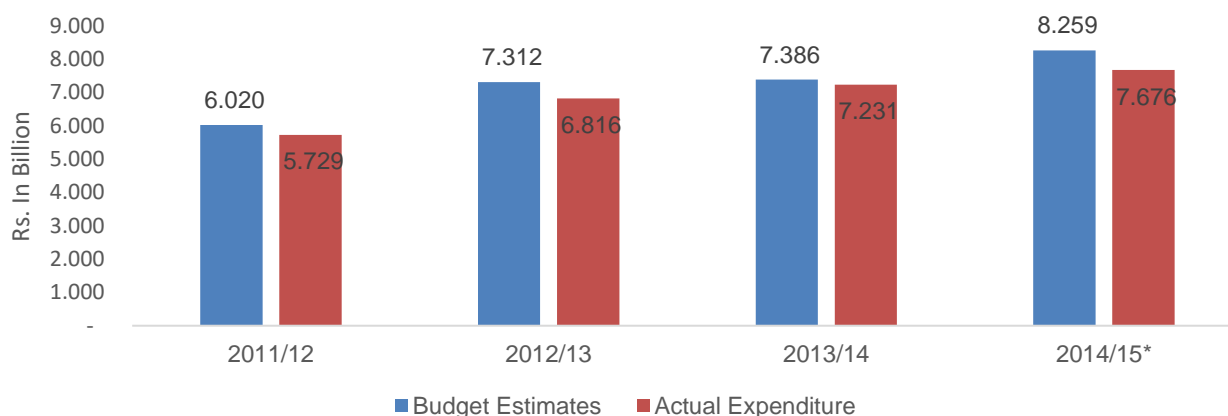
The current budget estimates of district Bhawalnagar were pitched at Rs. 6.020 billion during FY 2011/12, which increased to Rs. 8.259 billion in FY 2014/15. The current actual expenditure were recorded to the tune of Rs. 5.729 billion in FY 2011/12 which also increased to Rs.7.231 billion in FY 2013/14. The utilization of budget with constant trend remained till 2013 /14 i.e.95%, 93%, 98% and 93% respectively, as depicted in Table-1.

Table 1: Bhawalnagar – Budget estimates versus actual expenditure

Rs. In billion

Financial year	Budget Estimates	Actual Expenditure	%age Utilization
2011/12	6.020	5.729	95%
2012/13	7.312	6.816	93%
2013/14	7.386	7.231	98%
2014/15* ¹	8.259	7.676	93%

Figure 1: Bhawalnagar District budget and actual expenditure



¹ Actual expenditure up-to May 2015 which has been projected for the FY 2014/15 for analysis purpose.

2.4 Analysis of salary and non-salary budget and actual expenditure

The intersee shares of salary and non-salary components of budget estimates have been examined for the four years period i.e. FY 2011/12 to FY 2014/15, as depicted in Table 2. The share of salary component of district budget estimates was 72% during FY 2011/12, which remained 71% during FY 2014/15. The salary budget utilisation was 89% during FY 2011/12, which reduced to 83% during FY 2014/15. Whereas, the non-salary budget utilisation remained 61%, 56%, 95% and 83% during the four years period. The examination reflects that the district government, while estimating budget, over budgeted the salary component thus actual salary expenditure underutilized. In case of non-salary component, the utilization was quite low, reflecting the control mode regime for non-salary expenditure and savings were diverted to salary component. Less allocation of non-salary component and low utilization in general impaired the service delivery.

Figure 2: Health salary and non-salary budget and actual expenditures

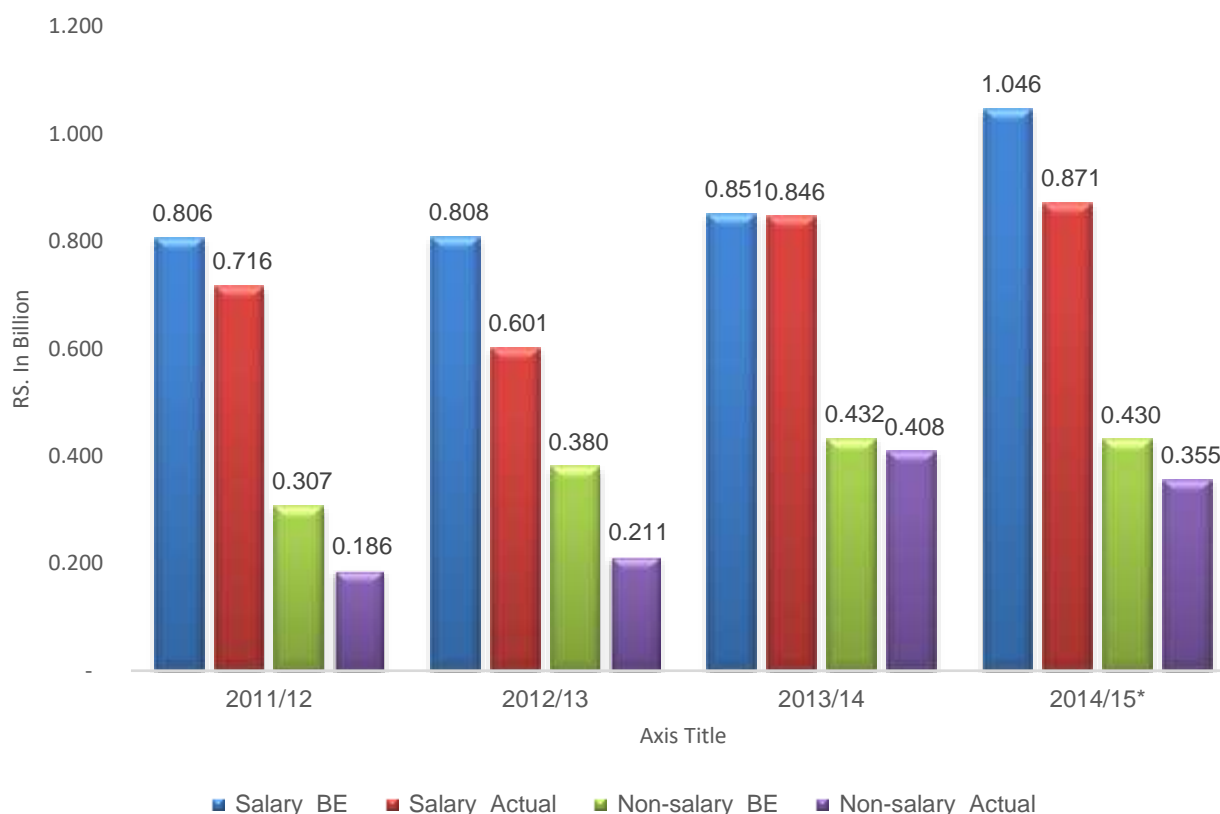


Table 2: Bhawalnagar district – share of health budget / expenditure out of district budget / expenditure
Rs. In billion

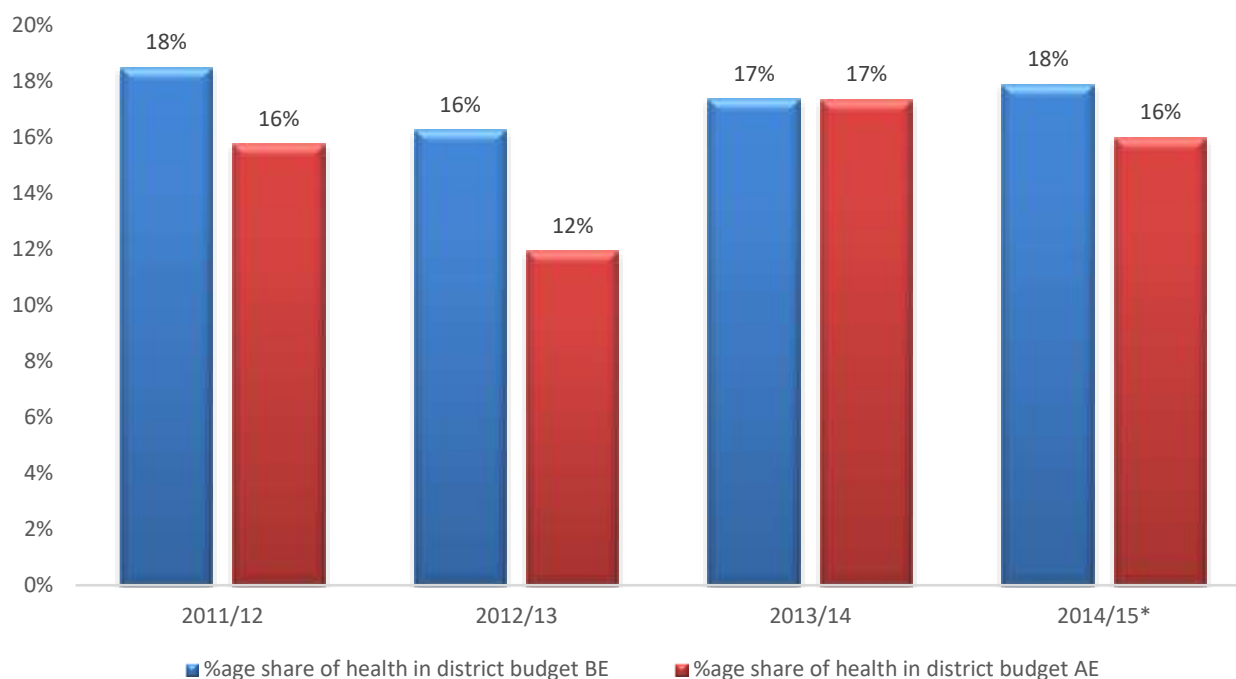
Year	Salary		Non-salary		Share in Budget		Utilization	
	BE	Actual	BE	Actual	Salary	Non-salary	Salary	Non-salary
2011/12	0.806	0.716	0.307	0.186	72%	28%	89%	61%
2012/13	0.808	0.601	0.380	0.211	68%	32%	74%	56%
2013/14	0.851	0.846	0.432	0.408	66%	34%	99%	95%
2014/15*	1.046	0.871	0.430	0.355	71%	29%	83%	83%

2.5 Share of health in district budget and expenditure

The share of health institutions in overall district budget estimates and expenditure has been shown in Table 3. The data reflects that the share of expenditure of health institutions out of the total expenditure of the district remained 18%, 16%, 17%, and 18% during the period; same has also been shown in chart at Figure-3. The Table 4 infra also shows the salary / non-salary component's shares in budget estimates and actual expenditure.

Table 3: Bhawalnagar district – share of health budget / expenditure out of district budget / expenditure
(Rs. in billion)

Year	District budget		Health budget		%age utilization of health budget	%age share of health in district budget	
	BE	AE	BE	AE		BE	AE
2011/12	6.020	5.729	1.113	0.902	81%	18%	16%
2012/13	7.312	6.816	1.188	0.812	68%	16%	12%
2013/14	7.386	7.231	1.282	1.254	98%	17%	17%
2014/15*	8.259	7.676	1.476	1.227	83%	18%	16%

Figure 3: Health budget as percentage of district budget, Bahawalnagar

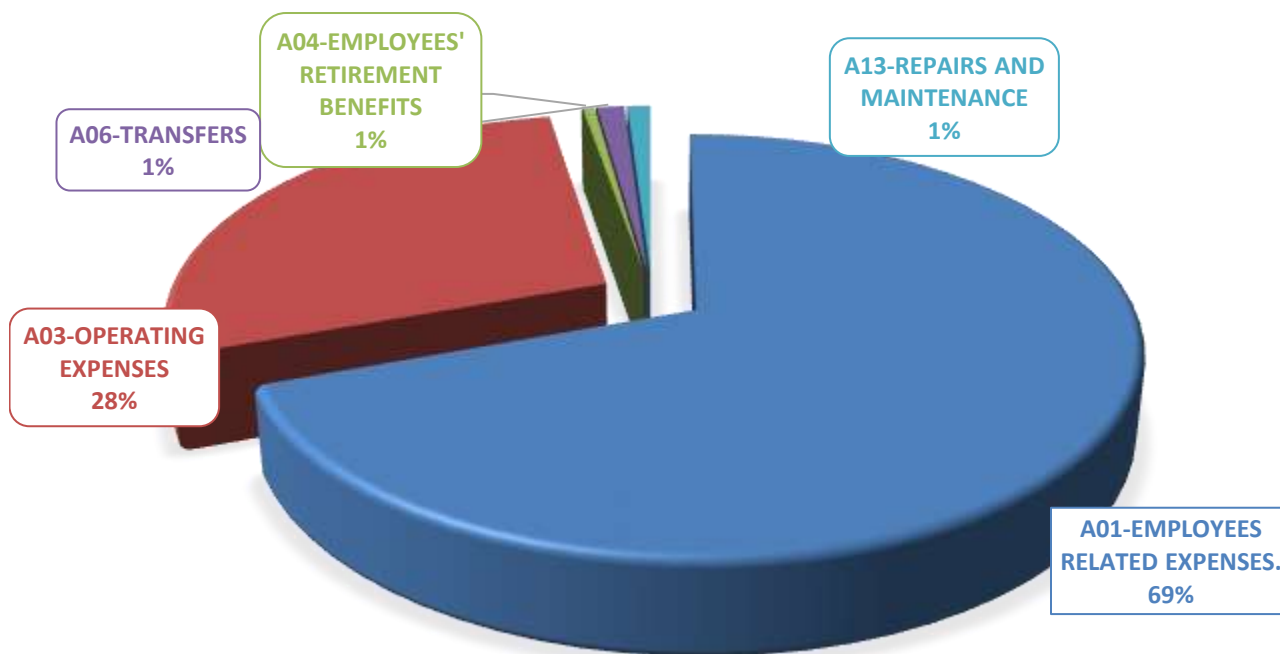
2.6 Analysis of non-salary budget and actual expenditure

Table 4 shows that 70% spent on salaries of employees whereas less than 1% is budgeted for repair and maintenance of equipment and 28% for operating expenses that also includes purchase of drugs and medicines, which is a major component of health budget.

Table 4: Object classification of health budget and actual expenditure

Details	2011/12		2012/13		2013/14		2014/15	
	BE	Actual	BE	Actual	BE	Actual	BE	Actual
A01-EMPLOYEES RELATED EXPENSES.	0.806	0.716	0.808	0.601	0.851	0.846	1.046	0.871
A03-OPERATING EXPENSES	0.275	0.155	0.332	0.194	0.409	0.384	0.396	0.318
A04-EMPLOYEES' RETIREMENT BENEFITS	0.007	0.007	0.010	-	0.000	0.001	0.010	0.012
A05-GRANTS SUBSIDIES AND WRITE OFF LOANS	-	0.001	-	0.001	-	0.005	-	0.005
A06-TRANSFERS	0.008	0.008	0.025	0.011	0.013	0.011	0.013	0.011
A09-PHYSICAL ASSETS	-	-	0.001	0.000	-	-	-	-
A13-REPAIRS AND MAINTENANCE	0.017	0.014	0.013	0.005	0.010	0.008	0.011	0.010
Total	1.113	0.902	1.188	0.812	1.282	1.254	1.476	1.227

Figure 4: Average % of health budget for FY 2011/15



2.7 Category wise budget allocation for FY 2011/15

In order to make policy level decisions, it is important to analyse budget information's by "purpose of spending" herein referred to as category of spending.

As this information is not readily available from PIFRA system, a comprehensive mapping was done in which each spending unit was mapped against the following five categories:

- I. Primary and Preventative health care
- II. Secondary Health Care
- III. Medical Education and Training
- IV. Administration
- V. Allied Health Facilities

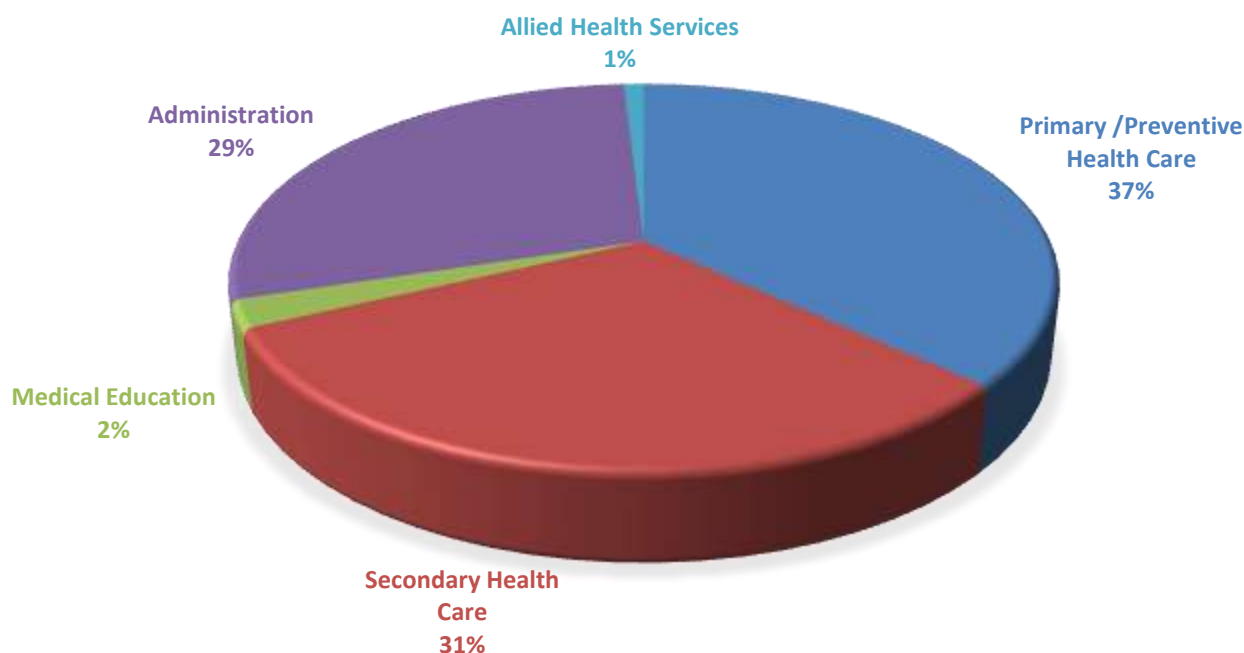
The BHU's, RHC's and dispensaries are clubbed under 'Primary and Preventive Health Care', DHQ & THQ are clubbed under 'Secondary Health Care', all medical colleges nursing and paramedics are clubbed under 'Medical Education'.

Table 5: Health Category wise budget FY 2011-15

(Rs. in billion)

Details	2011-12	2012-13	2013-14	2014-15
	Budget Estimates			
Primary /Preventive Health Care	0.456	0.347	0.454	0.609
Secondary Health Care	0.341	0.352	0.329	0.550
Medical Education	0.020	0.039	0.028	0.030
Administration	0.288	0.442	0.459	0.270
Allied Health Services	0.008	0.008	0.013	0.018
Grand Total	1.113	1.188	1.282	1.476

Figure 5: Category wise budget distribution for FY 2011-15



2.8 Primary and preventive healthcare FY 2011/15

Table 5 summarises the level of primary health care funding in the district. It includes all RHC's and BHU's. Allocation for primary health care services was 41%, 29%, 35%, and 41% of the total health budget in the district in FY 2011/12, FY 2012/13, FY2013/14 and FY 2014/15, respectively. The AE on primary health care was 44%, 40%, 36% and 42% during these years. Utilisation of this budget

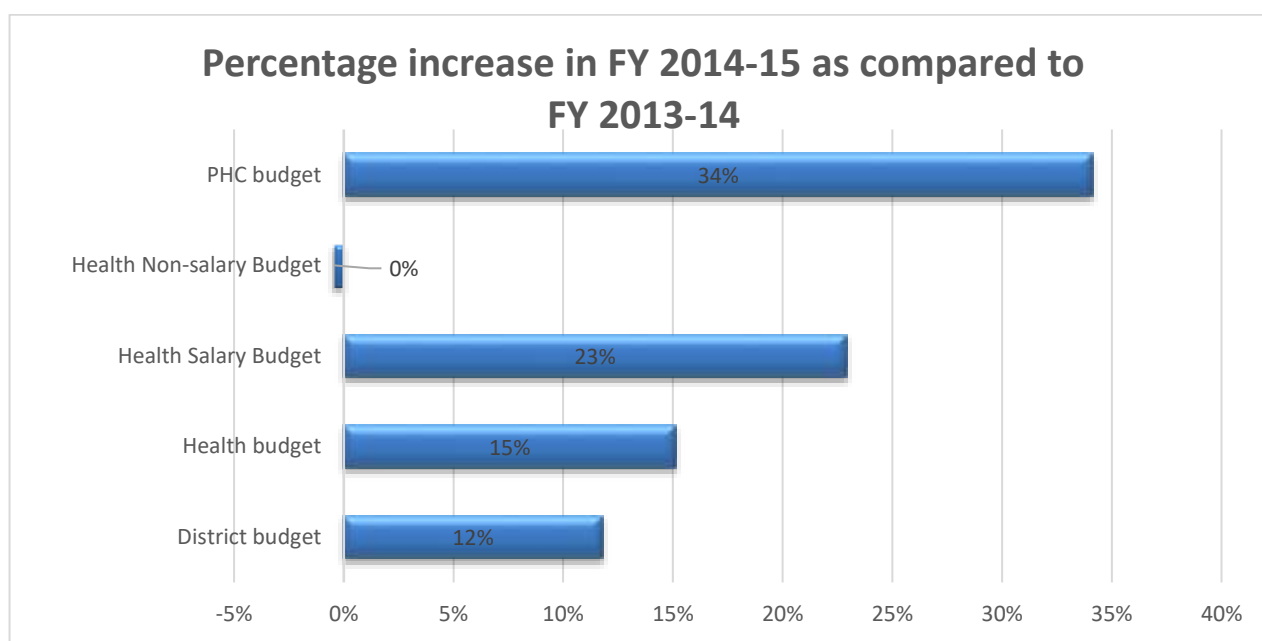
was 87%, 94%, 100%, and 78% during these years. Again there seems to be little predictability as regards the utilisation of the funds allocated for primary health care. Figure 6 clearly shows that budget of PHC is increased by 34% in FY 2014/15 as compared to health budget and district budget which are increased by 23% and 12% respectively.

Table 6: District Bahawalnagar health primary and preventive health care budget

Rs. In Million

Details	2011/12		2012/13		2013/14		2014//15	
	BE	AE	BE	AE	BE	AE	BE	AE
Salary	429.42	375.50	317.46	312.90	421.37	423.64	506.57	432.52
Non-salary	26.77	21.04	29.52	12.70	32.47	29.31	102.19	40.79
Total	456	397	347	326	454	453	609	473

Figure 6: Percentage increase in FY 2014/15 as compared to FY 2013/14



2.9 Budget allocation for non-salary components (especially medicines)

The non-salary budget of BHUs primarily comprises operating expenses and repair & maintenance costs of equipment and buildings. The operating budget mainly includes the allocations for utilities, stationery and medicine etc. Table 6 below summarises non-salary public health care budget.

It also translates that there was no set criteria for determining the quantity of medicine or linking provision of medicine with disease patterns / patient load etc., whereas, the district government has been distributing medicine in equal quantities to all BHUs without considering patient load of BHUs. The procurement of medicines is one of the most important tasks of the district health department. It is, therefore, extremely important that this task is undertaken in the light of evidence of needs at different levels. Use of District Health Information System data appears to be the most feasible option in this regard.

The utilization trends of operating expenses, as part of non-salary allocations for BHUs, as depicted at Table-9 infra, reflects over spending during entire period. During the period the utilities expenditure exceeded the allocations during FY 2011/12 and 201/13, whereas, the medicine expenditure exceeded during FY 2012/13. It can be safely construed that the expenditure for medicine was made in control mode and resulted into low level of service delivery at BHUs in the district.

So far as allocation for repair & maintenance of equipment is concerned, the analysis reflects that about Rs.1, 000 per annum per BHU was allocated and expenditure at this level can fetch negligible impact for repair of equipment at BHUs

Similarly the funds for repair & maintenance of building of BHUs were not allocated at all under the DDO code of DO (Health) or under grant of District Officer (Building). Non-allocation of funds for repairs of buildings is contributing towards deterioration of conditions of buildings of BHUs and affecting hygienic conditions of BHUs as well as the service delivery.

Table 7: Non-salary budget and expenditure of Primary Healthcare BHUs (Rs. in million)

BH6088 - D O (HEALTH) BWN	2011-12	2011-12	2012-13	2012-13	2013-14	2013-14	2014-15	2014-15
	BE	AE	BE	AE	BE	AE	BE	AE
A03201-POSTAGE AND TELEGRAPH	0.02	0.01	0.02	-	0.05	-	0.05	-
A03202-TELEPHONE AND TRUNK CALL	0.10	0.06	0.15	0.02	0.30	-	0.10	-
A03303-ELECTRICITY	0.80	1.37	1.40	0.97	2.00	0.97	1.60	0.85
A03304-HOT AND COLD WEATHER CHARGES	0.20	0.20	0.10	0.01	0.50	0.43	0.50	0.26
A03805-TRAVELLING ALLOWANCE	0.60	0.60	0.60	0.39	1.00	0.84	1.00	0.90
A03806-TRANSPORTATION OF GOODS (GOVT)	0.40	0.40	0.40	0.28	0.60	0.51	0.50	0.46
A03901-STATIONERY	0.30	0.30	0.40	0.28	0.60	0.51	0.60	0.55
A03902-PRINTING AND PUBLICATION	0.50	0.50	0.30	0.21	0.40	0.34	0.50	0.46
A03927-PURCHASE OF DRUG AND MEDICINES	6.00	1.78	6.00	-	3.00	2.53	50.00	8.02
A03942-COST OF OTHER STORES	0.50	0.50	0.70	0.49	1.00	0.85	1.00	0.93
A03970-OTHERS	0.90	0.90	0.80	0.48	1.50	1.27	1.30	1.20

BH6088 - D O (HEALTH) BWN	2011-12	2011-12	2012-13	2012-13	2013-14	2013-14	2014-15	2014-15
	BE	AE	BE	AE	BE	AE	BE	AE
A04114-SUPERANNUATION ENCASHMENT OF L.P.R	-	-	-	-	-	0.38	-	3.13
A05216-FIN. ASSIS. TO THE FAMILIES OF G. SERV	-	0.40	-	0.20	-	0.50	-	0.87
A13101-R & M OF MACHINERY AND EQUIPMENT	0.20	0.20	0.10	0.02	0.50	0.42	0.50	0.46
A13201-FURNITURE AND FIXTURES	0.15	0.15	0.05	0.02	0.06	0.05	0.10	0.09
Total	10.67	7.37	11.02	3.37	11.51	9.59	57.75	18.20
<i>Utilization</i>		69%		31%		83%		32%

2.9.1 Procurement of medicine for BHUs

On receipt of demand from different health facilities by the EDO (Health), the demand is advertised in press under PPRA rules for ensuring the transparency and to fetch lowest rates. After process as prescribed under PPRA rules, sanction for lowest medicine are issued by the EDO (Health). The DO (Health) places the orders for supply of medicine according to requirements and availability of funds. The medicine so procured is distributed according to patient load and categories defined by DOH office during the financial year.

2.9.2 Needs Assessment Report - Medicine availability

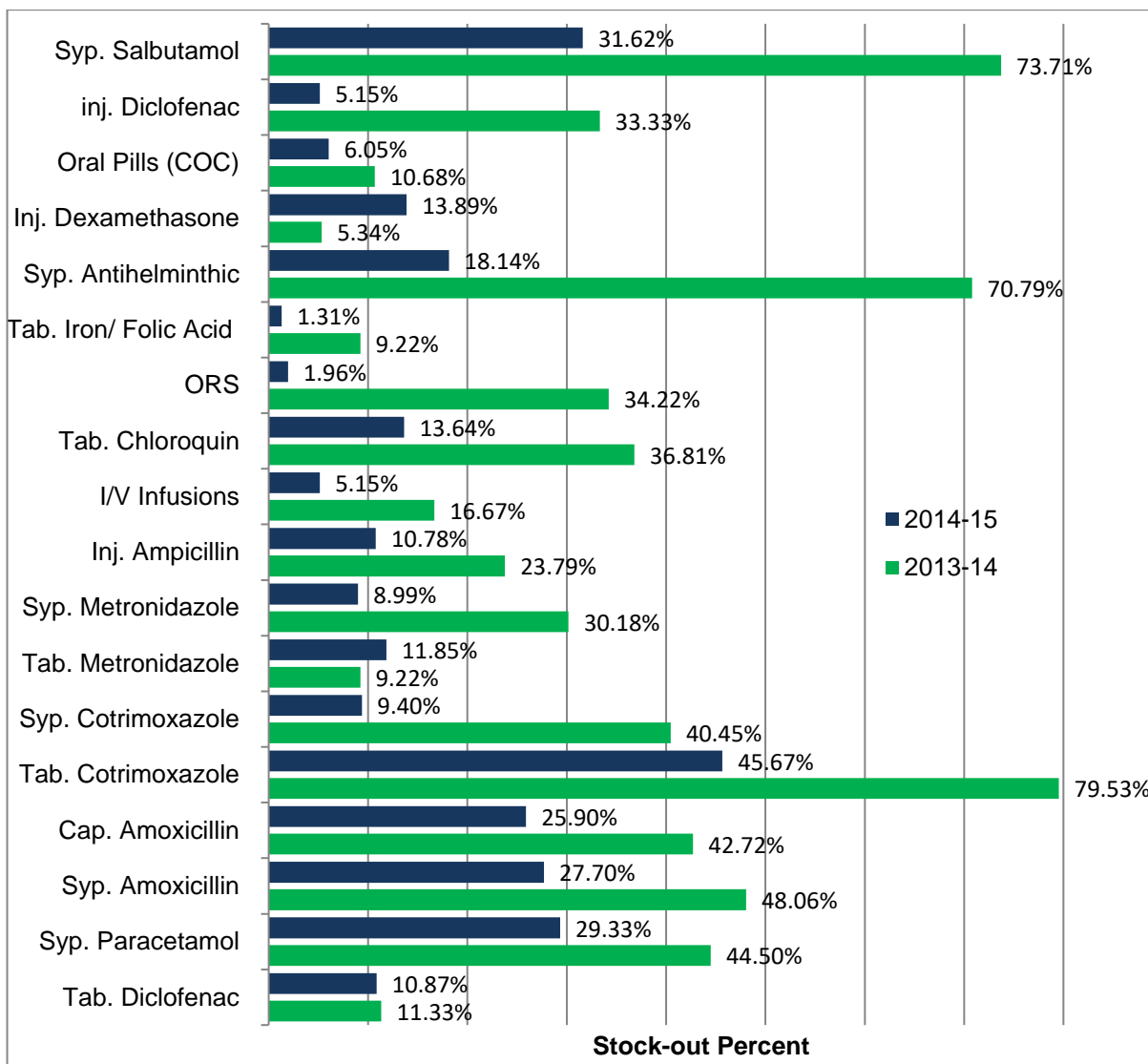
Supply of adequate drugs/medicines is critical to the successful provision of services. In the Needs Assessment report completed in 2013-14, non-availability of medicines was highlighted as one of the reasons in providing quality healthcare services to the community. According to the latest data collected by DHIS, 34% tracer medicines remained out of stock at BHUs of district Bahawalnagar in 2013-14. It was recommended to allocate Rs. 334,000 to each BHU in district Bahawalnagar for the provision of essential medicines and drugs in the Needs Assessment Report, 2013-14. Allocation of the above amount for purchase of medicine for BHUs has significantly reduced the stock-outs. Recent data suggests that now 15% of the tracer drugs and medicines remained unavailable at BHUs in FY 2015 as compared to 34% stock outs for the previous year.².

Moreover, it was also observed in 2013-14 that the medicine were not available according to the requirement of community and the burden of disease in the area. It can be seen in the figure below

² Stock out is the unavailability of drugs/medicines at any health facility at any point in time. For the purpose of this report, stock out percentage is calculated from the data collected from Punjab Health Information System. PHIS reports how many times a particular tracer drug remained unavailable at BHUs throughout the year on monthly basis. This data was then processed, converted to percentage and average percentage of 18 tracer drugs was calculated to get the complete picture.

that stock-out of capsule Amoxicillin, and Syrup Amoxicillin, have shown significant improvement. These medicines can be used to treat ARI and peptic ulcer disease that were reported to be the most commonly occurring diseases in the district. Similarly the availability of tablet Cotrimoxazole, also used to treat ARI, has also shown a considerable improvement in 2014-15.

Figure 7: Stock-outs situation in district Bahawalnagar



Source: Government of the Punjab, Department of Health, PHIS, 2011-13

2.9.3 Infrastructure and equipment at BHUs

As indicated by the HFA 2011 survey conducted in district Bahawalnagar, the current infrastructure at the surveyed BHU was not adequate, in terms of compliance with the specified minimum standards for infrastructure provided in the EPHS. Main infrastructure issues at the surveyed BHUs were lack of hand washing facility at the OPD and LHV’s room; labour room, scrubbing area in a delivery room

and a separate patient's washroom, all of which are missing in majority of the surveyed BHUs. These are all part of the essential infrastructure at health facilities according to the EPHS.

The functional quantity of the essential equipment items (general items, equipment for OPD and LHV room) for BHUs in relation to the standard list specified in the PC-1 of the NMNCH Programme, was also found to be inadequate at majority of the BHUs surveyed by the HFA 2011. The general BHU equipment were missing in almost all the surveyed BHUs and the equipment items for the LHV's room were also missing in a number of BHUs; while, the complete list of essential items was not available at any of the surveyed BHUs.

2.9.4 Medical camps

The Needs Assessment report identified that there are populated areas in the district that have limited or no access to a health facility due to either its distance from the locality or due to poor road conditions. In order to provide some healthcare services to these underserved areas medical camps are proposed. Adequate allocation is recommended to be made in the district budget for holding of medical camps in underserved areas.

2.10 Major issues in primary healthcare (BHUs) in district Bahawalnagar

According to the findings of the needs assessment report, the following major issues as regards primary health service delivery were identified that had a direct linkage with budget allocation:

- non-availability of medicines / supplies / lab investigations as per needs of each BHU;
- missing equipment / non-functional equipment (such as equipment for diagnosis / testing);
- Infrastructure missing facilities, including availability of potable water and hand wash;
- areas with poor access to health services;
- lack of resource provision for vaccination;
- Under-utilisation of BHUs – availability of skilled birth attendants.

To address these issues by ensuring criteria based adequate funds, the following recommendations have been made as budgetary proposals

Recommendations for non-salary budget allocations to improve primary health services in Bahawalnagar

Area	Recommendation
Medicines /Supplies/lab investigations	<p>Last year to address the issue of non-availability of required medicines, supplies and diagnostic facilities at BHUs keeping in view the burden of disease and thus the requirement for medicines for those diseases a Need Assessment was conducted at the primary level. The cost calculated per BHU calculated was around Rs. 334,000 on the basis of patient load instead of using constant budget allocation. On the basis of these calculations Rs. 50 Million was allocated in FY 2014-15.</p> <p>This year on the basis of patient load data taken from DHIS the budgetary allocation proposed for the FY 2015-16 is Rs. 55 Million.</p>
Medicines procurement timelines	<p>During the Public Expenditure tracking survey conducted by SNG team it was revealed that there were significant delays in procurement of drugs at different stages especially evaluation of bids & approval of successful bidders and drugs testing. During the FY 2014-15 the process was finalized in May 2015 It appears that delay in procurement is perhaps the single most important reasons for stock outs of medicines.</p> <p>District health team along with the assistance of SNG team finalize a procurement plan at the beginning of the financial year and the dates finalized in this plan need to be monitored strictly by DCO to ensure timely procurement of medicines.</p>
Immunization	<p>A review of the needs assessment report reveals that there is an allocation of POL under the DDO code of District Officer (Health) for provision of POL to his office vehicles including the vaccinators at approved yardstick; however, apparently budget was not being released to vaccinators. In order to ensure that misuse does not occur, it is proposed that petrol be issued to vaccinators through the use of PSO fleet cards with approved monthly limits / yardsticks.</p> <p>POL for vaccinators to be indicated as separate head in the budget.</p>
Capacity Building of health staff	<p>One of the main reasons for underutilization of BHUs is a lack of qualified staff in the facilities. DHDCs have been established by the provincial government in each district, with a mandate to conduct training for health sector employees. These centres need to make fully functional by developing a training schedule with a robust monitoring mechanism to gauge their performance. As per proposed by SNG team the budget allocation was increased by</p>

Area	Recommendation
	<p>178% in FY 2014-15 YoY basis.</p> <p>During the current fiscal year the utilization of this budget remains 50% which shows that adequate training plans were not prepared for utilization of funds. It is proposed that training plans should be prepared at the start of the financial year with help of SNG team and such training should be conducted timely.</p>
Medical Camps	<p>The needs assessment also examined access to health services in the district through a Geographic Information System-based analysis. This helped to identify areas with poor access to health services. It is recommended that the district government may make special arrangements to reach out to the communities in these areas periodically. If a more permanent arrangement cannot be made right away, arranging medical camps in such areas is recommended. As the medicine and equipment from adjoining BHU and also manpower may be used to provide the facility of medical camps, an indicative allocation of Rs. 1.0 million is proposed for the district during FY 2015/16</p>
Utility Bills	<p>During the Public Expenditure Tracking Survey (PETS) conducted in Bahawalnagar district it was observed that the electricity bills were being paid by the staff of the BHU out of their own pocket and they later claimed re-imburement of these amounts from DO (Health). It was also found that the reimbursements were usually delayed; resultantly it became a permanent financial burden on the staff of a BHU. In order to save the staff from financial burden, it is proposed that on due date the DO (Health) may download the web based bills from GAPCO website and discharge the liability in the prescribed manner. This change will ensure timely payments to avoid late surcharge and save the staff from financial burden</p>
Inventory management system	<p>Triangulation of medicines received at BHUs in Bahawalnagar was not possible as the officials of district did not share the requisite information with the survey team due to lack of proper inventory management system.</p> <p>A robust automated system for inventory management should be developed and implemented with appropriate capacity building at all levels. Such a system is being developed under one of the District Delivery Challenge Fund under SNG programme</p>
Missing Equipment and infrastructure	<p>To provide the equipment fund to be missing at BHU level, EPHS –based costing of equipment has been used to calculate the funding requirements. The cost for the provision of the missing equipment at 15 sample BHUs has been calculated as Rs. 11.70 million. Using the list of missing equipment for sample BHUs, the district government can extrapolate the cost of missing equipment for all 102 BHUs in the district. It would however, be useful to</p>

Area	Recommendation
	conduct a comprehensive assessment of missing facilities to accurately estimate the funding requirement for provision of missing facilities.
Budget Presentation	During the continue support to district team it was discussed with EDO F&P to change the presentation of budget and budget of 102 BHUs should be presented separately under spending DDOs head. EDO F&P appreciated the proposal given by SNG team and has started working on this and require health department to present the budget of BHUs separately. It gives great financial transparency of budget versus utilization and also distribution of funds according to patient load and distribution of medicines according to burden of disease.