

Audit and Inspection Report

on the accounts

of

**Pakistan Institute of Medical Sciences
(PIMS)**

Islamabad

For the Financial Year 2016-17 to 2017-18

Audit Conducted by:

Zafar Abbas, Audit Officer

Muhammad Zaki, Assistant Audit Officer

Anwar Hussain, Senior Auditor

**DIRECTORATE GENERAL AUDIT
FEDERAL GOVERNMENT
ISLAMABAD**

Executive Summary

The Audit of the Pakistan Institute of Medical Sciences (PIMS) Islamabad under Ministry of National Health Services Regulation and Coordination for the financial year 2016-17 to 2017-18 was carried out by Mr. Zafar Abbas, Audit Officer, Mr. Muhammad Zaki, Assistant Audit officer and Mr. Anwar Hussain, Senior Auditor during November,2018 to January,2019

The Audit was conducted in accordance with guidelines issued by the Auditor General of Pakistan, Finance Division and Cabinet Division from time to time and provisions of GFR, FTR and other rules and regulations of the Government. It was a test audit based on sampling: samples were selected from all areas of expenditures to watch the accuracy and fairness of accounts. Internal control system was also examined to comment upon system weaknesses and its implications on the procedures adopted by the Pakistan Institute of Medical Sciences Islamabad (PIMS), were reviewed to express an independent opinion about the:

- Accuracy fairness and completeness of the Accounts.
- Observance of Government rules and regulations with letter and spirit.
- Utilization of funds for the purpose for which the Government allocated.

Expenditure Statement

The budget allocation (Non-Development) and expenditure incurred by the PIMS during the financial year 2016-17 to 2017-18 is as under:-

Years	Departmental ID	Original Budget	Final Budget	Expenditure
2016-17	ID-6099 PIMS Ibd	2,442,647,000	2,782,556,956	2,868,933,995
	ID-6102 Burn Care Centre	122,304,000	120,030,000	127,715,151
	ID-8339 Cardiac Care Center	320,000,000	184,713,044	182,652,920
	Total Rs.	2,884,951,000	3,087,300,000	3,179,302,066
2017-18	ID-6099 PIMS Ibd	2,592,956,000	2,913,283,000	2,921,615,315
	ID-6100 Children Hospital	588,532,000	587,681,000	609,665,796
	ID-6101 Mother & Child Health Center Care	327,884,000	325,236,000	337,666,926
	ID-6102 Burn Care Center	129,915,000	127,626,000	136,729,528
	Cardiac Centre	320,000,000	318,677,000	316,730,425
	Total Rs.	3,959,287,000	4,272,503,000	4,322,407,990

The budget allocation (Development) and expenditure incurred by the PIMS during the financial year 2016-17 to 2017-18 is as under:-

Financial Years	Departmental ID	Original Budget	Final Budget	Expenditure
2016-17	ID-3687 Bone Marrow Tran plant	0	5,012,000	4,909,737
	ID-8454 Up gradation of X-Ray Machines in Radiology Deptt. PIMS	59,760,000	40,438,000	40,337,358
	ID-8455 Up gradation of Radiology Department of Children Hospital PIMS	59,760,000	46,273,786	46,273,786
	ID-7348 Estt. of Unit for Shredding	15,000,000	14,801,000	14,800,000
	ID-8206 Estt. of Center for Neuro Sciences PIMS	200,000,000	0	0
	ID-8437 Up gradation of Non Radiation/ Modern Endoscopy PIMS	100,000,000	0	0
	ID-8438 Estt. of Centre for Hematological	7,000,000	1,400,000	765,554

	“Disorder at PIMS			
	ID-8439 Feasibility study for Estt. of Center for Neuro Sciences at PIMS	15,000,000	6,000,000	6,000,000
	ID-3694 Federal Breast Cancer Screening Program at PIMS	60,772,000	52,455,000	52,614,376
	Total Rs.	517,292,000	166,379,786	165,700,811
2017-18	ID-3687 Bone Marrow Transplant	0	5,011,000	20,468
	ID-9966 Extension of Cardiac Centre Extension Block at PIMS	400,000,000	17,651,000	0
	ID-6192 Establishment of Cardiac surgery Facilities at PIMS	0	0	1,090,386
	ID-3694 Federal Breast Cancer Screening Program at PIMS	0	0	997,780
	ID-8206 Est of Center for Neuro Sciences PIMS	250,000,000	0	0
	ID-8437 Up gradation of Non Radiation/ Modern Endoscopy PIMS	198,130,000	83,049,000	83,049,000
	ID-8401 Est of centre for Hematological Disorder at PIMS	100,000,000	0	0
	ID-7348 Establishment of Unit for Shredding, Sterilization and Disposal of Hospital Waste at PIMS	199,762,000	0	0
	ID-9964 Replacement & Up gradation of HVAC plant Room Allied works at PIMS	69,189,000	0	0
	ID-9965 Up gradation of Gastroenterology Department/ Replacement of Equipment for Advance Liver & GI Diseases at PIMS	100,000,000	0	0
	ID-9967 Construction of Female Doctor Hostel at PIMS	100,000,000	0	0
	ID-9962 Cancer Hospital Islamabad.	200,000,000	0	0
	Total Rs.	1,617,081,000	105,711,000	85,157,634

Departmental receipt

Year wise detail of receipt is as under:-

Year	Total Receipt
2016-17	83,182,775
2017-18	90,729,015
Total Rs.	173,911,790

Division of Audit and Inspection Report

Audit & Inspection Report consists of two sections i.e. Section “A” and Section “B”. Section-“A” contains previous outstanding paras and Section- “B” comprises the current audit findings.

Section “A”

No compliance of the outstanding paras of the previous Audit & Inspection Reports was shown to audit.

Section-B
Current Audit Findings
For the Financial Year 2016-17 to 2017-18

Para-01 **Irregular/unauthorized execution of civil and internal electrification works**
(O.S-35) **through a private contractor i.e. M/s Raja Brothers Rs.163.124 million.**

According to Rule- 191 of GFR Vol-I “Save where any particular departments (e.g Salt, Forest, Archaeology, Broadcasting, Lighthouse, etc), has been authorized by Government to execute all or specified classes of departmental works without reference to the Public Works Department or the Military Engineer Services, and subject to any special rule or order issued by Government to apply to special classes of Works, all original works and special repairs, Costing more than Rs 2500 relating to buildings and other works, the administrative control of which vests in other civil departments, should be executed through the agency of the Public Works Department, Central or Provincial, as the case may be or through the Military Engineer Services where it is not convenient for the Public Works Department to undertake the Work. In exceptional cases in which the Public Works Department or the Military Engineer Services is not employed for the execution of such works or repairs, the Accountant General should invariably be consulted at the initial stage, i.e. prior to an agreement being entered into with an architect or contractor so that suitable provision may be made as far as possible for normal audit and financial control”

According to Rule-9 of PPRA Rules,2004 “Save as otherwise provided and subject to the regulation made by the Authority, with the prior approval of the Federal Government, a procuring agencies shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The annual requirements thus determined would be advertised in advance on the Authority’s website as well as on the website of the procuring agency in case the procuring agency has its own website”

Rule-146 of GFR Vol-I which states that “Purchase Orders should not be split up to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders”.

According to Rule-395 of FTRs “Unless in any case the Government after consultation with the Accountant General direct otherwise, payments for all work done otherwise than by daily labour and for all supplies shall be made on the basis of measurements recorded in measurement books kept for the purpose. Claims for such payments shall be prepared as far as possible by the claimants themselves in authorised forms of bills and vouchers and no payment other than an advance payment may be authorised unless the correctness of the claim in respect of quantities and rates as well as the quality of the work done or supplies made have been accepted and all calculations carefully checked by a responsible officer”.

Contrary to above, it was observed that the management of PIMS incurred an expenditure of Rs. 163,124,711 under the head A13301-Repair of Office Building and A13302-Repair of Residential Building as under:-

Financial year	Name of Office	Head of Account	Gross Amount of bill	Sanctioned amount after deduction of	Net amount paid after deduction of
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				security & misc.	tax
2016-17	PIMS	A13301and A13302	48,013,372	45,537,567	4,1902,704
	Children Hospital	A13301	3,736,111	3,553,156	3,268,903
	MCH	A13301	700,131	666,968	613,612
	Cardiac Center	A13301	1,756,411	1,668,590	1,535,103
	Burn Center	A13301	747,981	710,582	653,648
	Sub Total		54,954,006	52,136,863	47,973,970
2017-18	PIMS	A13301 and A13302	101,705,985	96,345,237	88,635,602
	Children Hospital	A13301-A13	4,163,671	3,950,209	3,634,193
	MCH	A13301	984,158	934,951	860,155
	Cardiac Center	A13301	1,210,072	147,116	1,055,263
	Burn Center	A13301	115,819	110,029	101,227
	Sub Total		108,179,705	101,487,542	94,286,440
Grand Total Rs.:-			163,124,711	153,624,405	142,260,410

Audit observed that:-

- i. Instead of executing the civil works and internal electrification work through Pak.PWD, the management had floated open tender on 15.01.2015 with opening date on 02.02.2015 for execution of Civil Works and Internal Electrification through private contractor. After evaluation of bids the work was awarded to M/s Raja Brothers vide letter No. F.1-21/2014-2015/C Works/Pur (NM)/PIMS dated 27.02.2015 and an agreement was also made with the said contractor for period of two years w.e.f 17.03.2015 to 16.03.2017. The award and execution of civil works and internal electrification by the Officers/Staff of PIMS amounting Rs.163.124 million is treated as irregular/unauthorized.
- ii. The entire expenditure of Rs.163.124 million has been incurred on civil works/repair of office building and residential building by keeping the amount below Rs.500,000 (in each case) to avoid sanction of next higher/competent authority. Detail is given in **Annexure-I**. Thus incurring of such a huge expenditure of Rs.163.124 million by splitting up sanctions to expenditure is treated as irregular/unauthorized. The action of the management is contrary to the provision of Rule-146 of GFR Vol-I.
- iii. As per clause regarding validity and extension of Contract "The contract will be valid for two years from the date of commencement. The contract is extendable for further period of one year on the satisfactory performance of the contractor/firm if the both parties agreed". But after expiry of the original period of contract i.e. on 16.03.2017, the management was further extended the agreement upto 30-06-2018 instead of inviting fresh tender. Thus the provisions of agreement and PPRA Rules, 2014 have been violated by extending undue favour to the contractor.
- iv. Although, entries in Measurement Books of each project have been made but no responsible officer of the rank of SDO/Executive Engineer verified the said entries. Most of the MBs have been verified by an Assistant Engineer. Even MB No.155/IH has also not been signed/verified by the Assistant Engineer concerned. Thus the execution of civil and electrical works by the contractor and its unverified entries in the Measurement Books are treated as doubtful. Thus

maintenance of MBs are not in accordance with the provision of Rule-395 of FTRs.

- v. It is pertinent to mention here that the earnest money of Rs.200,000/- (previously deposited by the contractor) had also been returned to the said contractor on 15.07.2015 (during currency of original period of contract), whereas, his contract was extended up to 30.06.2018 without getting fresh earnest money. Thus undue favour was extended to the contractor.
- vi. According to Law & Justice Division's letter No. 1(68)/2005 dated 12.1.2016 the agreement was required to be vetted by that Division but the contract was not got vetted from the Law & Justice Division.
- vii. According to the Clause-33B of NAB Ordinance, 1999". "All Ministries, Divisions and Attached Departments of the Federal Government, all departments of Provincial and local governments, statutory corporations or authorities established by the Federal Government or Provincial Government and holders of public office shall furnish to NAB a copy of any contract, entered into by such Ministries, Divisions and Attached Departments of the Federal Government, all departments of Provincial Government or local government, statutory corporations or authorities established by the Federal Government or Provincial Government or such holder of public office on its behalf, as the case may be, of the minimum monetary value of fifty million rupees or more, within such time as is reasonably practicable from the date of signing such contract". But the management has not furnished copy of the contract to the NAB which is contrary to the NAB Ordinance, 1999.

No reply was given.

Matter needs thorough investigation to fix responsibility against the persons held responsible for the above lapses besides regularization of entire expenditure from the Finance Division.

Para-02 **Irregular/unauthorized drawal and payment of 60% share of fee to PIMS**
(O.S-40) **employees without approval of the Government -Rs. 98.662 million.**

Accordingly to Rule-10 of Supplementary Rules S. R. 10. "Subject to any special orders issued by the Governor -General, Medical Officers including Officers of the late I. M. S. in Civil employ, under the rule - making control of the Governor - General may accept fees for services other than professional attendance at the rates shown in Appendix No. 26** in Volume-II of this Compilation subject to the following conditions:

- 1) No work or class of work involving the acceptance of fees may be undertaken on behalf of a private person or body or public body, except with the knowledge and sanction, whether general or special, of a competent authority to be prescribed by the local Government under whom the Medical Officer is serving".

According to Rule-12 of Rules of Business, 1973 "No Division shall, without previous consultation with the Finance Division, authorise the issue of any orders, other than orders in pursuance of any general or special delegation made by the Finance Division, which will affect directly or indirectly the finances of the Federation [11] or which in particular involve-

- (b) expenditure for which no provision exists in the budget or for which no sanction exists.

Contrary to above, it was observed that during financial year 2016-17 and 2017-18 the management of PIMS drawn and paid a sum of Rs. 98,662,471/- on account of 60% share of fee out of departmental receipt as under:-

S.No.	Name of Hospital	Period	Voucher No. & Date	Total Amount Drawn
1.	PIMS	July-Sep. 2016	83 dated 02-11-206	7,408,632
2.		Oct-Dec. 2016	84 dated 07-02-2017	7,491,196
3.		Jan-March2017	85 dated 19-05-2017	8,034,443
4.		April-June 2017	86 dated 25-08-2017	8,567,520
5.		July-Sep. 2017	87 dated 23-11-2017	8,639,352
6.		Oct-Dec. 2017	88 dated 28-04-2018	6,889,699
7.		Jan-March 2018	89 dated 09-08-2018	9,841,531
8.		April-June 2018	90 dated 29-08-2018	10,194,161
	Sub Total Rs.			67,066,534
1	Children Hospital	July-Sep 2016	68 dated 02-03-2017	1,268,467
2		Oct-Dec 2016	67 dated 02-03-2017	1,193,179
3		Jan-June 2017	69 dated 31-07-2017	2,251,568
4		July-Dec 2017	70 dated 13-03-2018	1,972,585
5		Jan-June 2018	71 dated 29-08-2018	2,337,053
	Sub Total Rs.			9,022,852
1	MCH	July-Sep. 2016	67 dated 15.11.2017	2,617,060
2		Oct-Dec. 2016	69 dated 27.02.2017	3,114,899
3		Jan-March, 2017	70 dated 06.06.2017	3,307,900
4		April-June 2017	71 dated 15.08.2017	2,794,034
5		July-Sep.2017	72 dated 07.12.2017	2,946,342
6		Oct-Dec. 2017	73 dated 17.02.2018	2,601,260
7		Jan-March,2018	74 dated 21.05.2018	2,702,438
8		April-June 2018	75 dated 25.08.2018	2,489,152
	Sub Total Rs.			22,573,085
	Grand Total Rs.			98,662,471

Audit observed that:-

- i. Dr. Iftikhar Ahmad Consultant Radiologist and 40 other members of Radiology Department of PIMS submitted a complaint to Wafaqi Mohtasib during 1997 stating that the PIMS Administration had refused to distribute them their share of fee for services rendered by them in Radiology Department. Honorable Wafaqi Mohtasib in their findings against Complaint No. Reg. H/2812/96 dated 12.12.1997 had given the following recommendations:-
 - a. The charges for various/ works services performed by various Laboratories including Radiology Department should be fixed by mentioning all the three elements separately as identified in para-9 above.
 - b. These charges realized from private non entitled patients should be paid into the Government Treasury.
 - c. Medical Officer's share on account of fee element only should be drawn on a refund bill in Form TR 41 as prescribed in SR 10 (2) and paid to the Medical Officer in

charge of concerned Lab/ Department for further disbursement to his staff and for retention of his own share.

- d. In order to ensure that no administrative problem should arise due to likely disparity of shares fixed by individual Medical Officer in various Lab/ Departments, the Head of the Hospital/ Institution may lay down the general guidelines in this respect to be followed by all the heads of Labs/ Departments and till such guidelines are laid down, the distribution will take place in the discretion of the head of the Lab/ Department who will exercise it judicially, and as per current practice.

Later on, Ministry of Health, vide letter dated 27.08.1998 directed the PIMS to implement the orders of Honourable Wafaqi Mohtasib. Audit has observed that the M/o Health, instead of getting approval of the Government/Finance Division as required under SR(10) and Rules of Business 1973 as referred to above, directed the PIMS to implement the order of the Honourable Wafaqi Mohtasib . Thus the direction of M/o Health to PIMS for implementation of Honourable Wafaqi Mohtasib recommendations without the approval of Government /Ministry of Finance is in violation of above said rules.

- ii. Instead of getting the funds of 60% share of fee through budgetary allocation, the management is drawing 60% share of fee out of PIMS receipt on Form TR-41. Audit holds that the procedure of drawing 60% share of fee from FTO on Form TR-41 has also not been approved from the Finance Division.

Thus the drawal and payment of 60% share of fee out of hospital receipt amounting to Rs.98,662,471/- without the approval of Government/Finance Division is treated as irregular/unauthorized.

No reply was given.

Para-03 **Irregular/unauthorized issuance of administrative approval and technical**
(O.S-28) **sanctions for execution Civil Works by a private contractor-Rs.60.091**
million.

According to Rule-51(i) of GFR Vol-I “All financial sanctions and orders issued by a Ministry or Division within its own financial powers as a Ministry or Division of the Federal Government will be communicated direct to the Accountant-General by the Ministry or Division concerned All other orders involving financial sanctions which may be issued by Ministry or Division of the Federal Government i.e. sanctions beyond their financial powers will be communicated to the Accountant-General through the Ministry of Finance.

Rule-178 of GFR Vol-I further states that “Except in cases covered by any special rules or orders of Government no work should be commenced or liability incurred in connection with in until

- i) administrative approval has been obtained from the authority appropriate in each case ;
- ii) sanction, either special or general, of competent authority has been obtained authorizing the expenditure ;

If, in any case, whether on grounds of urgency or otherwise, an executive officer is required by superior authority to carry out a work or incur a liability which involves an infringement of these fundamental rules, the orders of such authority should be conveyed in writing. On receipt of such written orders or in cases of emergency, on his own responsibility, the officer may proceed to carry out the necessary work, subject to the condition that he immediately intimates to the

Accountant General concerned that he is incurring an unauthorized liability and states approximately the amount of the liability which he is likely to incur”.

According to Rule-179 (2) of GFR Vol-I “ (2) “For purposes of approval and sanctions, a group of works which forms one project should be considered as one work, and the necessity for obtaining the approval or sanction of higher authority to a project which consists of such a group of works is not avoided by the fact that the cost each particular work in the project is within the powers of approval or sanction of any authority subordinate thereto”.

Contrary to above, it has been observed that the management of PIMS has issued administrative approval and technical sanctions to expenditure amounting to Rs. 60,091,324.82 for execution of civil works of office building through private contractor M/s Raja Brothers during 2016-17 to 2017-18 as under:-

SNO.	Name of Civil Works	Total Cost	Approved by	Date of approval
1	Civil Works of Private ward, GF+FF	27,821,473.48	Executive Director PIMS	3/2018
2	Civil Works of Private ward, 2 nd Floor	13,600,000	Vice Chancellor	29.01.2018
3	Civil Works for renovation up-gradation of MW-IV M	13,231,809.13	Vice Chancellor	25.07.2017
4	Additional civil work in surgical ward -IV	2,642,512.21	Vice Chancellor	03.03.2017
5	Civil Works of MCH Center	1,716,614	Vice Chancellor	19.01.2018
6	Paint and floor grinding/ children Hospital	1,078,916	Executive Director	07.05.2018
Total Rs.		60,091,324.82		

Audit has observed that:-

- i. Instead of getting the civil work done from the Pak. PWD the VC and the ED PIMS have accorded administrative approval and technical sanctions to carry out civil works costing Rs.60.091 million from private contractor (M/s Raja Brothers) without having any power in this regard. Thus the issuance of administrative approval and technical sanction of Rs. 60.091 million (as per above table) without the approval of Finance Division is treated as irregular/unauthorized.
- ii. After according administrative approval and technical sanction of Rs. 60,091,324.82 (lump sum approval ranging from Rs.1.078 million to Rs.27.821 million), work orders have been issued to M/s Raja Brothers in piecemeal by keeping the amount of each work order below Rs.500,000/- at a time to avoid sanction of competent authority which is treated as irregular/unauthorized. A few work orders issued against total administrative approval technical sanction of Rs.27.821 million (at SNo.01) are as under:-

Name of Work	Total administrative approval/ sanction accorded by the VC/ED	Work Orders No. & date (issued to M/s Raja Brothers) in piece meal	Amount of work order (Rs.)
Civil Work of private ward GF & FF	27,821,473.48	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018 (GF & FF Marble)	217,345
		No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018 Almrah/Cupboard	499,399
		No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018 Replacement of solid Flush doors	487,085

	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	464,331
	Replacement of aluminum sliding	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	499,578
	Ceiling in all rooms GF	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	489,257
	Wide on walls of all rooms/corridor	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	491,480
	Granite tiles W.O 377	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	491,480
	Granite tiles W.O 376	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	491,480
	Granite tiles W.O 375	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	339,319
	Plaster and tiles W.O.374	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	488,783
	Tiles all rooms Corridor G/F W.O 373	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	488,783
	Tiles all rooms Corridor G/F W.O 372	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	395,789
	Plaster all Rooms G/F	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	219,743
	Cursh W.O 369	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	487,085
	Replacement of solid Flush Door	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	499,399
	Cupboard/ Almerah all Rooms Ist Floor	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	217,345
	Marble GF	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	464,331
	Replacement of aluminum Sliding	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	489,257
	100 MM wide on walls	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	491,480
	Tiles on walls	
	No.F.1-22/15-16/RM/AE (C) /Pur/NM/PIMS dt.28.04.2018	491,480
	Tiles on walls	
		9,204,229

iii. Due to improper maintenance of record audit could not ascertain actual expenditure incurred against each Project.

No reply was given.

Para-04 **Non utilization of development funds -Rs. 1.251 billion getting of unnecessary**
(O.S-18) **allocation thereof.**

According to Rule -11 to 12 of GFR Vol-I “Each head of a department is responsible for enforcing financial order and strict economy at every step He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers. A controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds

allotted to spending units are expended in the public interest and upon objects for which the money was provided”.

Contrary to above, it has observed that the management of PIMS got allocated development funds of following projects amounting to Rs. 1.251 billion during financial year 2017-18. Later on, the entire amount of development projects surrendered to Govt. vide surrender order No. F.1-15/2017/18-Dev/PIMS dated 16-4-2018 as under:-

S#	Name of project	Rs. in million	Remarks & Justification of surrender
1	Establishment of Centre for Hematological Disorders at PIMS (ID-8401)	100.000	The PC-I has not yet approved. PC-I has been forwarded to CA&AD on 14.03.2018. Further action is awaited.
2	Establishment of Shredding sterilization & Disposal of Hospital Waste at PIMS	199.762	The PC-I has not been made so far . NOC from Pak EPA is awaited. A presentation on EIA study report was given by consultant on 12.3.2018. The Pak EPA has raised observations. The same has been communicated to consultant. The allocated funds could not be utilized.
3	Up-gradation of non radiation / Modern Endoscopy Diagnostic services at PIMS.	115.081	Procurement of equipment is in process. The recruitment of staff was stopped by the Hon. Supreme Court of Pakistan. Hence, the Establishment charges are surrendered. The balance amount will be utilized in next year.
4	Establishment of Centre for Neuro Sciences at PIMS	250.000	The PC-I was approved subject to rationalization of cost. The same is being furnished. The approval of the project by ECNEC will also be made. Hence, allocated funds may be shifted in next FY 2018-19.
5	Replacement & up gradation of HVAC plant room equipment & Allied works at PIMS	69.189	The approval of PC-I of the project is still awaited. PC-II was discussed in DDWP held on 10.01.2018. It was decided that the PC-I will be discussed with PP&H Section of Planning. On the advice of PP&H Pak PWD will be requested to vet the cost of PC-I . Pak PWD has submitted the report which has been sent to Planning Commission & CA&AD. Further action is still awaited.
6	Up-gradation of Gastroenterology Department/ Replacement of equipment for advance Liver and GI Diseases at PIMS	100.000	The PC-I was discussed in Pre-CDWP meeting. The end user was advised to furnish amended PC-I . PC-I is not approved so far. Hence, allocated funds may be shifted in next FY 2018-19.
7	Construction of Female Doctor Hostel at PIMS	100.000	The approval of PC-I of the project is still awaited. PC-I was discussed in Pre- CDWP minutes of meeting have been sent to Pak. PWD for necessary amendments in the PC-I . Hence allocated funds may be shifted in next FY 2018-19.
8	Extension of Cardiac Center extension Block at PIMS	317.579	Rs. 7.500 million were released to Pak PWD against allocation of Rs. 15.00 million for feasibility study which is under process with Pak PWD.
	Grand Total	1,251.611	

Audit has observed that the management has failed to get approval of PC-I of the projects at S.No.1,2,4,5,6,7 and 8 from the relevant forum due to weak follow up by the concerned department of PIMS and non completion of codal formalities.

Pak.PWD has also failed to submit amended PC-I of the Project at S.No.7. Similarly, feasibility study at S.No.8 has not been completed by the Pak.PWD despite release of funds of Rs.7.5 million during 2016-17.

Funds of Rs.1,251,611,000/- have been got allocated by the PIMS without approval of PC-I of the projects and determining actual requirement of each project. Thus Govt. money of Rs. 1.251 billion has been retained unnecessarily outside the public exchequer for a period of about 10 months due to mis-management and poor financial management.

No reply was given.

Para-05 **Wasteful expenditure on purchase of Dual Detector Gamma Camera worth**
(O.S-08) **Rs. 29.300 million without obtaining NOC from PNRA and non functioning**
thereof.

According to Rule- Accordingly to Rule-10 of GFR Vol-I “Every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety Among the principles on which emphasis is generally laid are the following.

- i. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- ii. No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

Contrary to above, it has been observed that during financial year 2014-15 the management of PIMS had purchased Dual Detector Gamma Camera at a cost of Rs. 29,300,000/- from M/s Varitron vide Supply Order No.F.1-3/2012-13/C. Surgery/Purchase/PIMS dated 21.03.2015.

Audit has observed that:-

- i. Accordingly to clause-20 of Pakistan Nuclear Safety & Radiation Protection Regulations 1990 “Any person desirous of importing or exporting, radioactive material, or radiation apparatus, shall apply to the Director for No Objection Certificate (NOC)”. Contrary to the provision, the management of PIMS had purchased the Gamma Camera from the above said firm without obtaining NOC from the Pakistan Nuclear Regulatory Authority (PNRA) which is violation of above Regulations of PNRA.
- ii. As per supply order the supplier was bound to carry out the Civil Works of old Angiography suite including Air conditioning, Anti static Tiles, False ceiling and furniture as per satisfaction of end user. Neither the civil work was carried out nor furniture supplied by the supplier as per supply order. But the entire payment was made to the supplier vide Contingent bill No. CSF-0047/2014-15 (cheque No.5425255 dated 25.06.2015) without actual completion of job and fulfillment of obligations by the supplier.
- iii. As per delivery challan No. VRT/BI-PIMS/001-2015 dated 04-06-2015 the above equipment was supplied by the contractor on 04.06.2015 but despite lapse of 03 and half years the commissioning of Gama Camera could not be started. No evidence regarding

commissioning of the camera, log book indicating total tests carried out and provision of spare parts by the supplier since its purchase has been produced to audit. Thus the expenditure incurred on this account is treated as wasteful.

- iv. As per Warrant Certificate (issued by the supplier), the supplier was responsible to provide one year comprehensive /standard warranty with parts against the Dual Detector Gamma Camera but due to non commissioning of the camera the actual date of expiry of warranty period is not known to audit.
- v. According to the provision-8 of the Regulations on Radiation Waste Management -Pak/915 issued by the Pakistan Nuclear Regulatory Authority Notification No. S.R.O

765(I)/2005 dated 31.7.2005 1)“ Each licensee generating radioactive waste shall prepare and submit its radioactive waste management programme to the Authority. This programme shall be reviewed and updated by the licensee as and when required by the Authority.

- (2) The licensee shall manage radioactive waste in accordance with the radioactive waste management programme approved by the Authority”.
Contrary to above, no waste management programme has been prepared and submitted by the PIMS to PNRA for approval.
- vi. As per Regulation-10 ibid (1) Radioactive waste shall be processed in such a way that the resulting waste, packaged or unpackaged, can be safely stored and retrieved from the storage facility for disposal. Considerations relating to safe storage shall included possible reactions within the waste form and between the waste and the waste container, and compatibility of the waste package with the storage environment.
- (2) All waste considered radioactive shall be collected. Decisions with respect to segregation, decontamination and chemical adjustment shall be based upon appropriate consideration of the characteristics of the waste and of the requirements imposed by subsequent steps in the programme for radioactive waste management (treatment, conditioning, storage and disposal).
- (3) Licensees shall ensure that waste is segregated at the point of origin in such manner and form as may be directed by the Authority.
- (4) Licensees shall ensure that the treatment and conditioning of radioactive waste is carried out in accordance with the waste acceptance requirements.
- (5) Waste packages shall be designed and produced such that radionuclide are confined under both normal conditions and the accident conditions assumed to occur in handling, storage, transport and disposal.

Audit has observed that management has not taken above steps as per regulations issued by the PNRA.

- vii. Under provision 6 of above Regulations “the licensee shall designate / employ a Radioactive Waste Management Officer, who so required by the Authority, for the accomplishment of these regulations. The Radioactive Waste Management Officer shall meet the basic qualification criteria given in Annex-IV of the regulations. But no Radioactive Waste Management Officer has been employed by the PIMS for accomplishment of the job.

No reply was given.

Para-06
(OS-01)

Loss to public exchequer due to non-recovery of outstanding rent from the contractor of pharmacy shops –Rs. 23.800 million.

According to Rule-8 of GFR Vol-I “Subject to such general or specific instruction as may be issued by Government in this behalf it is the duty of the Revenue or Administrative Department concerned to see that the dues of Government are correctly and promptly assessed collected and paid into the treasury”

Contrary to above, it has been observed that the management of PIMS has made an agreement with M/s Imran Pharmacy Rawalpindi on 05.01.2018 to rent out Pharmacy Shop “A” measuring 1300 sqf (approx) @ Rs.2,600,000 per month for a period of five years w.e.f 01.01.2018 on BOT (Build Operate and Transfer) basis.

Similarly, an agreement has also been made with M/s Imran Pharmacy Rawalpindi (the same contractor) on 01.12.2017 to rent out Pharmacy Shop “B” measuring 1300 sqf(approx) @ Rs.1,800,000 per month for a period of five years w.e.f 01.01.2018 on BOT (Build Operate and Transfer) basis.

Audit has observed that:-

- i. According to Clause-6 of the agreement “ The first party will have to deposit the 12 (twelve) post dated cheques on account of monthly rent for every year for the terms of contract (05 years period) in purchase department. The Purchase Department will submit the said cheques by 5th day of every month to the account branch .The account branch will ensure the deposition / clearance of the cheque from relevant bank by 10th day of every month and inform the purchase department accordingly by the 15th of every month positively”
But despite above clause the said contractor has not deposited the rent amounting to Rs.23.800 million into Govt. Treasury for the following period:-

Description	Opening date	Rent due upto November,2018	Paid	Outstanding upto November,2018
Pharmacy Shop-A @ Rs.2,600,000/-per month	01.01.2018	28,600,000	15,600,000	13,000,000
Pharmacy Shop-B @ Rs.1,800,000/-per month	01.12.2017	21,600,000	10,800,000	10,800,000
Total Rs.		50,200,000	26,400,000	23,800,000

The management has not initiated any action against the said contractor for non deposit of huge amount of rent. Even no penalty clause has been inserted in the agreement. Thus undue favour has been extended to the contractor at the cost of public exchequer.

- ii. As per clause-32 of the agreement “The first Party will be responsible to arrange the external utility services from main source up to the Pharmacy building and Second Party will not be responsible for the payment of any expenditure to be incurred on.”

But no separate maters of electricity and Gas have been installed by the firm. Thus audit could not verify the payment of utility bills with the IESCO and SNGPL.

No reply was given.

Para-07 **Non delivery of official vehicle by M/s Toyota Islamabad Motors despite getting**
(O.S-02) **advance payment of Rs. 3.903 million.**

According to Rule-4(2) of Staff Car Rules,1980 “(1). Each Division having a staff car shall detail an officer to be called ‘Officer-in-Charge’ who shall be responsible for the proper utilization and upkeep of the car and the maintenance of records of the staff car.

(2) Each staff car shall immediately after its purchase, be registered by the designation of the Officer-in-Charge of the Division for which it has been purchased and it shall not be required to be insured”.

Contrary to above, it has been observed that the management of the Project titled “Establishment of Federal Breast Cancer Screening Centre at PIMS Islamabad” has made an advance payment of Rs. 3,903,418 to M/S Indus Motors, Karachi vide cheque No. 6387410 dated 19.06.2017 through Toyota Islamabad Motors, Islamabad for supply of one Toyota Van Hi-Roof Dual A/C STD for the said Project.

Although, M/s Toyota Islamabad Motors, Islamabad was bound to supply the vehicle within 04-06 months after receipt of payment but no vehicle has been delivered to the Project upto December,2018.

The management vide letter No. F.1-2/17-18(TPT)-PIMS dated 11.03.2018 has requested the Toyota Islamabad Motors, Islamabad for supply of the vehicle but no vehicle has been supplied by the firm. Later on, a reminder has also been issued vide letter No. F.1-2/17-18(TPT)-PIMS dated 27.04.2018 to the firm for delivery of vehicle but no vehicle has been delivered by the firm.

In July, 2018, instead of delivery of vehicle, Toyota Islamabad Motors, Islamabad vide their letter No. TIM-TD/IMC-24A dated 02.07.2018 has intimated the that the vehicle has been dispatched from Karachi & will be reached with of days after change of engine specification as well as diesel standard from Euro-0 to Euro-02 and claimed difference of Rs. 1,235,582/- for supply of Euro-02 model without issuance of any revised supply order by the Project.

It is pertinent to mention here that the project completion period has also been expired on 30.06.2017 but no vehicle has been delivered by the firm so far.

Thus huge amount of Rs.3.903 million is still lying with firm since June, 2017. No serious effort has been made to get the delivery of vehicle as per booking order No.F.1-2/2016-17/TPT/PIMS dated 29.05.2017 and to resolve the issue.

No reply was given.

Para-08 **Irregular award of consultancy contract to M/s Health Engineering Solutions**
(O.S-03) **and wasteful expenditure on feasibility study-Rs.14.800 million thereof.**

Accordingly to Rule-10 of GFR Vol-I “Every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety Among the principles on which emphasis is generally laid are the following.

- i. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

- ii. No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

Contrary to above, it has been observed that the Project titled “ Establishment of Unit for Shredding, Sterilization and Disposal of Medical Waste at PIMS Islamabad” has been approved in principle by the CDWP in its meeting held on 29.11.2016 as under:-

“The Project is approved in principle subject to rationalization of scope within 15 days by the committee under Member Infrastructure with Chief Health and Chief Economic Appraisal and rep of Capital Administration and Development Division as a member to ascertain the existing and projected requirement of safe & effective hospital waste disposal and suitability of the equipment to be procured in terms of technical specification and capacity for shredding and sterilization medical waste to avoid over capacity/costing.”

Later on, the post -CDWP meeting was held on 25.1.2017 and the following decisions were taken:-

- i. “A Consultant/ consulting firm will be hired to undertake a feasibility of acquiring the hospital waste management system for PIMS including various technologies available in the market and their suitability according to needs of the hospital preparation of bidding documents and foundation of operations and management plan after installation of the system etc.
- ii. Current Financial year allocation of Rs.15.0 million in PSDP 2016-17 will be utilized for the feasibility and the feasibility report shall be submitted by the sponsors within a period of 03 months after issuance of the minutes of the post CDWP meeting.
- iii. Authorization of the project will be issued to the utilize funds to the tune of Rs. 15.0 million in order to conduct feasibility as referred in (ii) above”.

Accordingly, the management of PIMS has invited open tender for award of consultancy services on 29.04.2017 by adopting single stage Two Envelop procedure as per Rule 36(b) of PPRA Rules, 2004. The Technical bids have been opened on 18.5.2017.

Following four firms participated in the tender:

1. M/S Health Engineering Solutions (PVT) Ltd Islamabad.
2. M/S Project Procurement International Islamabad
3. M/S Ever Tech Pakistan (Pvt) Ltd Karachi.
4. M/S Global Environmental.

The bid of firm at Sl.No.2 M/S Project Procurement International has been rejected by the Purchase Committee as the bid was without CDR & Financial bid.

The Technical bids of the three firms were evaluated and the Purchase Committee submitted the Technical Evaluation Report on 20.5.2017 as under:-

- i. M/S Health Engineering Solutions (Pvt) Ltd Islamabad obtained only 89 points out of 100.
- ii. M/S Ever Tech Pakistan (Pvt) Ltd Karachi obtained only 50 points out of 100.
- iii. M/S Global Environmental Lab (Pvt) Karachi is not qualified technically. The firm obtained only 31 points out of 100 against the qualifying points 50 out of 100.

Thereafter, the case has been presented to the Purchase Committee in its meeting held on 22.5.2017 for the opening of financial bids and comparative statement prepared as under:-

M/S Health Engineering Solutions (Pvt) Ltd Islamabad	M/S Ever Tech Pakistan (Pvt) Ltd Karachi
Rs.14,800,000/-consultancy charges lump sum including taxes, remuneration, wages, transportation, boarding, lodging and all expenses during completion of scope of work.	Rs.17,500,000/- excluding all taxes.

The Purchase Committee has recommended to award the consultancy work to M/s Health Engineering Solutions (Pvt) Ltd. Islamabad at the quoted rate of Rs. 14,800,000/- including taxes being the lowest evaluated qualified bidder. Accordingly, the award letter has been issued to M/s Health Engineering Solutions (PVT) Ltd. Islamabad vide No.F.1-34/2016-2017/HoC-HWM/Pur (NM)/PIMS dated 25.05.2017 for Rs. 14.800 million.

Audit has observed that:-

- i. As per technical Evaluation Report, M/s Health Engineering Solutions (Pvt) Islamabad has been given 89 points out of 100. Whereas, the firm's working experience was in the field of Civil Works instead of hospital waste collection, transportation, storage and its disposal. Audit holds that that maximum weight-age should have been given to qualifications pertinent to environmental studies/sciences/biology/pathology etc. instead of chemical/bio-medical and architect engineering. Thus undu favour has been extended to the firm in technical evaluation by choosing defective evaluation criteria.
- ii. According to Award letter No.F.1-34/2016-2017/HoC-HWM/Pur (NM)/PIMS dated 25.05.2017 scope of work and schedule of payment was as under:-

S.No.	Activity/Milestone	% Payment
1	Assessment of HWMS in light of the type & volume of waste created by various departments of all the components of PIMS (SZABMU). The assessment should also take into account the current hospital waste collection, segregation, transportation, storage and disposal of medical infected waste practices including the human resource involved in all the components of PIMS (SZABMU).	20%
2	Identification of various Hospital Waste Management technologies currently available in the market and their comparative study for identifying and recommending the best choice but of them for PIMS (SZABMU).	20%
3	Human resource requirement along with formulation of proposed operational and management plans after the installation of the HWMS.	20%
4	Preparation of required documents for submission in EPA for assisting PIMS(SZABMU) in obtaining NOC from the Environmental Protection Agency of Pakistan for the technology proposed by the Consulting Firm to be adopted by PIMS	10%
5	Preparation / finalization of PC-I document till its approval by the Employer.	20%

6	Preparation of bidding documents for the purchase of equipment for HWMS and if required along with floor plans.	10%
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As per work order the firm was bound to complete the work with 30 days from the date of signing of contract i.e. upto 24.6.2017 and payment was to be made after completion of activity/milestone and approval of submitted draft report for the performed activity by the competent authority. But despite receiving entire payment of Rs.14,800,000 in advance the firm has not submitted feasibility report in time. As evident from PIMS letter No.F.7-3/2018/(Shredding)/PIMS dated 20.03.2018, the Feasibility Report has been submitted by the firm to the PIMS on 29.12.2017 and the firm has been held responsible for delayed submission of the feasibility study and its presentation to Pak. Environmental Protection Agency. The Pak. EPA vide letter No.3(1)/2018-EIA-SSF-PIMS-DD(EIA)/Month/51 dated 20.02.2018 has also showed its dissatisfaction/displeasure on the presentation/Environmental Impact Assessment (EIA) Report submitted by the firm. It is pertinent to mention here that M/s Health Engineering Solution has further subletted the work regarding preparation of Environment Impact Assessment (EIA) Report to another firm i.e M/s Global Environmental Management Services (GEMS) who was technically disqualified in the bidding process by the Purchase Committee as evident from PIMS letter No.F.7-3/2018/(Shredding)/PIMS dated 18.12.2017. Thus M/s Health Engineering Solution was not capable for the assigned job/work.

- iii. The PIMS vide letter No.F.7-3/2018/(Shredding)/PIMS dated 29.12.2017 has submitted the feasibility report to Capital Administration and Development Division(CADD) without obtaining NOC from the EPA. This feasibility report has been sent by the CADD to the Planning Commission vide OM No.F.6-1/2012-DDG(HP) Vol-II dated 02.01.2018 for issuance of project authorization to utilize the budget allocation of Rs.199.762 million during 2017-18. But no project authorization could be issued by the Planning Commission in the absence of NOC from Pak.EPA.
- iv. Neither the NOC has been issued by the Pak. EPA nor PC-I of the project “ Establishment of Unit for Shredding, Sterilization and Disposal of Medical Waste at PIMS Islamabad” could be approved by the Planning Commission. But the PIMS management, on the directive of Honorable Supreme Court, has submitted another PC-I of a similar project titled “Hospital Waste Management System (Installation of Incinerators) at PIMS, Islamabad” to the Capital Administration and Development Division vide letter No.F.7-4/2018(HWA)/PIMS dated 24.04.2018 for approval. The said project has been approved by the DDWP in its meeting held on 11.05.2018 at cost of Rs.56.892 million with execution period of 12 months. The administrative approval of the project has been conveyed by the Capital Administration and Development Division vide letter no.F.4-23/2017-SO (Dev) dated 30.05.2018. Thus the entire expenditure of Rs.14.800 million incurred on feasibility study has gone waste.

No reply was given.

Para-09
(O.S-04)

Irregular/unauthorized advance payment of Rs.14.800 million to M/s Health Engineering Solutions (PVT) Ltd Islamabad without the sanction of competent authority.

Accordingly to Rule-10 of GFR Vol-I “Every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety. Among the principles on which emphasis is generally laid are the following:

- i. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- ii. No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

Contrary to above, it has been observed that the Project titled “ Establishment of Unit for Shredding, Sterilization and Disposal of Medical Waste at PIMS Islamabad” has been approved in principle by the CDWP in its meeting held on 29.11.2016 as under:-

“The Project is approved in principle subject to rationalization of scope within 15 days by the committee under Member Infrastructure with Chief Health and Chief Economic Appraisal and rep of Capital Administration and Development Division as a member to ascertain the existing and projected requirement of safe & effective hospital waste disposal and suitability of the equipment to be procured in terms of technical specification and capacity for shredding and sterilization medical waste to avoid over capacity/ costing.”

Later on, the post -CDWP meeting on subject PC-I was held on 25.1.2017 and the following decisions were taken:-

- i. “A Consultant/ consulting Firm will be hired to undertake a feasibility of acquiring the hospital waste management system for PIMS including various technologies available in the market and their suitability according to needs of the hospital preparation of bidding documents and foundation of operations and management plan after installation of the system etc.
- ii. Current Financial year allocation of Rs. 15.0 million in PSDP 2016-17 will be utilized for the feasibility and the feasibility report shall be submitted by the sponsors within a period of 03 months after issuance of the minutes of the post CDWP meeting.
- iii. Authorization of the project will be issued to the utilize funds to the tune of Rs. 15.0 million in order to conduct feasibility of referred in (ii) the above”.

Accordingly, the management of PIMS has invited open tender for award of consultancy services on 29.04.2017 by adopting single stage Two Envelop procedure as per Rule 36(b) of PPRA Rules, 2004. The Technical bids have been opened on 18.5.2017.

Thereafter, the case has been presented to the Purchase Committee in its meeting held on 22.5.2017 The Purchase Committee has recommended to award the consultancy work to M/S Health Engineering Solutions (Pvt) Ltd Islamabad at the quoted rate of Rs. 14,800,000/- including taxes being the lowest evaluated qualified bidder. Accordingly, the award letter has been issued to M/S Health Engineering Solutions (PVT) Ltd Islamabad for Rs.

14.800 million vide No.F.1-34/2016-2017/HoC-HWM/Pur (NM)/PIMS dated 25.05.2017 with the following scope of work and schedule of payment:-

S.No.	Activity/Milestone	% Payment
1	Assessment of HWMS in light of the type & volume of waste created by various departments of all the components of PIMS (SZABMU). The assessment should also take into account the current hospital waste collection, segregation, transportation, storage and disposal of medical infected waste practices including the human resource involved in all the components of PIMS (SZABMU).	20%
2	Identification of various Hospital Waste Management technologies currently available in the market and their comparative study for identifying and recommending the best choice but of them for PIMS (SZABMU).	20%
3	Human resource requirement along with formulation of proposed operational and management plans after the installation of the HWMS.	20%
4	Preparation of required documents for submission in EPA for assisting PIMS(SZABMU) in obtaining NOC from the Environmental Protection Agency of Pakistan for the technology proposed by the Consulting Firm to be adopted by PIMS	10%
5	Preparation / finalization of PC-I document till its approval by the Employer.	20%
6	Preparation of bidding documents for the purchase of equipment for HWMS and if required along with floor plans.	10%

Audit has observed that:-

- i. As per work order the firm was bound to complete the work with 30 days from the date of signing of contract i.e. up to 24.06.2017 and payment was to be made after completion of activity/milestone and approval of submitted draft report for the performed activity by the competent authority. Whereas, the entire payment of Rs.14,800,000 has been made to the firm on 29.06.2018 in advance against two Bank Guarantees No.1119/04/2017 and No.1119/05/2017 dated 14.07.2017 submitted by the firm vide their letter No.HES/ISB/2017/1021 dated 17.07.2017 (equal to 30% of total project value) without any provision in award letter and the sanction of competent authority. Detail of advance payments made to the firm is as under:-

Firms invoice No.& date	Bill No. & date	Gross amount of bill
1705001 dated 29.5.2017	Shared -0001/2016-17 dated 28.6.2017	2,960,000
1705002 dated 31.5.2017	Shared -0002/2016-17 dated 28.6.2017	2,960,000
1706001 dated 03.6.2017	Shared -0003/2016-17 dated 28.6.2017	2,960,000
1706002 dated 03.6.2017	Shared -0004/2016-17 dated 28.6.2017	1,480,000
1706003 dated 05.6.2017	Shred -0005/2016-17 dated 28.6.2017	2,960,000
1706004 dated 05.6.2017	Shred -0006/2016-17 dated 28.6.2017	1480000
Total Rs.		14,800,000

- ii. The said two bank guarantees were expired on 13.10.2017 but the firm has again submitted extended bank guarantees up to 13.04.2018. The same have also been expired on 13.04.2018 without completion of job i.e. issuance of NOC from the EPA and approval of PC-I by the Planning Commission.

- iii. Sanction to expenditure has been obtained from the Vice Chancellor, on 30.06.2017 whereas, sanction letters addressed to AGPR have been issued on 28.06.2017 i.e. two days before obtaining sanction of the competent authority. The entire advance payment of Rs. 14.800 million have been made to M/S Health Engineering Solutions (PVT) Ltd Islamabad on 29.06.2017 which is treated as irregular/unauthorized.

No reply was given

Para- 10 **Loss to Government due to non-implementation of recommendations of**
(O.S-05) **Inquiry Report regarding award of feasibility study worth Rs.14.800 million**
to a private firm.

Accordingly to Rule-10 of GFR Vol-I “Every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety Among the principles on which emphasis is generally laid are the following.

- i. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- ii. No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

Contrary to above it has been observed that the Project titled “ Establishment of Unit for Shredding, Sterilization and Disposal of Medical Waste at PIMS Islamabad” has been approved in principle by the CDWP in its meeting held on 29.11.2016 as under:-

“The Project is approved in principle subject to rationalization of scope within 15 days by the committee under Member Infrastructure with Chief Health and Chief Economic Appraisal and rep of Capital Administration and Development Division as a member to ascertain the existing and projected requirement of safe & effective hospital waste disposal and suitability of the equipment to be procured in terms of technical specification and capacity for shredding and sterilization medical waste to avoid over capacity/ costing.”

Accordingly, the management of PIMS has invited open tender for award of consultancy services on 29.04.2017 by adopting single stage two envelop procedure as per Rule 36(b) of PPRA Rules, 2004.

The Purchase Committee has recommended to award the consultancy work to M/s Health Engineering Solutions (Pvt) Ltd. Islamabad at a cost of Rs. 14,800,000/- being the lowest evaluated qualified bidder. Accordingly, the award letter has been issued to M/s Health Engineering Solutions (PVT) Ltd. Islamabad for Rs. 14.800 million vide No.F.1-34/2016-2017/HoC-HWM/Pur(NM)/PIMS dated 25.05.2017. Due to grave irregularities in awarding consultancy work to the above said firm the PIMS has constituted an Inquiry Committee vide letter No.F.7-3/2018(shredding)/PIMS dated 22.02.2018 to probe into the matter. The Inquiry

Committee, after conducting formal inquiry into the matter, made the following findings and recommendations:

Findings

- i. The technical evaluation committee did tailor made marking to disqualify only eligible firm for this kind of consultancy.
- ii. The contract was awarded to the wrong type of specialist on the basis of the report of technical evaluation committee.
- iii. The very criteria for award of the contract were incorrectly drawn up and the award of the contract was incorrect.
- iv. The consultant sublet the work to firm M/S Global Environmental Management Services (GEMS) (Pvt) Ltd Karachi who was disqualified by the technical evaluation committee, breaching the contract.
- v. Administrator PIMS/ Projector Director was not authorized to verify the bills. And minutes of meeting were later tempered to make him eligible to verify the work.
- vi. Completion certificate was issued by the Administrator although work was not complete at all.
- vii. The whole payment was released in advance violating the schedule of payment mentioned in work order and General Financial Rules.
- viii. Payment was released before the approval of VC by DF and in advance. The payment was made without the completions of all codal formalities and in violation of directives of the Planning Division.
- ix. Bank guarantees provided by the firm were never demanded by PIMS, nor such thing mentioned in tender documents/ work order and is a cover up.
- x. Total cost of consultancy was Rs.1.28 million as per PC-I.
- xi. It is observed that the doctors and irrelevant persons are deputed to execute the engineering works which is utter violation of the Section 27(I) &(2) of PEC Act, 1976.
- xii. Whole process is full of violations and warrants a criminal investigation.
- xiii. Misplacement of file Vol.II was meant to hide corruption, misuse of authority, violation of rules and to temper the official record which was recovered by DED from retired Administrator/PD.

Recommendations

1. All legal options to be carried to recover the public money.
2. Consultant who pooled the tender should be black listed.
3. Bank guarantees, submitted by consultant at his own, should be enchased forthwith as very little time is left in their expiry.
4. The case should be referred to Secretary CADD for onward submission for special audit/ NAB/FIA or any other option as per law and rules.
5. All related record should be taken in safe custody to avoid the tempering which was already being done.
6. Director Finance should be relieved from his duties immediately as his integrity has been questioned and should be sent to his department after consulting with the concerned authorities.

Audit has observed that despite making six recommendations in the Inquiry Report the management has only sent draft charge sheet to the Capital Administration and Development

Division in respect of following four officers/officials vide letter No.F.7-5/2018(Gen)/Admin/PIMS dated 12.09.2018:

1. Dr. Zubair Azeem Butt, Radiologist.
2. Mr. Hammad Manzoor Saqlain, Electro Medical Engineer.
3. Mr. Rafaqat Ali Butt, Assistant Engineer
4. Mr. Yahya Shah, Admin Officer

Thus neither the recommendations of the Inquiry Report have been fully implemented nor other actions taken to make the loss good from the persons at fault.

No reply was given.

Para-11 **Non- deposit of one third of share of fee into Government Treasury Rs.32.887**
(O.S-16) **million.**

According SR-12 of Supplementary Rules “Unless the Governor-General by special order otherwise directs, one-third of any fee in excess of Rs. 50 or, if a recurring fee, of Rs.50, a year paid to a Government servant '[for services rendered in Pakistan] shall be credited in general revenues.

Contrary to above it has been observed that the management of PIMS (including Islamabad Hospital (IH), Mother & Child Health Centre(MCH) and Children Hospital (CH) have drawn 60% share of fee out of departmental receipt during financial year 2016-17 and 2017-18 as under:-

S.No	Name of Hospital	Period	Voucher No. & Date	Total Amount drawn (Rs.)
1	Islamabad Hospital (IH)	July-Sep. 2016	83 dated 02-11-206	7,408,632
2		Oct-Dec. 2016	84 dated 07-02-2017	7,491,196
3		Jan-March2017	85 dated 19-05-2017	8,034,443
4		April-June 2017	86 dated 25-08-2017	8,567,520
5		July-Sep. 2017	87 dated 23-11-2017	8,639,352
6		Oct-Dec. 2017	88 dated 28-04-2018	6,889,699
7		Jan-March 2018	89 dated 09-08-2018	9,841,531
8		April-June 2018	90 dated 29-08-2018	10,194,161
	Sub Total Rs.			67,066,534
1	Children Hospital (CH)	July-Sep 2016	67 dated 30-11-2016	1,268,467
2		Oct-Dec 2016	68 dated 02-03-2017	1,193,179
3		Jan-June 2017	69 dated 31-07-2017	2,251,568
4		July-Dec 2017	70 dated 13-03-2018	1,972,585
5		Jan-June 2018	71 dated 29-08-2018	2,337,053
	Sub Total Rs.			9,022,852
1	Mother & Child Health Centre (MCH)	July-Sep. 2016	68 dated 15.11.2017	2,617,060
2		Oct-Dec. 2016	69 dated 27.02.2017	3,114,899
3		Jan-March, 2017	70 dated 06.06.2017	3,307,900
4		April-June 2017	71 dated 15.08.2017	2,794,034
5		July-Sep.2017	72 dated 07.12.2017	2,946,342
6		Oct-Dec. 2017	73 dated 17.02.2018	2,601,260
7		Jan-March,2018	74 dated 21.05.2018	2,702,438

8		April-June 2018	75 dated 25.08.2018	2,489,152
	Sub Total Rs.			22,573,085
	Grand Total Rs.			98,662,471

As per above Govt. instructions the concerned employees were required to deposit one third (1/3) of share of the fee into Govt. Treasury but no such amount has been deposited into Govt. Treasury by the concerned Officers/ Officials. Audit has worked out an amount of Rs. 32,887,490/- recoverable from the employees as under:-

Total share of fee drawn by IH, MCH CH during 2016-17 to 2017-18.	Rs. 98,662,471
Amount of 1/3 of share of fee recoverable from the employees.	Rs. 32,887,490

Thus amount of Rs.32.887 million is required to be recovered from the concerned employees of the hospital and deposited into Govt. Treasury under intimation to audit.

No reply was given.

Para-12 (O.S-17) Non-completion of building of the project “Federal Breast Cancer Screening Programme PIMS, Islamabad despite release of Rs. 64.820 million to Pak. PWD.

According to Rule -11 to 12 of GFR Vol-I “Each head of a department is responsible for enforcing financial order and strict economy at every step He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers. A controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided. In order to maintain a proper control he should arrange to be kept informed not only of what has actually been spent from an appropriation but also what commitments and liabilities have been and will be incurred against it”.

During financial year 2015-16 to 2016-17 the management of the project titled “Federal Breast Cancer Screening Programme PIMS, Islamabad” has released an amount of Rs. 64.820 million to Pak PWD for construction of the Project’s building as under:-

S.No.	Fund Transfer Date	Period	Year	Amount
1	16-10-2015	July-September,2015	2015-16	6,000,000/-
2	14-03-2016	October-December,2015	2015-16	11,000,000/-
3	26-04-2016	January-March,2016	2015-16	10,000,000/-
4	28-09-2016	July-September,2016	2016-17	10,000,000/-
5	15-12-2016	October-December,2016	2016-17	10,000,000/-
6	15-03-2017	January-March,2017	2016-17	11,320,000/-
7	16-06-2017	April-June,2017	2016-17	6,500,000/-
Total Amount				64,820,000/-

Audit has observed that:-

- i. Although, funds amounting to Rs.64.820 million have been released to the Pak. PWD for construction of Project building but neither the building has been completed and handed over to the PIMS nor completion certificate issued in this regard.

- ii. The period of the project has been expired on 30.6.2017 and PC-IV of the project has been submitted to the Capital Administration and Development Division vide FBCSP letter No. F.1-1/2017(Admn)/FBCS/PIMS dated 10.5.2017. However, detail of audited expenditure incurred on the project building has not been provided so far by the Pak.PWD.

No reply was given.

Para-13 **Wasteful expenditure due to non functioning of Central Sterilization Unit-**
(O.S-24) **Rs. 27.835 million.**

According to Rule-10 of GFR Vol-I “Every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety among the principles on which emphasis is generally laid are the following:

1. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

Contrary to above, it has been observed that the management had purchased a Central Sterilization Unit for Cardiac Surgery from M/s Total Technologies (Pvt). Ltd. Islamabad at a cost of Rs. 27,835,000/- vide supply order No. F.1-38/2CII-12/C. Surgery/Purchase/PIMS dated 28.11.2012, Firm’s Bill No. TTPL/Ex-179/13 and delivery Challan dated 29.03.2013.

Audit has observed that:-

- i. As per supply order clause -8 of (B-Responsibilities) “contractor/ supplier will be responsible for pre-requisition installation, free of cost and also responsible for pre installation work if required after inspection”. Although, the equipment was received in PIMS and entered in stock register but there is no record regarding its inspection, installation and commissioning since the date of purchase.
- ii. According to clause-14 of the supply order the supplier was responsible for supplying fabrication and erection of complete internal structure and renovation including antistatic PVC floor, lighting, wall treatment, 2x2 dumps false ceiling, air conditioning and civil work such as fixing of aluminum and glass work within the CSSD as per approved standard. But there is no record regarding completion of above jobs by the supplier.
- iii. As per clause-14 of the supply order the supplier was bound to supply the log book with instruction for daily, weekly, monthly and quarterly maintenance check list. But neither the log book of the machine has been provided nor maintained by the Cardiac Centre.
- iv. According to clause-2 of General conditions “ the warranty period will commence from the date of commissioning of the unit as per report of end user and concerned electrometrical engineer” but due to non installation and commissioning of the unit the actual date of commencement and expiry of warranty period is not known to audit.

Audit holds that the said equipment is still lying idle and the expenditure of Rs.27,835,000/- had gone waste.

No reply was given.

Para-14 **Irregular /unauthorized excess expenditure over budget allocation- Rs. 11.798**
(O.S-26) **million.**

According to Rule-11 of GFR Vol-I “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.

Rule-12 ibid further states that “A controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided”

Contrary to above, it has been observed that during financial year 2016-17 to 2017-18 the management of PIMS has incurred on excess expenditure over budget allocation as under:-

Name of office	Financial Year	Head of Account	Final Budget Allocation	Actual Expenditure incurred (Rs.)	Excess Expenditure over budget allocation (Rs.)
PIMS Islamabad	2016-17	A03927-Purchase of Drugs and medicines	517,304,457	518,990,693	1,686,236
		A01273- Honoraria	2,000,000	2,332,819	332,819
	2017-18	A01273-Honoraria	4,000,000	4,505,782	505,782
		A03927- Purchase of Drugs and medicines	380,000,000	380,426,706	426,706
	Sub- Total:-A		903,304,457	906,256,000	2,951,543
Children Islamabad	2016-17	A03927- Purchase of Drugs and medicines	80,600,000	84,972,877	4,372,877
	2017-18	A03927-Purchase of Drugs and medicines	92,046,000	96,520,000	4,474,000
		Sub- Total:-B		172,646,000	181,492,877
	Grand Rs. Total (A+B)=		1,075,950,457	1,087,748,877	11,798,420

Audit has further observed that out of total excess expenditure of Rs.11.798 million, an excess expenditure of Rs. 10.959 million has been incurred in purchase of drugs and medicines through manual bills passed by the AGPR. But the acceptance and process of bills by the PIMS and issuance of cheques by the AGPR without availability of funds is not understood. The excess expenditure of Rs.11,798,420 over budget allocation is thus treated as irregular/unauthorized .

No reply was given.

Para-15 **Undue blockage of Govt. money due to purchase excessive quantities of**
(O.S-29) **medicines without actual requirement-Rs.124.006 million.**

According to Rule- 145 of GFR Vol-I “Purchases must be made in the most economical manner in accordance with the definite requirements of the public service. Stores should not be purchased in small quantities. Periodical indents should be prepared and as many articles as possible obtained by means of such indents. At the same time, care should be taken

not to purchase stores much in advance of actual requirements, if such purchase is likely to prove unprofitable to Government”.

Contrary to above, it has been observed that during financial year 2016-17 and 2017-18 the management has incurred an expenditure of Rs.899,417,399 on purchase of drugs & medicines as under:-

Name of office	Financial Year	Head of Account	Final Budget Allocation	Actual Expenditure incurred (Rs.)	Cost of medicines purchased in excess of actual requirement
PIMS Islamabad	2016-17	A03927-Purchase of Drugs and medicines	517,304,457	518,990,693	58,268,528.02
	2017-18	A03927-Purchase of Drugs and medicines	380,000,000	380,426,706	65,847,622
Total Rs.			897,304,457	899,417,399	124,116,150.02

Audit has observed that:-

- i. As per above table, the PIMS (main) has purchased drugs and medicines worth Rs.899.417 million during 2016-17 and 2017-18. During test check of available stock position as on 30th June 2017 and 2018 it has been observed that the management has purchased excessive quantities of drugs and medicines worth Rs.124.116 million beyond actual requirement of the hospital. Detail is given in enclosed statements.
- ii. Audit has further observed (during test check) that a few medicines costing Rs.1.745 million (Rs.544960+ 1200,061) are still lying un-utilized since their purchase during financial year 2016-17 and 2017-18 as under:-

Financial Year 2016-17

Code	Item	Opening Balance	Received	Issued	Closing Balance	Unit cost (Rs.)	Value of un-utilized medicines (Rs.)
I563	Cefosub 1gm injection	0	10,000	0	10,000	38	380,000.00
T554	Texklar 500mg tablet	0	12,000	0	12,000	12.93	155,160.00
T486	Zaftolin 4mg tab	0	20,000	0	20,000	0.49	9,800.00
Total cost of un-utilized medicines Rs.							544,960

Financial Year 2017-18

Code	Item	Opening Balance	Received	Issued	Closing Balance	Unit cost (Rs.)	Value of unutilized medicines (Rs.)
I530	Chrocef 500mg Injection	0	4,000	0	4,000	26.1	104,400
I596	Milron 1gm/ml Injection	0	200	0	200	1000	200,000
I607	Tacip 4.5gm Injection	0	3,000	0	3,000	213.35	640,050
I489	Zamoclave 1.2gm inj	0	6,500	0	6,500	0	0
T594	Diltazef 60mg Tablet	0	39,900	0	39,900	3.34	133,266
T594	Diltazef 60mg Tablet	0	39,900	0	39,900	3.34	133,266

T595	Nitrosust 2.6mg Tablet	0	150,000	0	150,000	1.57	235,500
T578	Perizole 40mg Capsule	0	7,980	0	7,980	2.04	16,279
T572	Pinaz 10mg Tablet	0	10,000	0	10,000	1.59	15,900
T571	Pinaz 5mg Tablet	0	20,000	0	20,000	1.12	22,400
T583	Spirofer 40mg Tablet	0	39,000	0	39,000		0
T409	Tamiflu 75mg Capsules	0	1,000	0	1,000	3	3,400
							1,200,061
Grand Total							1,745,021

Purchase of excessive quantities of medicines has resulted into undue blockage of Govt. money amounting to Rs.124.116 million in disregard to the provision of General Financial Rules as referred to above.

No reply was given.

Para-16 (O.S-30) Irregular /unauthorized excess drawal of honorarium without out the sanction of competent authority- Rs.2.078 million.

According to Rule-12 of GFR vol-I “ A controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided”.

Contrary to above, it has been observed that during financial year 2016-17 to 2017-18 the management of PIMS (Islamabad Hospital) has drawn honorarium amounting to Rs. 6,838,601/- for its employees as under:-

Year	Head of Account	Allocation (Rs.)	Amount sanctioned (Rs.)	Amount actually drawn (Rs.)	Amount excess drawn beyond sanctioned amount (Rs.)
1	2	3	4	5	6
2016-17	A01273-Honoraria	2,000,000	281,200	2,332,819	2,051,619
2017-18	A01273-Honoraria	4,000,000	4,479,475	4,505,782	26,307
	Total Rs.	6,000,000	4,760,675	6,838,601	2,078,126

Audit has observed that:-

- i. As per above table, against total sanctioned amount of Rs.4,760,675/- honorarium amounting to Rs.6,838,601/- has been drawn during 2016-17 and 2017-18 without the sanction of competent authority which resulted into irregular/unauthorized excess drawal of Rs.2,078,126/-.
- ii. During financial year 2016-17 payment of honorarium amounting to Rs.161,500/- in respect of officers/officials of other departments/ ministry was proposed as under:-

S#	Name/Designation	Basic pay
1	Javed Akbar Shaikh, Section Officer	Rs. 58,290/-
2	Manzoor Hussain, APS	Rs.44,040/-
3	Zahid Ullah Khan, Assistant	Rs.24,840/-
4	Mahreen Sajid, UDC	Rs.15,690/-
5	Ghulam Murtaza Baig, Qasid	Rs.18,640/-
	Total Rs.	161,500/-

But sanction of competent authority and disbursement of amount drawn could not be verified due to non production of relevant record to audit. Thus the possibility of payment of honorarium to the officers/officials of other department/ministry cannot be ruled out.

- iii. Audit has further observed that during financial year 2016-17 the payment of honorarium amounting to Rs.482,084 has been made to 29 employees of PIMS through pay roll as under:

Month	FY 2016-17 Amount (Rs.)	No. of persons	FY 2017-18 Amount (Rs.)	No. of persons
July	0	0	0	0
August	Not provided	0	238,250	10
September	95,270	02	389,080	08
October	60,000	06	34,110	01
November	37,434	05	0	0
December	Not provided	0	145,090	04
January	0	0	834,655	178
February	0	0	Not provided	0
March	0	0	0	0
April	0	0	Not provided	0
May	0	0	159,810	06
June	289,380	16	531,400	15
Sub-Total	482,084	29	2,332,395	222
Grand Total	Rs.2,814,479 (482,084+2,332,395) to 251 persons			

Audit holds that against total expenditure of Rs. 2,332,819/- incurred during 2016-17 a sum of Rs.482,084/- has been paid to 29 employees through pay roll and the remaining amount of Rs.1,850,735 (Rs.2,332,819 – Rs.482,084) has been drawn through manual bills for which no record has been provided to audit. Not a single manual bill has been entered in the Cash book of Islamabad Hospital. Thus disbursement of remaining amount of Rs.1,850,735/- is treated as doubtful. The possibility of mis-appropriation of cash money of Rs.1.850 million cannot be ruled out.

- iv. During financial year 2017-18 total expenditure of Rs. 4,505,782/- has been incurred out of which an amount of Rs. 2,332,395/- has been paid to 222 employees (as per above table). Out of balance amount of Rs.2,173,387/- (4,505,782 - 2,332,395), disbursement vouchers of Rs.1,382,730/- have been entered in cash book and provided to audit as under:-

- v.

S#	Sanction/bill No.& date	Cheque No.	Amount	Voucher entered at cash book page
1	IH/2278 dated 30.06.2018	6949687 dt.30.06.218	106,500	Page-20
2	IH/2295 dated 30.06.2018	6948942 dated 24.6.2018	300,580	Page-20
3	IH/2260 dated 30.06.2018	6948990 dated 24.6.2018	408,650	Page-20
4	IH/2246 dated 30.06.2018	6949683 dated 28.6.2018	194,000	Page-20
5	IH/2294 dated 28.06.2018	6948941 dated 29.06.2018	373,000	Page-19
Total Rs.			1,382,730	

The disbursement vouchers of balance amount of Rs.790,657/- have neither been entered in the cash book nor provided to audit.

Matter needs thorough investigation to dig out the facts and to fix responsibility against the persons at fault. The irregular/ unauthorized amount of Rs.2.078 million drawn on this account may also be recovered from the concerned officers/officials.

No reply was given.

Para-17 **Loss to Govt. due to non installation of separate electricity meters at**
(O.S-36) **residential colony despite incurring of heavy expenditure on payment of**
electricity charges-Rs.310.244 million.

According to Rule- 8 of GFR Vol- “Subject to such general or specific instruction as may be issued by Government in this behalf it is the duty of the Revenue or Administrative Department concerned to see that the dues of Government are correctly and promptly assessed collected and paid into the treasury.”

Rule-11 of GFR Vol-I further states that “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”.

Contrary to above it has been observed that the management has incurred on expenditure of Rs.310,244,067/- on payment of electricity charges to IESCO during financial year 2016-17 and 2017-18 as under:-

Financial Year	Head of Account	Expenditure incurred by (IH) (Rs.)	Expenditure incurred by Children Hospital
2016-17	Ao3303-Electricity	144,999,259	19,461,028
2017-18	Ao3303-Electricity	125,990,002	19,793,778
Total Rs.		270,989,261	39,254,806
Grand Total Rs. 310,244,067 (270,989,261 + 39,254,806)			

Audit has observed that :-

- Only one electricity meter is installed in the main hospital and during 2016-17 and 2017-18 the management has made payment of electricity charges amounting

to Rs.310.244 million to IESCO. In residential colony no separate electricity meters in each flat/quarter has been installed by IESCO and the electricity is being supplied from main meter to sub meters installed at each flat. No record regarding recovery of cost of electricity from the employees residing in the PIMS Colony has been produced to audit. It has been learnt that a normal cost of electricity is being recovered from the employees but due to non production of original bills of electricity audit could not ascertain the total number of units consumed and charged by the IESCO, average cost per unit, cost recovered from the employees residing in PIMS Colony and deposited into Govt. Treasury.

- ii. Although, IESCO tariff for hospital is based on subsidized rates excluding GST other Govt. taxes, whereas, IESCO tariff for domestic consumers includes GST and Govt. Taxes, meter rent, Neelum Jhelum Surcharge and PTV fee etc. The employees residing in PIMS Colony are enjoying the facility of subsidized rates of electricity without payment of Govt. taxes, meter rent, PTV fee, NJ Surcharge due to non installation of separate electricity meters. Thus Public Exchequers has been deprived off the charges and taxes recoverable from the employees residing in the colony.

No reply was given.

Para-18 **Defective mechanism for distribution of medicines purchased during 2016-17**
(O.S-45) **to 2017-18 worth Rs. 899.417 million.**

According to Rule-11 of GFR Vol-I “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”

Contrary to above, it has been observed that the management of PIMS(IH) has purchased medicines worth Rs. 899,417,399 during financial year 2016-17 to 2017-18 as under:-

Name of office	Year	Head of Account	Expenditure
PIMS Islamabad	2016-17	A03927-Purchase of Drugs and medicines	518,990,693
	2017-18	A03927- Purchase of Drugs and medicines	380,426,706
		Total RS.	899,417,399

Audit has observed that there is no approved policy of distribution of medicines duly approved by the competent authority. As per existing practice medicines are received in main store from the suppliers and entered in the stock register/ computerized stock inventory. These medicines are issued to concerned wards/OPD as per their requirement by submitting indent. After issuance of medicines to the departments, these medicines are further issued to end users/ patients on the advice of Doctors.

But during test checking of record of OPD Pharmacy it has been noted that the medicines are not issued purely on the advice of doctors. Scrutiny of record of IH has further revealed that that all prescription chits have not been issued by the doctors. Some fake chits (without doctor's signature and stamp) have been placed on record by the concerned distributors and produced to audit. Some chits do not bear the name of patient with Patient Control Number, doctor's signature, stamp and name of OPD. (Copies of a few chits are enclosed).

It was astonishing to note that an employee of Security Company (M/s Belfort Security Service (Pvt) Ltd) was also deputed to distribute the medicines to the patients who was not authorized in this regard.

Due to defective mechanism and existing non transparent and unapproved policy for the distribution of medicines worth Rs. 899.417 million, the possibility of pilferage of medicines cannot be ruled out.

No reply was given.

Para-19 **Loss of foreign exchange component of Rs.100 million due to inordinate**
(O.S-47) **delay in approval of PC-I of a development project.**

According to Rule-11 of GFR Vol-I " Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers".

Rules-12 ibid further states that "A controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted money to spending units are expended in the public interest and upon objects for which the was provided".

Contrary to above, it has been observed that PC-I of Project titled "Establishment of Center for Hematology Disorders at PIMS Islamabad was approved in Principle by the CDWP in its meeting held on 09.06.2015 at cost of Rs.220.801 million (including cost of civil works of Rs.141.297 million) with completion period of 12 months. The scope of the project includes construction of 50 bedded Centre of Hematology Diseases at PIMS Islamabad. CDWP has issued the following remarks/direction in this regard:-

"CDWP on 09.06.2015 approved in principle details of design, architectural plan, BOQS and elevation of the building would be furnished by the sponsor and clear by the Member (I&RC) and Chief PP&H before authorization of the project".

A post –CDWP meeting was held on 3.8.2015 in which decision was taken that authorization of the Project would be issued to the tune of Rs. 10.00 million to the sponsoring agency for hiring of an engineering consultant meant for the Architecture Plan, BOQs and elevation of the building etc. in the PC-I.

The administrative approval of CA&DD was issued to incur an expenditure of Rs. 10.00 million for hiring of consultant meant for the architectural plan, BOQ and elevation of the building etc. The Ministry of Housing & Works was approached for issuance of NOC for hiring

of consultant meant for the Architecture Plan, BOQs and elevation of the building in the PC-I. But the Ministry of Housing and Works has regretted to issue NOC as conveyed vide CA&DD O.M No.F.6-2/2012-DDG(HP)Vol-I dated 01.06.2016. The Pak.PWD has been asked on 04.06.2016 to hire the consultant for the Architectural Plan, BOQs and elevation of the building etc. in the PC-I.

Audit has observed that:-

- i. During financial year 2016-17, funds amounting to Rs.1.4 million have been released to Pak.PWD on account of consultation charges for design, architectural plan, BOQ and elevation of the building. Out of this amount the Pak.PWD has incurred an expenditure of Rs.765,554 (Rs.676,275 on soil testing charges + Rs. 89,270/- as contingent charges) and surrendered the balance amount of Rs.634,446/- to the Government.

Pak.PWD has submitted Architectural drawings on 10.11.2016 which was examined by PIMS Engineering Committee on 15.12.2016. A meeting with the Pak.PWD was held under the Chairmanship of Administrator on 02.02.2017 in which Pak.PWD was advised to submit modified drawings as the previous drawing did not meet the PIMS requirement.

Another meeting was held on 08.02.2017 in which PIMS engineering department/BMT Unit have been advised to coordinate with Pak.PWD for preparation of drawings. It was decided that no deviation in terms of time line, cost, covered area and scope of PC.I will be allowed.

Pak.PWD has submitted drawings on 27.02.2017 which have been sent to CA&DD for onward submission to Planning Commission for approval. CA&DD returned the said drawings with the remarks to get verified the drawings by the concerned Project Director.

CA&DD again advised to proceed in the light of decision taken in CA&DD meeting held on 09.06.2015 that “detail of design, architectural plan ,BOQ and evaluation of the building etc. would be furnished by the sponsors and would be cleared by Member(I&RC) and Chief OO&H before authorization of the project.”.Pak.PWD was requested for the same vide PIMS letter dated 25.03.2017.

A meeting was held with Pak.PWD on 28.03.2017. The Pak.PWD intimated on the basis of the architectural line plan, an amended PC-I based on tentative cost /BOQ etc. will be prepared and submitted to PIMS by 07th April,2017.

Another meeting was held with the Pak.PWD on 19.04.2017 under the Chairmanship of Vice Chancellor to review the progress of the project. The modified draft MOU was handed over to X.E.N Pak.PWD for consideration /approval. Pak.PWD was given time line of 100 days w.e.f. 19.04.2017 for completion of feasibility study report.

Pak.PWD submitted a draft PC-I amounting to Rs.599.130 million which was sent to CA&DD on 18.07.2017. CA&DD has advised to obtain the consent of PIDSA in respect of grant of Rs.100 million would be available during the financial year 2017-18. Accordingly, PIDSA has been requested for the same. PIDSA has given their consent regarding the availability of Rs.100 million in the year 2017-18.

Pak.PWD has submitted a modified PC-I amounting to Rs. 588.063 million which was sent to CA&DD on 30.08.2017 and to Planning Commission on 13.09.2017.

Later on 50 copies of modified PC-I in the light of comments of PP&H section have been sent to Chief PIA Section, Planning Commission on 09.1.2018 for placing in the forthcoming meeting of CDWP.

Pre- CDWP meeting was held in Planning Commission on 21.02.2018. The Planning Commission raised the following observations:-

- Duplication of the BMT unit which is also included in the PC-I “cancer Hospital at PIMS”
- The comparative statement of original PC-I and modified/ revised PC-I be provided.
- The allocation made during the previous years should be mentioned in the PC-I

Pak PWD has been advised to rectify the said observations.

As evident from the PIMS letter No.F66-1/2018 (Misc)/PIMS dated 15.09.2018 the modified PC-I has been submitted to the Ministry of Planning Development and Reform on 31.07.2018 but the same has not been got approved till January,2019.

- ii. According to PC-I (Revised) the project was to be sponsored by with a grant of Rs. 100.00 million by Pakistan Italian Debt for Development Swap Program (PIDAS) through Ministry of Economic Affairs Division & Rs. 488.063 million by the GOP. Rupees 90 million (out of 100 million) PIDSA financing was to be utilized for the construction and establishment of Hematology and Bone Marrow Transplant Centre (BMT) Centre and remaining Rs. 10.00 million for prevention campaign through a national NGO at the estimated cost of Rs.10 million.

The Pakistan Italian Debt Swap Agreement (PIDSA) Technical Support Unit, Economic Affairs Division vide their letter No. 9(17) TSU/BMT/PIMS/14 dated 13.10.2017 has intimated that “ the existing time line of PIDSA is till June,2018”. PIDSA further requested the PIMS to “expedite the process to acquire the approval of CDWP swiftly and fervently and other related formalities to enable TSU for funding to this project”.

The PIDSA vide letter No. 9(17) TSO/BMT/PIMS/14/8445 dated 22.5.2018 intimated the PIMS that “ The MC approved PIDSA contribution amounting to Rs. 100 million for the Project subject to provision of approved PC-I from the competent Forum”.

But due to inordinate delay in preparation of Modified PC-I by the Pak.PWD and non obtaining approval of the Planning Commission up to 30.06.2018, the funds committed by the PIDSA could not be utilized till 30.06.2018. Not only the Govt. has been deprived off the benefit of foreign exchange component of Rs. 100 million but the execution of project has also been delayed for more three years due to mis-management and weak follow up by the PIMS.

No reply was given.

Para-20 **Non recovery of rent of premises occupied by M/s Raja Brothers- Rs.8.250**
(O.S-52) **million- unauthorized occupation thereof.**

According to Rule-8 of GFR Vol- “Subject to such general or specific instruction as may be issued by Government in this behalf it is the duty of the Revenue or Administrative Department concerned to see that the dues of Government are correctly and promptly assessed collected and paid into the treasury.”

According to Rule-11 of GFR Vol-I “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”.

Contrary to above, it has been observed that the management has floated open tender on 15.01.2015 with opening date on 02.02.2015 for execution of Civil Works and Internal Electrification through private contractor. After evaluation of bids the work was awarded to M/s Raja Brothers vide letter No. F.1-21/2014-2015/C Works/Pur (NM)/PIMS dated 27.02.2015 and an agreement was also made with the said contractor for period of two years w.e.f. 17.03.2015 to 16.03.2017.

Audit has observed that:-

- i. The management has provided rent free premises of about 5000 Sft comprising 03 rooms, one hall, rooms, store room, bath room, mosque and open space (as per enclosed pictures and evidence).The premises is being used by the M/s Raja Brothers for residential accommodation of its labour and for the store of building material by the contractor without any provision in the agreement.
- ii. The rent of the premises has never been calculated nor recovered from the contractor. However, the audit has worked out recovery of Rs.8,250,000/-for the contractor (since the date of signing of agreement) as under:-

S#	Period	Covered area occupied	Rate per Sft as M/o Housing & works letter dt.27.03.2017	Rent recoverable (Rs)
1	17.03.2015 to 16.03.2017 (24 months and 01 day)	5000 Sft (approx)	Rs.30 per Sft (Rs.30x5000x 24)	3,600,000
2	17.03.2017 to 30.06.2018 (15 months and 15 days)	5000 Sft (approx)	Rs.60 per Sft (Rs.60x5000x15)	4,650,000
Total Rs.				8,250,000

- i. The electricity, gas and water connection have been provided to the contractor for which no recovery of utility charges has been made.
- ii. It is pertinent to mention here that the original period of contract has been expired on 16.03.2017 but the said premises is still in occupation of the contractor which is unauthorized

No reply was given.

Para-21 **Irregular/ unauthorized award of service/maintenance contract of MRI machines to**
(O.S-57) **M/s Matora Digionics (Pvt) Ltd. without calling open tender-Rs. 95.074 million (US\$**
0.930 million).

According to Rule-12 of PPRA Rules, 2004 “ (1) Procurements over forty thousand rupees and up to the limit of one million rupees shall be advertised on the Authority’s website in the manner and format specified by regulation by the Authority from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

(2) All procurement opportunities over one million rupees should be advertised on the Authority's website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu."

Contrary to above, it has been observed that management of PIMS had purchased an MRI machine from M/s Matora Digionics (Pvt) Ltd. at total cost of US\$ 1,493,000 (US\$ 1,473,000 + US\$ 20,000 freight charges) vide supply order No. F.1-122/2005-2006/MRI/MCH/AD(P)/PIMS dated 27.06.2006.

During financial year 2012-13 to 2017-18 the management of PIMS has awarded the following contracts of service/maintenance of MRI machine to M/s Matora Digionics (Pvt) Ltd. without calling open tender as under:-

S#	Period of contract	Cost of contract	
		US \$	Pak Rs.
1	25.07.2012 to 24.07.2013	155,000 @ Rs. 94.65/- per dollar	14,670,750
2	25.07.2013 to 24.07.2014	155,000 @ Rs. 104/- per dollar	16,120,000
3	25.07.2014 to 24.07.2015	155,000 @ Rs. 99.4/- per dollar	15,407,000
4	25.07.2015 to 24.07.2016	155,000 @ Rs. 101.70/- per dollar	15,763,500
5	25.07.2016 to 24.07.2017	155,000 @ Rs. 104.86/- per dollar	16,253,300
6	25.07.2017 to 24.07.2018	155,000 @ Rs. 104.57/- per dollar	16,208,350
Total		US\$ 930,000	94,422,900

Audit has observed that:-

- i. The MRI machine of PIMS was purchased from the above said firm during 2006 with warranty period of five years expired on 24.07.2012. After expiry of warranty period the PIMS vide letter No.F.1-46/2011-12/ Maintenance / MRI/P/PIMS dated 24 .01.2013 intimated the firm that they are bound to provide annual service/maintenance (with parts and labour) after at the rate of US \$ 75000 per annum as per their bid given at the time of purchase of the machine. But the firm had not fulfilled their obligation to carry out service /maintenance of the machine with the quoted rate and offered fresh rate of service/ maintenance charges amounting to US\$ 126,200 vide their letter No.T130131-01L-PIMS dated 31.01.2013 by adding the cost of some other items i.e UPS, Water Chiller, Diesel Generator, Imager and Air conditioning etc. This revised cost of US\$ 126,200 was recommended by the Purchase Committee in its meeting held on 04.03.2013.
- ii. Later on, the PIMS vide letter No.F.1-46/2011-12/Maintenance/MRI/P/PIMS dated 23.04.2013 had intimated the firm that revised cost of the service/maintenance contract will be US\$ 155,000 as under:-

S#	Description	Price (US\$)
1	Philips 1.5 T Intera Achieva Nova Dual MRI (Complete System, excluding all coils except two coils. Quadrature Head coils. NV head/Neck coil) Helium Refill is free of charge. Which is already included in the rate.	103,800.00
2	The cost of provision of Liquid Helium (Approx, 800 Ltrs. per year)	24,000.00
3	UPS including all parts and batteries	6,200.00
4	Water chillers (including all parts, compressors & motors)	3,500.00
5	Diesel Generator (including all parts but including lubricants. Air/oil filters & excluding Diesel Fuel)	8,000.00
6	Imager excluding films.	4,500.00
7	Air-Conditioning etc. a. 5Ton Air conditioning System, installed in the patients examination room. b. 7 Split Type Air Conditioner installed at MRI Suit.	5,000.00
Total Cost in US\$		155,000.00

Audit holds that instead of taking appropriate action against the firm for non fulfillment of their obligation and calling open tender to get the benefit of competitive rates, the highest rate of US\$ 155,000 per annum has been accepted by extending undue favour to the firm.

- iii. During financial year 2012-13 to 2017-18 the management has made payments of service / maintenance charges amounting to Rs. 95,074,274 (94,424,142 + 650,132) by accepting the highest rates without calling open tender as under:-

Page #	Bill Number	Bill Date	Amount	Period/Quarter
Sr.1 P-210	048/2013	05.06.2013	3,667,687	25.07.12 to 24.10.12
Sr.2 P-210	049/2013	05.06.2013	3,667,687	25.10.12 to 24.01.13
Sr.3 P-210	050/2013	05.06.2013	3,667,687	25.01.13 to 24.04.13
Sr.4 P-210	080/2013	05.09.2013	3,667,687	25.04.13 to 24.07.13
Sr. 1 P-208	123/2015	10.01.2015	4,030,000	25.07.13 to 24.10.13
Sr. 2 P-208	124/2015	10.01.2015	4,030,000	25.10.13 to 24.01.14
Sr. 3 P-208	125/2015	10.01.2015	4,030,000	25.01.14 to 24.04.14
Sr. 4 P-208	126/2015	10.01.2015	4,030,000	25.04.14 to 27.04.14
Sr. 5 P-208	148/2015	12.03.2015	3,851,750	25.07.14 to 24.10.14
Sr. 6 P-208	149/2015	12.03.2015	3,851,750	25.10.14 to 24.01.15
Sr. 7 P-208	168/2015	24.04.2015	3,851,750	25.01.15 to 24.04.15
Sr. 8 P-208	214/2015	02.08.2015	3,851,750	25.04.15 to 24.07.15
Sr. 9 P-209	252/2015	02.11.2015	3,940,875	25.07.15 to 24.10.15
Sr.10 P-209	021/2016	02.02.2016	3,940,875	25.10.15 to 24.01.16
Sr.11 P-209	059/2016	02.05.2016	3,940,875	25.01.16 to 24.04.16
Sr.12 P-209	105/2016	28.07.2016	3,940,875	25.04.16 to 24.07.16
Sr.13 P-209	146/2016	12.11.2016	4,063,325	25.07.16 to 24.10.16
Sr.14 P-209	011/2017	06.02.2017	4,063,325	25.10.16 to 24.01.17
Sr.15 P-209	046/2017	28.04.2017	4,063,325	25.01.17 to 24.04.17
Sr.16 P-209	081/2017	26.07.2017	4,063,325	25.04.17 to 24.07.17
Sr.17 P-211	034/2018	28.03.2018	4,052,398	25.07.17 to 24.10.17
Sr.18 P-211	035/2018	28.03.2018	4,052,398	25.10.17 to 24.01.18
Sr.19 P-211	050/2018	17.04.2018	4,052,398	25.01.18 to 24.04.18
Sr.20 P-211	086/2018	13.08.2018	4,052,398	25.04.18 to 24.07.18
Amount in Rs.			94,424,142	
<i>Note:- An Amount of Rs.650,132/- were claimed against the 16% GST per Bill w.e.f. 25.01.17 to 24.07.18.</i>				

Thus due to non inviting open tender the expenditure of Rs.95.074 million is treated as irregular/ unauthorized.

No reply was given.

Para-21 **Irregular/ unauthorized award of maintenance contract of Angiography**
(O.S-69) **machine to M/s Matora Digionics (Pvt) Ltd. without calling open tender-**
Rs.23.178 million.

According to Rule-12 of PPRA Rules,2004 “ (1) Procurements over forty thousand rupees and up to the limit of one million rupees shall be advertised on the Authority’s website in the manner and format specified by regulation by the Authority from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

(2) All procurement opportunities over one million rupees should be advertised on the Authority's website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu."

Contrary to above, it has been observed that the during financial year 2014-15 to 2017-18 management of PIMS has awarded the following contracts of maintenance of Angiography machine to M/s Matora Digionics (Pvt) Ltd. as under:-

S#	Period of	Cost of contract	
		US \$	Pak Rs.
1	23.08.2014 to 22.08.2015	75000 (1US\$ = 100)	7,500,000
2	23.08.2015 to 22.08.2016	75000 (1US\$ = 103)	7,725,000
3	23.08.2016 to 22.08.2017	75000 (1US\$ = 106.05)	7,953,750
Total		US\$225000	23,178,750

Against total contract cost of Rs.23,178,750, an amount of Rs.15,225,000 has been paid to the above firm as under:-

Page #	Bill Number	Bill Date	Amount	Period/Quarter
Sr.1 P-205	102/2014	23.11.14	1,875,000	23.08.14 to 22.11.14
Sr.2 P-205	143/2015	02.03.15	1,875,000	23.11.14 to 22.02.15
Sr.3 P-205	169/2015	22.05.15	1,875,000	23.02.15 to 22.05.15
Sr.4 P-205	222/2015	28.08.15	1,875,000	23.05.15 to 22.08.15
Sr.5 P-205	258/2015	02.12.15	1,931,250	23.08.15 to 22.11.15
Sr.6 P-206	029/2016	03.01.16	1,931,250	23.11.15 to 22.02.16
Sr.7 P-206	075/2016	25.05.16	1,931,250	23.02.16 to 22.05.16
Sr. 8 P-206	119/2016	29.08.16	1,931,250	23.05.16 to 22.08.16
	Amount Rs.		15,225,000	

Audit has observed that:-

- i. No open tender has been floated to get the benefit of competitive rates. Thus the contract worth Rs. 23,178,750 have been awarded without calling open tender in disregard to the provision of Rule -12 of PPRA Rules, 2004.
- ii. While awarding contract for the period w.e.f. 23.08.2018 onwards, the Purchase Committee in its Minutes of Meeting issued vide No.F.1-20/2013-14/Minutes. Angio / Purchase/PIMS dated 23.02.2018 has made the following recommendations:
 - The Committee recommended that contract of above cited subject equipment may be signed on the annual charges of US\$ 75,000/ for the period of 03 years (last year approved rate were also same in US\$). The committee further recommended that currency exchange rate will be applicable as per prevailing market exchange rate from which contract agreement will be signed.
 - The committee also recommended that **FP Director (Cardio Flat DET PX 48000)** may be purchased at the cost of US\$ 92,083/- . However, payment will be made in Pak. Rupees after conversing on prevailing market rates i.e. date of issuance of supply order.
 - The committee further recommended that the rate of Tube Head may be approved at their quoted rate i.e. @ US\$ 140,000/- each + 15% GST so that same can be purchased when & where it is required to avoid any breakdown in patient's services.

Although, audit could not ascertain contract agreement executed with the firm w.e.f. 23.08.2018 onwards. But according to PIMS letter No.F.1-20/2013-14/Maint-Angio/ Purchase PIMS dated 12.05.2018 and No.F.1-20/2013-14/Maint-Angio/Purchase/PIMS/ dated 06.06.2018 addressed to M/s Philips Healthcare Pakistan, Karachi, the PIMS has proposed to sign a Tri-Party Service Contract for Philips equipment installed in the PIMS between PIMS, M/s Matora Digionics and M/s Health Care Pakistan, Karachi.

Audit holds that M/s Matora Digionics (Pvt) Ltd. is not the only authorized distributor of Philips Company but some other authorized firms also exist in the Pakistan to carry out maintenance of Philips equipment in Pakistan. Therefore calling of open tender was necessary as per PPRA Rules 2004.

Thus award of contacts of Rs.23,178,750 (US\$ 225,000) to M/s Matora Digionics (Pvt) Ltd. is treated as irregular/unauthorized.

No reply was given.

Para-22 (O.S-58) Overpayment of service & maintenance charges of MRI machine to M/s Matora Digionics (Pvt) Ltd- Rs. 48.734 million.

According to Rule-11 of GFR Vol-I “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”.

Contrary to above, it has been observed that during financial year 2012-13 to 2017-18 the management of PIMS has awarded the following annual maintenance contracts of MRI machine to M/s Matora Digionics (Pvt) Ltd. :-

S#	Period of	Cost of contract	
		US \$	Pak Rs.
1	25.07.2012 to 24.07.2013	155,000 @ Rs. 94.65/- per dollar	14,670,750
2	25.07.2013 to 24.07.2014	155,000 @ Rs. 104/- per dollar	16,120,000
3	25.07.2014 to 24.07.2015	155,000 @ Rs. 99.4/- per dollar	15,407,000
4	25.07.2015 to 24.07.2016	155,000 @ Rs. 101.70/- per dollar	15,763,500
5	25.07.2016 to 24.07.2017	155,000 @ Rs. 104.86/- per dollar	16,253,300
6	25.07.2017 to 24.07.2018	155,000 @ Rs. 104.57/- per dollar	16,208,350
Total		US\$ 930,000	94,422,900

Audit has observed that:-

- i. The MRI machine installed in PIMS was purchased from the above said firm at total cost of US\$ 1,493,000 (US\$ 1,473,000 + US\$ 20,000 freight charges) vide supply order No. F.1-122/2005-2006/MRI/MCH/AD(P)/PIMS dated 27.06.2006. The original warranty period of machine was for five year which has been expired on 24.07.2012. The management of PIMS had moved a proposal for award of annual service/maintenance contract to the said firm after expiry of warranty period of five years and the service/maintenance contract was started w.e.f.25.07.2012.

- ii. Before award of first service/maintenance contract the PIMS vide letter No.F.1-46/2011-12/ Maintenance / MRI/P/PIMS dated 24 .01.2013 had intimated the firm that they are bound to provide annual service/maintenance (with parts and labour) at the rate of US \$ 75,000 per annum as per their bid given at the time of purchase of the machine. Whereas, the firm had quoted the rate of US\$ 126,200 vide their letter No.T130131-01L-PIMS dated 31.01.2013 by including of some other items i.e UPS, Water Chiller, Diesel Generator, Imager and Air conditioning etc. This revised contract cost of US\$ 126,200 was recommended by the Purchase Committee in its meeting held on 04.03.2013.Later on, the PIMS vide letter No.F.1-46/2011-12/Maintenance/MRI/P/PIMS dated 23.04.2013 had intimated the firm that revised cost of the service/maintenance contract will be US\$ 155,000/- as under:-

S#	Description	Price (US\$)
1	Philips 1.5 T Intera Achieva Nova Dual MRI (Complete System, excluding all coils except two coils. Quadrature Head coils. NV head/Neck coil) Helium Refill is free of charge. Which is already included in the rate.	103,800
2	The cost of provision of Liquid Helium (Approx, 800 Ltrs. per year)	24,000
3	UPS including all parts and batteries	6,200
4	Water chillers (including all parts, compressors & motors)	3,500
5	Diesel Generator (including all parts but including lubricants. Air/oil filters & excluding Diesel Fuel)	8,000
6	Imager excluding films.	4,500
7	Air-Conditioning etc. c. 5Ton Air conditioning System , installed in the patients examination room. d. 7 Split Type Air Conditioner installed at MRI Suit.	5,000
Total Cost in US\$		155,000

Audit holds that the firm was bound to provide service/maintenance at total cost of US\$ 75,000 as quoted by them in the bid (at the time of purchase of machine).But the management has agreed to pay Service/ maintenance charges @ US\$ 155,000/- per annum instead of original bid price of US\$ 75,000/- by extending undue favour to the firm Thus an overpayment of Rs. 48,734,400 has been made to the firm as under:-

S#	Period of	Cost of Service/maintenance charges accepted			Cost of Service/maintenance original quoted in bid (US\$)	Difference in US\$ per annum (C-F)	Overpayment in Rs. (G*D)
		US \$		Pak Rs.			
A	B	C	D	E	F	G	H
1	25.07.2012 to 24.07.2013	155000	94.65	14,670,750	75,000	80,000	7,572,000
2	25.07.2013 to 24.07.2014	155000	104	16,120,000	75,000	80,000	8,320,000
3	25.07.2014 to 24.07.2015	155000	99.4	15,407,000	75,000	80,000	7,952,000
4	25.07.2015 to 24.07.2016	155000	101.7	15,763,500	75,000	80,000	8,136,000
5	25.07.2016 to 24.07.2017	155000	104.9	16,253,300	75,000	80,000	8,388,800
6	25.07.2017 to 24.07.2018	155000	104.6	16,208,350	75,000	80,000	8,365,600
Total		930,000		94,422,900			48,734,400

The overpayment of Rs. 48,734,400 is required to be recovered from the concerned firm.

No reply was given.

Para-23 **Double payment of Helium Gas Charges of MRI machine to M/s Matora**
(O.S-59) **Digionics (Pvt) Ltd-Rs. 17.544 million.**

According to Rule-11 of GFR Vol-I “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”.

Contrary to above, it has been observed that during financial year 2012-13 to 2017-18 the management of PIMS has awarded the following annual maintenance contracts of MRI machine to M/s Matora Digionics (Pvt) Ltd. :-

S#	Period of	Cost of contract	
		US \$	Pak Rs.
1	25.07.2012 to 24.07.2013	155,000 @ Rs. 94.65 per dollar	14,670,750
2	25.07.2013 to 24.07.2014	155,000 @ Rs. 104 per dollar	16,120,000
3	25.07.2014 to 24.07.2015	155,000 @ Rs. 99.4 per dollar	15,407,000
4	25.07.2015 to 24.07.2016	155,000 @ Rs. 101.70 per dollar	15,763,500
5	25.07.2016 to 24.07.2017	155,000 @ Rs. 104.86 per dollar	16,253,300
6	25.07.2017 to 24.07.2018	155,000 @ Rs. 104.57 per dollar	16,208,350
Total		US\$ 930,000	94,422,900

Audit has observed that:-

- i. Before award of first service/maintenance contract the PIMS vide letter No.F.1-46/2011-12/ Maintenance / MRI/P/PIMS dated 24 .01.2013 had intimated the firm that they are bound to provide annual service/maintenance (with parts and labour) at the rate of US \$ 75000 per annum as per their bid given at the time of purchase of the machine. Whereas, the firm had quoted the rate of US\$ 126200 vide their letter No.T130131-01L-PIMS dated 31.01.2013 by including of some other items i.e UPS, Water Chiller, Diesel Generator, Imager and Air conditioning etc. This revised contract cost of US\$ 126200 was recommended by the Purchase Committee in its meeting held on 04.03.2013.Later on, the PIMS vide letter No.F.1-46/2011-12/Maintenance/MRI/P/PIMS dated 23.04.2013 had intimated the firm that revised cost of the service/maintenance contract will be US\$ 155,000/- as under:-

- ii.

S#	Description	Price quoted vide Firm's letter dated 31.01.2013 US\$	Price accepted by PIMS vide letter dated 23.04.2013 US\$	Difference Per annum US\$
A	B	C	D	E

1	Philips 1.5 T Intera Achieva Nova Dual MRI (Complete System, excluding all coils except two coils. Quadrature Head coils. NV head/Neck coil) Helium Refill is free of charge. Which is already included in the rate.	75,000	103,800	28,800
2	The cost of provision of Liquid Helium (Approx, 800 Ltrs. per year)	24,000	24,000	000
3	UPS including all parts and batteries	6,200	6,200	000
4	Water chillers (including all parts, compressors & motors)	3,500	3,500	000
5	Diesel Generator (including all parts but including lubricants. Air/oil filters & excluding Diesel Fuel)	8,000	8,000	000
6	Imager excluding films.	4,500	4,500	000
7	Air-Conditioning etc. i. 5Ton Air conditioning System , installed in the patients examination room. j. 7 Split Type Air Conditioner installed at MRI Suit.	5,000	5,000	000
	Total Cost in US\$	126,200	155,000	28,800

As per above breakup, the cost of Helium Gas Charges of US\$ 24,000 has been included at S. No. 2 (in column-C) by the firm vide their letter dated 31.01.2013, whereas, the PIMS management has added Helium Gas Charges amounting to US\$ 28800 vide their letter dated 23.04.2013 at S. No. 1(in Column-D) which resulted into double payment of US\$ 28,800 (per annum) equal to Pak. Rs. 17,544,384 to the said firm during financial year 2012-13 to 2017-18 as under:-

S#	Period of Contract	Price quoted vide Firm's letter dated 31.01.2013 in US \$	Price accepted by PIMS vide letter dated 23.04.2013 in US \$	Difference per annum in US \$	Rate of conversion US \$ in Pak Rs.	Difference / Double payment in Pak RS.
1	25.07.2012 to 24.07.2013	75,000	103,800	28,800	94.65	2,725,920
2	25.07.2013 to 24.07.2014	24,000	24,000	28,800	104.00	2,995,200
3	25.07.2014 to 24.07.2015	6,200	6,200	28,800	99.40	2,862,720
4	25.07.2015 to 24.07.2016	3,500	3,500	28,800	101.70	2,928,960
5	25.07.2016 to 24.07.2017	8,000	8,000	28,800	104.86	3,019,968
6	25.07.2017 to 24.07.2018	4,500	4,500	28,800	104.57	3,011,616
TOTAL						17,544,384

The double payment of Rs. 17,544,384 is required to be recovered from the concerned firm.

No reply was given.

Para-24 **Mis-procurement of medicines worth Rs.1.080 billion.**
(O.S-60)

According to Rule-8 of PPRA Rules, 2004 Within one year of commencement of these rules, all procuring agencies shall devise a

mechanism, for planning in detail for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future.

Rule-9 *ibid* further states that. Save as otherwise provided and subject to the regulation made by the Authority, with the prior approval of the Federal Government, a procuring agencies shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The annual requirements thus determined would be advertised in advance on the Authority's website as well as on the website of the procuring agency in case the procuring agency has its own website.

According to Rule-23. Bidding documents.- (1) Procuring agencies shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid. (2) For competitive bidding, whether open or limited, the bidding documents shall include the following, namely:-

- (a) invitation to bid;
- (b) instructions to bidders;
- (c) form of bid;
- (d) form of contract;
- (e) general or special conditions of contract;
- (f) specifications and drawings or performance criteria (where applicable);
- (g) list of goods or bill of quantities (where applicable);
- (h) delivery time or completion schedule;

According to Rule-50 of PPRA Rules, 2004 "Any unauthorized breach of these rules shall amount to mis-procurement.

According to the Clause-33B of NAB Ordinance, 1999". "All Ministries, Divisions and Attached Departments of the Federal Government, all departments of Provincial and local governments, statutory corporations or authorities established by the Federal Government or Provincial Government and holders of public office shall furnish to NAB a copy of any contract, entered into by such Ministries, Divisions and Attached Departments of the Federal Government, all departments of Provincial Government or local government, statutory corporations or authorities established by the Federal Government or Provincial Government or such holder of public office on its

behalf, as the case may be, of the minimum monetary value of fifty million rupees or more, within such time as is reasonably practicable from the date of signing such contract”.

Contrary to above, it has been observed during financial year 2016-17 and 2017-18 that the management has invited open tender for purchase of medicines and incurred an expenditure of Rs. 1,080,910,276/- as under:-

Name of office	Year	Head of Account	Expenditure
PIMS Islamabad	2016-17	A03927-Purchase of Drugs and medicines	518,990,693
	2017-18	A03927-Purchase of Drugs and medicines	380,426,706
Children Islamabad	2016-17	A03927- Purchase of Drugs and medicines	84,972,877
	2017-18	A03927-Purchase of Drugs and medicines	96,520,000
		Total RS.	1,080,910,276

Audit has observed that:-

- i. There is no mention of quantities of medicines to be purchased during a financial year. The medicines have been purchased without determining actual requirement and keeping in view the available stock position. The provision of PPRA Rules, 2004 have not observed properly and the said purchase of medicines is treated as mis-procurement.
- ii. The management has not furnished a copy of the contract and relevant information to the NAB in violation of NAB Ordinance, 1999.
- iii. According to Law & Justice Division’s letter No. 1(68)/2005 dated 12.1.2016 the agreement was required to be vetted by that Division but the contract agreements have not been got vetted from the Law & Justice Division as per their instructions.

No reply was given.

Para-25 **Irregular/unauthorized maintenance of fleet of 75 vehicles without obtaining authorization of Cabinet Division and incurring of heavy expenditure on POL and repair/maintenance-Rs.141.891 million thereof.**
(O.S-61)

Accordingly to Cabinet Division’s letter No. 6/7/2011-CPC dated 12th December, 2011 “Ministries/Divisions/Departments needing operational vehicles shall get their authorization of such vehicles fixed from the Vehicle Committee constituted with a representative each from Cabinet Division, Finance Division and the respective Ministry/Division/Department.

The vehicles become surplus due to enforcement of this Policy and over and above the number of entitled officers shall be intimated to the Cabinet Division with a Certificate by the Principal Accounting Officer .Each Ministry/Division/Department will prepare and submit to the Cabinet Division and Finance Division every month a report on the expenditure relating to the CNG, POL and the repair/maintenance of the operational/general duty vehicles, so that the resultant financial impact/savings of the Policy could be assessed”.

Contrary to above, it has been observed that the management of PIMS (IH,CH, MCH, Buren Center) is maintaining fleet of 75 vehicles (List enclosed. The list includes three vehicles of Breast Cancer Screening Project closed on 30.06.2017). An expenditure of Rs.141,891,052/- has been incurred on repair/maintenance and POL during financial year 2016-17 and 2017-18 as under :-

Financial year	Name of Office	Expenditure incurred on POL	Expenditure incurred on Repair/maintenance	Total
2016-17	PIMS	27,997,835	6,992,410	34,990,245
2017-18		24,998,424	6,999,946	34,990,245
2016-17	Children Hospital	1,071,538	177,950	69,980,490
2017-18		0	0	0
2016-17	MCH	0	0	0
2017-18		965036	0	965036
2016-17	Burns Centre	592,252	0	965036
2017-18		0	0	0
	Total Rs.	55,625,085	14,170,306	141,891,052

Audit has observed that:-

- i. No authorization of vehicles has been obtained from the Vehicle Authorization Committee as per instructions of the Cabinet Division. Thus maintenance and operation of fleet of 75 vehicles and incurring of heavy expenditure of Rs. 141.891 million- during 2016-17 and 2017-18 is treated as irregular /unauthorized.
- ii. An expenditure of Rs. 0.993 million has also been incurred on 02 off road vehicles during 2016-17 and 2017-18 without any justification.
- iii. The management is also maintaining / using 07donated vehicles which were received in the past. An expenditure of Rs.4,624,540/- has been incurred on their repair/maintenance during financial year 2016-17 and 2017-18 as under:-

Vehicle No.	Make & Type	Model	Engine Capacity	Allotted to used for	Expenditure incurred repair of vehicle 2016-17	Expenditure incurred repair of vehicle 2017-18
IDF-7136	Toyota Land Cruiser	1990	3431cc	Transport Pool	581,700	875,025

IDF-7137	Toyota Land Cruiser	1990	3431cc	Out Reach	686,025	598,760
IDD-5936	Toyota Land Cruiser	1989	4164cc	Out Reach	216,275	181,500
IDE-3364	Toyota Land Cruiser	1989	3431 cc	Out Reach	0	139,970
IDL-3651	Nissan Petrol Jeep	1997	4146 cc	Out Reach	282,615	198,410
IDL-3652	Nissan Petrol Jeep	1997	4146 cc	Out Reach	247,420	0
IDL-3653	Nissan Petrol Jeep	1997	4146 cc	Transport Pool	196,890	419,950
Total Rs.					2,210,925	2,413,615
Grand total Rs.2210925+2413615= Rs.4,624,540						

Incurring of uneconomical expenditure of Rs.4.624 million on donated old vehicles without any authorization is treated as irregular/unauthorized.

- iv. The list also includes following donated vehicles which were received from the Govt. of Iran and Spain during Earthquake of 2005 as under:-

S#	Type of Vehicle	Quantity
1	Mercedes Benz Bus with O.T	01
2	Mercedes Benz Bus with Lab & X-Ray	01
3	Toyota Land Cruisers Ambulances	05
4	Nissan Safari Vehicles	05
5	Mercedes Benz Truck	01
		13

Two buses at S.No.1&2 are still lying unregistered. Whereabouts and utilization of O.T, Lab & X-ray equipment installed in these buses is not known to audit. No authorization of the use and incurring of expenditure on the said vehicles has been obtained from the Cabinet Division.

- v. No detail of the vehicles become surplus due to enforcement of monetization policy (over and above the number of entitled officers) has been intimated to the Cabinet Division with a Certificate by the Principal Accounting Officer.
- vi. No monthly report has been prepared and sent to the Cabinet Division and Finance Division on the expenditure relating to the CNG, POL and the repair/maintenance of the operational general duty vehicles.

The action of the management is in violation of the instructions of the Cabinet Division as referred to above. The maintenance of fleet of 75 vehicles and incurring of heavy expenditure of

Rs. 141.891 million on repair/maintenance is treated as irregular/unauthorized.

No reply was given.

Para-26 **Irregular/unauthorized expenditure incurred on repair/ maintenance of**
(O.S-62) **residential colony by PIMS instead of Pak. PWD-Rs.29.983 million.**

According to Rule-191 of GFR Vol-I "Save where any particular departments (e.g Salt, Forest, Archaeology, Broadcasting, Lighthouse, etc), has been authorized by Government to execute all or specified classes of departmental works without reference to the Public Works Department or the Military Engineer Services, and subject to any special rule or order issued by Government to apply to special classes of Works, all original works and special repairs, Costing

more than Rs 2500 relating to buildings and other works, the administrative control of which vests in other civil departments, should be executed through the agency of the Public Works Department, Central or Provincial, as the case may be or through the Military Engineer Services where it is not convenient for the Public Works Department to undertake the Work. In exceptional cases in which the Public Works Department or the Military Engineer Services is not employed for the execution of such works or repairs, the Accountant General should invariably be consulted at the initial stage, i.e. prior to an agreement being entered into with an architect or contractor so that suitable provision may be made as far as possible for normal audit and financial control”

According to Rule-193 of GFR Vol-I “Subject as hereinafter provided all works and repairs in connection with sanitary water supply and electric installations to Government buildings, where such buildings are not in charge of the Military Engineer Services or of Railways, should be carried out by or through the agency of the Public Works Department, except in special cases under the orders of Government”.

Contrary to above, it has been observed that the PIMS is maintaining a residential colony comprising 356 Nos. of flats/houses of following categories:-

Category of Flat/Houses	Number of flats/houses
BCC Flats	04
B-Categories	168
C-Categories	96
D- Categories	48
E- Categories	24
F- Categories	16
Total	356

The employees of PIMS have been allotted residential accommodation in PIMS Colony by the Estate Office and 5% House Rent Charges are also being recovered from their monthly salary through AGPR Pay Roll System. During financial year 2016-17 to 2017-18, 5% House Rent Charges amounting to Rs.10,052,005 (in 20 months only) have been recovered and paid to the Pak.PWD as under:-

Month	FY 2016-17 Amount (Rs.)	FY 2017-18 Amount (Rs.)
July	469,117	559,073
August	*0	559,073
September	463,161	557,893
October	463,391	554,765
November	463,391	546,764
December	*0	536,147
January	469,067	530,110
February	466,894	*0
March	466,894	510,139
April	463,108	*0
May	463,636	522,332
June	462,186	524,864
Sub-Total	4,650,845	5,401,160
Grand Total		10,052,005

(*Detail not provided)

Audit holds that since the flats/houses are being allotted through the Estate Office and recovery of recovery of 5% House Rent Charges is being made from the allottees therefore, Pak.PWD is responsible to carry out the repair/ maintenance of colony flats/houses as per above

quoted rules. But the management of PIMS has incurred an expenditure of Rs. 29,983,869 during financial year 2016-17 to 2017-18 as under:-

Financial Year	Head of Account	Final Budget	Expenditure
2016-17	A13302-Repair of residential building	14,996,000	14,995,969
2017-18	A13302- Repair of residential building	15,000,000	14,987,900
	Total	29,996,000	29,983,869

Thus the incurring of heavy expenditure of Rs.29.983 million on repair/maintenance of residential colony by the PIMS (through a private contractor despite payment of 5% house rent charges to Pak PWD) is irregular /unauthorized.

No reply was given.

Para-27 **Doubtful maintenance of MRI machine by M/s Matora Digionics (Pvt) Ltd.**
(OS-63) **despite getting payment of Rs.95.074 million.**

According to Rule-11 of GFR Vol-I “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”.

Contrary to above, it has been observed that during financial year 2012-13 to 2017-18 management of PIMS has awarded the following annual contracts of maintenance of MRI machine to M/s Matora Digionics (Pvt) Ltd.:-

S#	Period of	Cost of contract	
		US \$	Pak Rs.
1	25.07.2012 to 24.07.2013	155,000 @ Rs. 94.65/- per dollar	14,670,750
2	25.07.2013 to 24.07.2014	155,000 @ Rs. 104/- per dollar	16,120,000
3	25.07.2014 to 24.07.2015	155,000 @ Rs. 99.4/- per dollar	15,407,000
4	25.07.2015 to 24.07.2016	155,000 @ Rs. 101.70/- per dollar	15,763,500
5	25.07.2016 to 24.07.2017	155,000 @ Rs. 104.86/- per dollar	16,253,300
6	25.07.2017 to 24.07.2018	155,000 @ Rs. 104.57/- per dollar	16,208,350
Total		US\$ 930,000	94,422,900

Against total value of contract cost of Rs.94,422,900, an amount of Rs.95,074,274/- (94,424,142 + 650,132) has been paid to the above firm as under:-

Page #	Bill Number	Bill Date	Amount	Period/Quarter
Sr.1 P-210	048/2013	05.06.13	3667687.5	25.07.12 to 24.10.12
Sr.2 P-210	049/2013	05.06.13	3667687.5	25.10.12 to 24.01.13
Sr.3 P-210	050/2013	05.06.13	3667687.5	25.01.13 to 24.04.13
Sr.4 P-210	080/2013	05.09.13	3667687.5	25.04.13 to 24.07.13
Sr. 1 P-208	123/2015	10.01.15	4030000	25.07.13 to 24.10.13
Sr. 2 P-208	124/2015	10.01.15	4030000	25.10.13 to 24.01.14
Sr. 3 P-208	125/2015	10.01.15	4030000	25.01.14 to 24.04.14
Sr. 4 P-208	126/2015	10.01.15	4030000	25.04.14 to 27.04.14
Sr. 5 P-208	148/2015	12.03.15	3851750	25.07.14 to 24.10.14
Sr. 6 P-208	149/2015	12.03.15	3851750	25.10.14 to 24.01.15
Sr. 7 P-208	168/2015	24.04.15	3851750	25.01.15 to 24.04.15
Sr. 8 P-208	214/2015	02.08.15	3851750	25.04.15 to 24.07.15
Sr. 9 P-209	252/2015	02.11.15	3940875	25.07.15 to 24.10.15
Sr.10 P-209	021/2016	02.02.16	3940875	25.10.15 to 24.01.16

Sr.11 P-209	059/2016	02.05.16	3940875	25.01.16 to 24.04.16
Sr.12 P-209	105/2016	28.07.16	3940875	25.04.16 to 24.07.16
Sr.13 P-209	146/2016	12.11.16	4063325	25.07.16 to 24.10.16
Sr.14 P-209	011/2017	06.02.17	4063325	25.10.16 to 24.01.17
Sr.15 P-209	046/2017	28.04.17	4063325	25.01.17 to 24.04.17
Sr.16 P-209	081/2017	26.07.17	4063325	25.04.17 to 24.07.17
Sr.17 P-211	034/2018	28.03.18	4052398	25.07.17 to 24.10.17
Sr.18 P-211	035/2018	28.03.18	4052398	25.10.17 to 24.01.18
Sr.19 P-211	050/2018	17.04.18	4052398	25.01.18 to 24.04.18
Sr.20 P-211	086/2018	13.08.18	4052398	25.04.18 to 24.07.18
Amount Rs.			94,424,142	
Note:- An Amount of Rs.650132/- were claimed against the 16% GST per Bill w.e.f. 25.01.17 to 24.07.18.				

Audit has observed that:-

- i. As per award letters (issued from time to time the firm) the Head of Radiology was responsible to prepare monthly Performance Evaluation Report (PER) of firm which was the part of quarterly bills. But the payments have been made to the firm without enclosing monthly Performance Evaluation Reports with the bills.
- ii. Audit has further observed that as per Log Book of the machine the preventive maintenance has been carried out by the firm on following dates but as per Health Management Information System (HMIS) a number of tests have been carried out on these dates as under:-

SNo.	Date of Preventive maintenance as per Log Book	Status of machine as per Health Management Information System Report
1	06.01.2017 to 08.01.2017	13 tests have been carried out on 06.01.2017 to 08.01.2017
2	11.05.2017 to 13.05.2017	17 tests have been carried out on 11.05.2017 to 13.05.2017
3	13.07.2017 to 15.07.2017	15 test have been carried out during 17,07.2017 to 15.07.2017

Audit holds that the preventive maintenance of the machine has not been carried out on above dates but fake entries have been made in the log book to justify the service/maintenance on the said dates.

- iii. As per Log Book, the machine has been shown out of orders on the following dates but as per HIMS Report a number of tests have been carried out on the said dates:-

S.N O	Date on which the machine has been shown out of order	No. of Test carried out as per HIMS Report.
1	15.10.2016 to 17.10.2016	7 test have been carried out during 15.10.2016 to 17.10.2016
2	05.06.2018 to 06.06.2018	18 test carried out during 05.06.2018 to 06.06.2018

- iv. As per Firm's Service Report No.1039 dated 28.10.2016, preventive maintenance has been carried out by the firm but as per HMIS Report 17 MRI Tests have been carried out on the said date. Thus the firm has also prepared fake Service Report to justify the payment of service /maintenance charges. Audit holds that both the PIMS management and the firm have prepared fake log book and service reports respectively to justify the service maintenance charges of Rs. 95.074 million .Thus the service /maintenance charges are treated as doubtful.

No reply was given.

Para-28 **Wasteful expenditure due to doubtful receipt, installation and commissioning**
(O.S-31) **of two Colour Doppler Ultrasound machines- Rs. 29.601 million.**

According to Rule- According to Rule- Accordingly to Rule-10 of GFR Vol-I “Every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety Among the principles on which emphasis is generally laid are the following:

- i. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- ii. No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

According to Rule- 145 “Purchases must be made in the most economical manner in accordance with the definite requirements of the public service”.

Rule-148 further states that “All materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken, and they should be taken in charge by a responsible Government officer who should see that the quantities are correct and their quality good, and record a certificate to that effect. The officer receiving the stores should also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register”.

Contrary to above, it has been observed that the management of PIMS has issued supply order No. F.1-16/2017-18/Ultrasound/Pur/PIMS dated 31.01.2018 to M/s Radiant Medical (Pvt) Ltd Rawalpindi for supply of 02 units of Colour Doppler Ultrasound machines with GPS guided Biopsy System at a total cost of Rs. 29,601,572/- (Rs.14,800,786/- per unit).The machines have been purchased out of a development Project titled “ Up-Gradation of Non-Radiation Diagnostic Services at PIMS” through open tender opened on 12.09.2017.

Audit has observed that:-

- i. According to S.No.7 of “Responsibilities” given in supply order dated 31.01.2018, the firm was bound to deliver and install the equipment complete in all respects within 90 days after the issuance of the award letter. As per stock entry and installation reports, both the two machines have been received and installed on 30.4.2018, whereas, as per bill of lading/ import documents, the machines were received in Custom Office Rawalpindi Air Freight Unit on 14.10.2016 (two and half years ago). Audit holds that the supplier has not imported the machines in April, 2018 and some old machines have been supplied from ex-stock.
- ii. The supplier vide their undertaking has confirmed that “the product supplied against our invoice No.326 for Rs. 29,601,572/- issued to Government of Pakistan Shaheed Zulifqar Ali Bhutto Medical University (PIMS) Islamabad have been imported by us and supplied without any value addition and income tax v/s 148 of the Income Tax ordinance has been paid at import stage.” Whereas, the payment has been made to the supplier against Invoice No. 327 dated 12.6.2018 instead of No.326.Different Invoice Serial number 326 has strengthened the audit view point regarding supply of some old/obsolete machines instead of new. Moreover, payment made to the firm against Invoice No. 326 is not known to audit.

- iii. As per supply order the supplier was bound to provide the following documents with the machines:
1. Original Certificate for Country of Origin by the Manufacture.
 2. Copy of bill of Lading/ documents supporting the country of shipment
 3. User manual in English (Three copies).
 4. Service manual (including Maintenance/ Schematics & calibration) in English (Three copies.)
 5. Certificate of calibration and inspection from factory.
 6. Log book with instruction for daily, weekly, monthly and Quarterly maintenance checklist.
- None of the above document has been received from the supplier and produced to audit.
- iv. As per supply order the supplier was responsible for maintenance of temperature and room renovation for optimal functioning of the equipment” But no record regarding renovation of room and functioning of the two machines has been provided to audit.
- v. As per supply order the supplier was bound to provide training to the trainees as under:-
- “Four application hands on training of 05 working days each of Radiologists at PIMS (two trainings by the foreign trained trainer of the distributors) as per schedule of trainings mutually decided by the Radiology Department”.
- But no record regarding above said trainings has been provided to audit.

In view of above, the receipt, installation and commissioning of above two machines is treated as doubtful. The expenditure of Rs.29.601 million incurred on this account has gone waste.

No reply was given.

Para-28 **Wasteful expenditure due to doubtful receipt, installation and**
(O.S-37) **commissioning of a Floor Mounted 500 MA X-Ray Unit Rs.6.444 million.**

According Rule-10 of GFR Vol-I “Every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety Among the principles on which emphasis is generally laid are the following:

- iii. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- iv. No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage”.

According to Rule- 145 “Purchases must be made in the most economical manner in accordance with the definite requirements of the public service”.

Rule-148 further states that “All materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken, and they should be taken in charge by a responsible Government officer who should see that the quantities are correct and their quality good, and record a certificate to that effect. The officer receiving the stores should also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register”.

Contrary to above it has been observed that the management of PIMS issued a Supply Order No. F.1-43/2016-17/Radiology-CH/Pur/PIMS dated 07-04-2017 to M/s Radiant Medical (Pvt) Ltd. Rawalpindi for supply of a Floor Mounted 500MA X-Ray unit model DRX-

Ascend System make Carestream Health Inc. country of origin China (through open tender floated on 12.01.2017 vide Tender Notice No.10/2016-17/PIMS and opened on 31.01.2017).

Audit has observed that:-

- i. As per Technical Evaluation Report duly signed by the Technical Evaluation Committee the country of origin of the machine has been approved as USA. But as per supply order dated 07.04.2017 the country of origin has been mentioned as China. The supplier has made commitment vide letter No. RM/CS-8227/2016-17 dated 10.2.2017 that the “quoted model DRX Ascend System is manufactured by Carestream Health Inc. The country of manufacture is USA. The supply shall be made from where house at Germany or USA”. But as per import documents the machine has been imported from the China and reached at Custom Office Lahore on 10.06.2017 at 13.31 hours. Audit holds that a substandard machine has been imported by the supplier from China instead of USA.
- ii. According to bill of lading/import document, the machine has been imported on 10.06.2017 at Custom Office Lahore. But as per delivery Challan No.RM-5988/Isd dated 08.06.2017 the machine has been supplied by the supplier on 08.06.2017(two days before arrival of machine from China to Pakistan) and also installed on the same date. Thus both the delivery challan and installation report are dubious.
- iii. The supplier vide their Warranty Certificate dated 10.06.2017 has given one year’s warranty of the machine from 10.06.2017 is also dubious.
- vi. According to above quoted supply order dated 07.04.2017 the supplier was bound to provide the following documents with the machine:
 1. Original Certificate for Country of Origin by the Manufacturer.
 2. User manual in English (Three copies).
 3. Service manual (including Maintenance/ Schematics & calibration) in English (Three copies.)
 4. List of important spare parts and accessories with their part number and costing available in stock with the supplier.
 5. Certificate of calibration and inspection from factory.
 6. Log book with instruction for daily, weekly, monthly and Quarterly maintenance checklist.
 7. List of equipment available for providing calibration and routine preventive maintenance support. As per manufacturer documentation in service /technical manual.None of the above document has been received from the supplier and produced to audit.

In view of above, the receipt, installation and commissioning of the machine is doubtful. The entire expenditure of Rs. 6.444 million has gone waste.

No reply was given.

Para-29 **Irregular /unauthorized provision of unregistered vehicles to Pakistan**
(O.S-09) **Rangers and incurring of exorbitant expenditure of Rs.7.477 million on**
POL& repair.

Accordingly to Rule-10 of Staff Car Rules,1980 “When a staff car belonging to one Division is borrowed by another Division. The Officer-in-Charge of staff car in the borrowing Divisions shall be responsible for proper utilization of the staff car and for the due compliance of these rules in the same manner as if the staff car belonged to his own Division and shall while returning the staff car to the lending Division give the following certificate :-

“Certified that the staff car was actually used for the purposes indicated in column 5 of the Movement Register and that it was not used in contravention of Rules for the Use of Staff Cars, 1980”

Contrary to above, it has been observed that the management has provided following unregistered vehicles of PIMS to Pakistan Rangers for their exclusive use and incurred an expenditure of Rs.7,476,925/- on POL and repair /maintenance during financial year 2016-17 to 2017-18 as under:-

Vehicle No.	Expenditure on POL		Expenditure on repair maintenance		Grand Total
	2016-17	1017-18	2016-17	2017-18	
PIMS-8312	1,719,069	1,767,956	152,530	82,655	3,722,210
PIMS-8293	1,689,525	1,788,060	254,880	22,250	3,754,715
Total:-	3,408,594	3,556,016	407,410	104,905	7,476,925

Audit has observed that:-

- i. No written request of Pakistan Rangers, for provision of above said vehicles, has been received in PIMS.PIMS is not authorized to lend un-registered vehicles for exclusive use of the security agency. Thus the provision of official vehicles of PIMS to the Pakistan Rangers is in contravention of Staff Car Rules,1980.
- ii. During financial year 2016-17 to 2017-18 an expenditure of Rs. 7,476,925/- has been incurred on account of POL & repair /maintenance of the above said vehicles which is treated as irregular/unauthorized.
- iii. The vehicles were received in the past from Govt. of Iran but these vehicles could not be registered by the PIMS with the ETO office so far. Thus no token tax could be paid by the PIMS.
- iv. It has also been learnt that the drivers of PIMS are also performing duties with the Pakistan Rangers without any order of competent authority. Thus deployment of PIMS driver with the Pakistan Rangers is not understood.

No reply was given.

Para-30 **Non conducting/ completion of feasibility study despite release of Rs. 7.500 million to Pak-PWD-non surrendering of saving of Rs.7.168 million in time by Pak. PWD.**
(O.S-14)

According to Rule-12 of GFR Vo-I “A controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided”.

As per Rule-95 “All anticipated savings should be surrendered to Government immediately they are foreseen but not later than 15th May of each year in any case. unless they are required to meet excesses under some other unit or units which are definitely foreseen at the time (*see paragraph 98*). However, savings accruing from funds provided after 31st March shall

be surrendered to Government immediately they are foreseen but not later than 30th June of each year. No savings should be held in reserve for possible future excesses.

Rule-96 *ibid* further states that “It is contrary to the interest of the State that money should be spent hastily or in an ill considered manner merely because it is available or that the lapse of a grant could be avoided. In the public interest, grants that cannot be profitably utilized should be surrendered.

Contrary to above it has been observed that Capital Administration and Development Division vide sanction No. F.4-7/2017-SO (Dev) dated 31.07.2017 has issued administration approval of scheme “ Feasibility Study for Establishment of Cardiac Centre Extension Block at Pakistan Institute of Medical Sciences, Islamabad” Accordingly, funds amounting to Rs. 15,000,000 have been re-appropriated vide Capital Administration and Development Division re-appropriation order No.F.4-7/2017-SO (Dev) dated 06.12.2017. Out of this, an amount of Rs. 7,500,000 has been released to Pak PWD vide section letter No. F.4-7/2017-SO (Dev) dated 2.3.2018 to carry out feasibility study of the said Project.

Against release of Rs. 7.500 million the Pak-PWD has incurred an expenditure of Rs. 331,846/- (consultancy services Rs.300,000/- + contingent expenditure Rs. 29,902/- + departmental charges Rs. 1,944/-).

Audit has observed that:-

- i. The Pak-PWD has not submitted any feasibility study of scheme to PIMS resultantly the PC-I of the Project has not been approved till December,2018.
- ii. The Pak PWD has not surrendered the unspent balance of Rs. 7,168,154 in time (upto 15th May). The unspent balance has been surrendered on 29.6.2018 which could not be accounted for by the AGPR. The AGPR vide letter No.A-II/PIMS/2018-19/4046 dated 24.09.2018 has requested the PIMS to fix responsibility for non surrendering of funds in time but no action has been taken by the PIMS so far.

No reply was given.

Para-31 **Non fulfillment of contractual obligations by M/s Sharif Oxygen (Pvt) Ltd**
(O.S-15) **Lahore despite receiving payment of Rs.52.316 million.**

Accordingly to Rule- 19 of GFR Vol-I “The following general principles have been laid down for the guidance of authorities, which have to enter into contracts or agreements involving expenditure from Public funds:-

- i. The terms of a contract must be precise and definite and there must be no room for ambiguity or misconstruction therein.
- i. As far as possible, legal and financial advice should be taken in the drafting of contracts and before they are finally entered into.
- Iv. The terms of a contract once entered into should not be materially varied without the previous consent of the authority competent to enter into the contract as so varied”.

Contrary to above, it has been observed that the management has invited open tender on 16.05.2017 for supply of liquid medical oxygen with opening dated on 10.06.2017. As per tender documents M/s Sharif Oxygen (Pvt.) Ltd. Lahore has been declared as successful

bidder vide PIMS letter NoF.1-12/2017-18/MG/Purchase/PIMS dated 28.08.2017. Accordingly, PIMS has executed an agreement with M/S Sharif Oxygen (Pvt) Ltd. Lahore regarding installation/ placement of VIE Tanks for supply of liquid medical oxygen to PIMS on 4.8.2018 for period of 03 years w.e.f. 01.01.2018 to 31.12.2020.

As per clause-15 of the agreement the successful firm i.e. Sharif Oxygen (pvt) Ltd, Lahore was responsible to fulfill the following contractual obligations but the same have not been completed/fulfilled:-

Detail of obligation as per agreement	Status of <u>fulfillment</u>
a. Construction of 5x5 feet covered underground tank RCC adjacent to the base.	No underground tank constructed.
b. Drainage of the water into the tank along with water pump ½ HP to melt the ice and recycling the water due to melting of ice.	No drainage of water has been constructed and no water pump installed.
c. Plantation up to 10 feet around the base.	No plantation around the base is available
d. Area kept clean and dry to avoid dengue mosquito breeding in pursuance of CDR environment law.	The firm has failed to keep the area clean

Audit has observed that :-

1. The firm has failed to fulfill its contractual obligations despite getting payments of Rs.52,316,090 during financial year 2016-17 to 2017-18 as under:-

Financial year	Name of department/office	Amount paid to the firm (Gross Rs.)
2016-17	PIMS(IH)	22,014,502
2017-18	PIMS(IH)	22,755,628
	Children Hospital	6,189,795
	MCH	1,356,165
	Total Rs.	52,316,090

No action has been taken against the firm for non-fulfillment of above contractual obligations. The cost of work not completed by the contractor has not been recovered. Thus undue favour has been extended to the firm at the cost of public exchequer.

2. According to Law & Justice Division's letter No. 1(68)/2005 dated 12.1.2016 the agreement was required to be vetted by that Division but the contract agreement has not been got vetted from the Law & Justice Division as per their instructions.

No reply was given.

Para-32 **Doubtful receipt installation and commissioning of X-Ray machine 500 MA ;**
(O.S-21) **worth Rs. 5.680 million.**

According to Rule- 145 "Purchases must be made in the most economical manner in accordance with the definite requirements of the public service".

Rule-148 further states that "All materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken, and they should be taken in charge by a responsible Government officer who should see that the quantities are correct and their quality good, and record a certificate to that effect. The officer receiving the stores should

also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register”.

Contrary to above, it has been observed that the management of PIMS has purchased an X-Ray Machine-500 MA at a cost of Rs. 5,680,000/- for cardiac surgery vide supply order No. F.1-30/2012-13/C-Surgery/Purchase/PIMS dated 21.3.2015 issued to M/s Radiant Medical (Pvt) Ltd.

Audit has observed that:-

- i. According to condition-7 of supply order (under part-B Responsibilities) the firm was bound to deliver and install the equipment complete in all respects within 60 days (i.e upto 20.05.2015) after issuance of award letter. Thus the last date of delivery and installation of the machine was 20.5.2015. But two different delivery challans dated 20.5.2015 and 22.5.2015 have been submitted by the firm and verified by the hospital authorities.
- ii. Later on, a fake Installation Report (without date and S.No.) has been prepared to process the bill for making payment to the firm. As required under General Conditions of Supply Order dated 21.03.2015 the payment was to be made after satisfactory report of the user department(i.e. Cardiac Centre) and Electromedical Department countersigned by the authorized person. But Installation Report has not been signed by the user department i.e. Cardiac Centre.
- iii. As per supply order dated 21.3.2015 the supplier was bound to supply original certificate for country of origin by the manufacture, user manual, services manual, list of important spare parts, certificate of calibrations , log book etc. but no such document has been provided. Even copy of import document/ bill lading has also not been provided despite undertaking of the supplier that the product supplied against our Invoice No.08 for Rs. 5,680,000/- have been imported by them.

Audit holds that despite incurring handsome amount of Rs.5.680 million the receipt, installation and commissioning of the machine is doubtful.

No reply was given.

Para-33 **Non affixing of stamp “PIMS Islamabad” on external packing of kits/stents by the**
(O.S-27) **suppliers-Rs.20.525 million.**

According to Rule-11 of GFR Vol-I “Each head of a department is responsible for enforcing financial order and strict economy at every step He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”.

During test check of record of Surgical Store of PIMS it has been observed that the management has purchased kits and stent from various suppliers during 2017-18 and 2018-19 (in September,2018) as under:-

S#	Name of Supplier	Invoice No & Dated	Total Amount of bill (Rs.)	Name of item and quantity
1	M/s Digital Imaging System	02/18-P.S dated	5,000,000	50 Nos. Xience Expedition

		17.9.2018		48 DES Second Generation @ Rs. 100,000/- each
2	M/s Otsuka Pakistan Ltd.	37616 SOD dated 13.6.2018	6,675,000	150 Nos. Fire hawk stent (Otsuka) @ Rs. 44,500/- each
3	M/s Cardio+	PIMS 001 dated 13.6.2018	8,850,000	150 Nos. stent corofex ISAR @ Rs. 59,000/- each.
	Total Rs.		20,525,000	

According to supply orders issued to the suppliers, it was directed by the PIMS to the suppliers to affix stamp "PIMS Islamabad" on the external packing of kits/ stents. But contrary to the said instruction the above suppliers have not affixed the stamps on external packing of kits/stents worth Rs.20.525 million (noted during test check).

Audit has observed that:-

- i. Despite non-affixing of stamp by the suppliers on external packing of kits/stents their supplies have been accepted by the concerned Incharge of PIMS by extending undue favour to suppliers..
- ii. On the other hand, due to non-affixing of stamp the suppliers have saved the cost of stamp which was to be borne by them. The cost of stamp (not affixed on each external packing) has neither been worked out nor recovered from the contractor.
- iii. Due to non-affixing of stamp the possibility of mis-use and pilferage of the said kits/stents cannot be ruled out.

No reply was given.

**Para- 34 Lapse of funds and creation of liabilities due to non encashment of pre-audit
(O.S-22) cheques worth Rs. 8.588 million.**

According to Rule-11 of GFR Vol-I states that " Each head of a department is responsible for enforcing financial order and strict economy at every step He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers".

Rules-12 ibid further states that "A controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided In order to maintain a proper control he should arrange to be kept informed not only of what has actually been spent from an appropriation but also what commitments and liabilities have been and will be incurred against it He must be in a position to assume before Government and the Public Accounts Committee if necessary complete responsibility for departmental expenditures and to explain or justify any instance of excess or financial irregularity that may be brought to notice as a result of audit security or otherwise.

Contrary to above, it has been observed that during financial year 2017-18 the management of PIMS (main) has incurred an expenditure of Rs.8,588,774/- under various head of accounts (as detailed in enclosed statement). As per statement sixteen pre-audit cheques have been issued on 29.06.2018 by the AGPR and paid to firms/suppliers but the said cheques could not been encashed at the close of financial year.

Although, the expenditure of Rs. 8.588 million has been booked by the AGPR (as per reconciliation statement) but the actual payments could not be made to the firms. Thus funds could not be utilized in the public interest and upon the purpose for which these were provided in the approved budget. Despite lapse of funds of Rs. 8.588 million, future liabilities of Rs. 8.588

million have been also been created due to poor financial and internal controls. No action has been taken against the persons held responsible for the said lapses.

No reply was given.

Para-35 **Irregular/unauthorized/doubtful expenditure on civil works without**
(O.S-19) **verification of actual work done by M/s Raja Brothers -Rs. 1.085 million.**

According to Rule-395 of FTRs “Unless in any case the Government after consultation with the Accountant General direct otherwise, payments for all work done otherwise than by daily labour and for all supplies shall be made on the basis of measurements recorded in measurement books kept for the purpose. Claims for such payments shall be prepared as far as possible by the claimants themselves in authorised forms of bills and vouchers and no payment other than an advance payment may be authorised unless the correctness of the claim in respect of quantities and rates as well as the quality of the work done or supplies made have been accepted and all calculations carefully checked by a responsible officer”.

Rule 397 of FTRs further states that “As a general rule, and subject to such exceptions as may be authorised by the Government, no payment can be made to a contractor, except for work actually done or supplies actually received”.

Contrary to above, it has been observed that the management of PIMS has made payments of Rs. 1,085,335.51 to M/S Raja Brothers on account of annual repair & maintenance of office building (Model Ward) Surgical Ward-IV as under:-

S#	Name of project	Bill No & MB Page	Gross amount of work done	Net amount paid to contractor after deductions	Name of contractor
1	Annual repair & Maintenance of Model Ward surgical ward -IV	176/IH MB page- 1 to 9	292,858.35	253,885.58	M/S Raja Brothers
2	-do-	174/IH MB page 10 to 15	349,526.09	304,087.71	-do-
3	-do-	173/IH MB page 16 to 19	442,951.07	385367.44	-do-
Total Rs.			1,085,335.51	943,340.73	

Audit has observed that above three bills of contractors have been entered in MB No. 155/IH but the concerned Assistant Engineer & SDO have neither verified the quantities work done nor abstract of cost. The payments of above three bills amounting to Rs.1.085 million made to M/s Raja Brothers is treated as irregular/unauthorized/doubtful.

No reply was given.

Para-36 **Non maintenance and non recording of transactions worth Rs.128.667**
(O.S-20) **million in cash book of a development project titled“Establishment of Breast Cancer Screening Center at PIMS Islamabad”.**

Accordingly to Rule – 77 “Save as otherwise expressly provided in these rules or in any authorized departmental regulations, the following rules shall be observed by all Government officers who are required to receive and handle cash:-

- i. Every officer receiving money on behalf of the Government should maintain a cash book in Form T. R. 4.
- ii. All monetary transactions should be entered in the cash book as soon as they occur and attested by the head of the office in token of check.
- iii. The cash book should be closed regularly and completely checked. The head of the office should verify the totaling of the cash book or have this done by some responsible subordinate other than the writer of the cash book, and initial it as correct”.

Contrary to above, it has been observed that during financial 2014-15 to 2017-18 the management of the Project “Establishment of Breast Cancer Screening Center at PIMS Islamabad” has incurred an expenditure of Rs. 128,667,322 as under:

Financial year	Final Budget	Actual Expenditure
2014-15	70,777,150	70,802,823
2015-16	33,297,000	23,069,623
2016-17	53,787,000	34,794,876
Total Rs.	157,861,150	128,667,322

But neither the cash book for the said period has been maintained nor transactions of Rs. 128.667 million entered in the cash book. The action of the management is disregard to the provision of Rule-77 of FTRs.

No reply was given.

Para-37 **Irregular/ unauthorized payment of stipend to honorary House Officers-**
(O.S-39) **Rs.14.864 million.**

According to Rule-10 of GFR Vol-I “ Every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety Among the principles on which emphasis is generally laid are the following:

- i. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- ii. The expenditure should not be prima facie more than the occasion demands.
- iii. No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

Rule-11 ibid further states that “ Each head of a department is responsible for enforcing financial order and strict economy at every step He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.

Contrary to above, it has been observed that the management has made payment of Rs14,864,848/- to the following honorary house officers:-

S#	Sanction No. and date	No. of House Officers	Amount of stipend paid (Rs.)
1	F.No. 1822/2016-17/Accts/PIMS Token dated 11.05.2017	02	240,000

2	F.No. IH-1615/2016-17 dt.19.04.2017	01	79,742
3	F.No.0185/2016-17/Acctts/PIMS Token dated 27.04.2017	17	1,770,120
4	F.No.0184/2016-17/Acctts/PIMS Token dated 27.04.2017	19	2,427,850
5	F.No.1608/2016-17/Acctts/PIMS Token dated April,2017	21	4,151,382
6	F.No.1610/2016-17/Acctts/PIMS Token dated 27.04.2017	18	2,160,000
7	F.No.1609/2016-17/Acctts/PIMS Token dated 28.04.2017	15	1,196,130
8	F.No.1388/2016-17/Acctts/PIMS Dt.Nil	01	219,000
9	F.No.1613/2016-17/Acctts/PIMS Token dated 20.04.2017	09	1,537,291
10	F.No.0198/2016-17/Acctts/PIMS Token dated 11.05.2017	06	240,000
11	F.No.1746/2016-17/Acctts/PIMS Token dated 10.05.2017	01	70,000
12	F.No.0186/2016-17/Acctts/PIMS Token dated 05.05.2017	06	773,333
	Total Rs.	116	14,864,848

Audit has observed that:-

- i. According to Regulation-21 of the “MBBS and BDS (Admission, House job and Internship) Regulations, 2016” issued vide Pakistan Medical and Dental Council vide Notification No. SRO 1003(I)/2016 dated 27.10.2016 “Honorary house jobs in special circumstances’ shall also be allowed in approved public Sector hospitals if an applicant and a hospital so desires but the institution shall not allow house job beyond the slots allocated by the council for house job in relevant institutions.” Contrary to the said provision the management has selected 116 honorary House Officers from time to time. Later on, the services of honorary House Officers have been converted into paid House Job Officers at Govt. approved rates without the concurrence of Finance Division.
- ii. As per information given by the management there are 143 sanctioned posts of paid House Officers but the management has neither provided the detail of actual number of paid House Officers and honorary House Officers selected during the period under audit. Audit holds that the services of above House Officers have been regularized beyond the approved slot of 143. Thus their regularization and payment of stipend without the approval of Finance Division is treated as irregular/unauthorized.

No reply was given.

**Para-38
(O.S-41)**

Irregular expenditure on purchase of air tickets from private firm without calling open tender- Rs.1.100 million-loss to Govt. due to purchase of air tickets at higher rates-Rs.0.220 million.

According to Rule-12 of PPRA Rules “Procurements over forty thousand rupees and up to the limit of one million rupees shall be advertised on the Authority’s website in the manner and format

specified by regulation by the Authority from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency”.
(2) All procurement opportunities over one million rupees should be advertised on the Authority’s website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu”.

Contrary to above, it has been observed that the Ministry of National Health Services, Regulations & Coordination vide letter No. 15/20140-Afghan-DD-P dated 25-05-2016 (addressed to Dr.Fazal-e-Mola, Administrator) has issued an Assignment Account cheque No. A312702 dated 23.05.2016 for Rs. 25,362,000/- in favour of PIMS for training activities for Nishter Kidney Hospital Jalalabad Afghanistan.

As per Annexure-10 of the PC-I the above said project the PIMS was required to impart training to Afghan Doctors and paramedical staff. The management has started training during April, 2017 and purchased 55 Air Tickets @ Rs. 20,000/- per ticket from M/s Rabbou International Tours (Pvt) Ltd. without calling open tender. Total payment of Rs. 1,100,000/-(Rs.20000x55) has been made to the firm vide Cheque No.18256680 dated 12.04.2017 out of project bank account.

Audit has observed that:-

- i. Although, the cost of per ticket paid to the firm was Rs.20,000/-, whereas, the management has reimbursed the cost of air ticket (in cash) to 67 Afghan Doctors and Paramedical staff @ Rs.16,000/- per ticket (who travelled from Kabul to Islamabad) during the said period. Audit holds that the actual cost of an air ticket was Rs.16000/- instead of Rs.20000/-. Air tickets have been purchased on higher rates due to non-inviting of open tender. Thus the Govt. has been put to loss of Rs.220,000/- (Rs. 55 x Rs.4000) on this account. The provision of PPRA Rules, 2004 has also been violated.
- ii. No boarding pass of utilized tickets are available on record. Audit is unable to know the actual number of Air tickets utilized by the trainees. Thus the payment of Rs. 1.100 million is treated as doubtful.

No reply was given.

Para-39 **Irregular/unjustified payment of remuneration to doctors and other staff**
(O.S-42) **without provision in the PC-I of a development project-Rs.1.032 million.**

According to Rule-10 of GFR Vol-I “ Every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety Among the principles on which emphasis is generally laid are the following:

- i. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- ii. The expenditure should not be prima facie more than the occasion demands.
- iii. No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

According to Rule-11 of GFR Vol-I “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”.

Contrary to above it has been observed that the Ministry of National Health Services, Regulations & Coordination vide letter No. 15/20140-Afghan-DD-P dated 25-05-2016 (addressed to Dr.Fazal-e-Mola, Administrator) has issued an Assignment Account cheque No. A312702 dated 23.05.2016 for Rs. 25,362,000/- in favour of PIMS for training activities for Nishter Kidney Hospital Jalalabad Afghanistan.

As per Annexure-10 of the PC-I the above said project the PIMS was required to impart training to Afghan Doctors and paramedical staff. The management has started training during April, 2017 and incurred and expenditure of Rs. 1,032,000/- on payment of honorarium/remuneration out of project bank account as under:-

S#	Name of officers/officials	Cheque No. and dated	Amount
1	Prof. Javed Akram	18256703 dated 25.5.2017	45,000
2	Dr. Altaf Hussain	18256704 dated 25.5.2017	43,000
3	Sh. Nadeem-uz-zaman	18256705 dated 25.5.2017	14,000
4	M. Nawaz, Driver	18256706 dated 25.5.2017	8,000
5	Asif Iqbal Asif, Director Finance	18256707 dated 25.5.2017	43,000
6	Mr. Khalid Mahmood, AAO	18256708 dated 25.5.2017	32,000
7	Mr. Safder Ghouri	18256709 dated 25.5.2017	15,000
8	Mr. Shahzad Ahmed Driver	18256710 dated 25.5.2017	10,000
9	Mr. Sher Rasool	18256711 dated 25.5.2017	10,000
10	Dr. Anjum Javed	18256712 dated 25.5.2017	20,000
11	Dr. Samina Afghan	18256713 dated 25.5.2017	135,000
12	Dr. Samina Afghan	18256714 dated 25.5.2017	81,000
13	Dr. Sajid Mumtaz Qazi	18256715 dated 25.5.2017	180,000
14	Dr. Sajid Mumtaz Qazi	18256716 dated 25.5.2017	108,000
15	Dr. Imtiaz Masroor	18256717 dated 25.5.2017	180,000
16	Dr. Imtiaz Masroor	18256718 dated 25.5.2017	108,000
		Total Rs.	1,032,000

Audit has observed that:-

- i. The payment of honorarium/remuneration has been made without any provision in the PC-I of the above said project. Thus the payment of Rs. 1.032 million is treated as irregular/unjustified.
- ii. Detail of hospital staff engaged in the said training has not been produced to audit. Audit holds that the remuneration has been paid to those Officers/ Staff not involved in the training.
- iii. No income tax has been deducted from the above doctors and other staff and the Public Exchequer has been put to loss on this account.

No reply was given.

Para-40 (O.S-48) Irregular/unauthorized purchase of three non custom paid vehicles costing Rs. 0.235 million and incurring of irregular/unauthorized expenditure on POL & repair maintenance of Rs.5.290 million thereof.

According to Cabinet Division's letter No. 6/7/2011-CPC dated 12th December, 2011 "Ministries/Divisions/Departments needing operational vehicles shall get their authorization of such vehicles fixed from the Vehicle Committee constituted with a

representative each from Cabinet Division, Finance Division and the respective Ministry/Division/Department.

As per Austerity Measures issued during financial year 2012-13 and 2016-17 vide Finance Division's O.M No. F.7(1)Exp-IV/2012 dated 24.07.2012 and No. F.7 (1) Exp-IV/2016-510 dated 29.07.2016 respectively, there was complete ban on purchase of all types of vehicles.

Contrary to above, it has been observed that the management of PIMS had purchased following three confiscated vehicle (having tempered chassis number) from Directorate General. Intelligence and Investigation, FBR, Islamabad against payment of token price as under:-

Vehicle No.& kind of vehicle	Date of receipt of vehicle in PIMS	Token price paid (Rs.)	Letter No. issued by DG Intelligence and Investigation
GX-804 (Mitsubishi PAJEERO) Model 1995	27.02.2012	100,000	No.1(9)DGCI/SWH/2011/732 dated 27.02.2012
GAB-702 (Mitsubishi PAJEERO) Model 1994	29.06.2016	60,000	No.1(3)DGCI/SWH/HQ/2015/3045 dated 29.06.2016
GY-536 Toyota Corolla Model 1994	15.04.2013	75,000	No.1(3)DGCI/SWH/2009/Pt-II/1409 dated 15.4.2013
TOTAL Rs.		235,000	

Audit has observed that:-

- i. No authorization of Cabinet Division and approval of Finance Division has been obtained to purchase the said confiscated vehicles. The expenditure of Rs.235,000/- incurred on the purchase of said three vehicles is treated as irregular/unauthorized.
- ii. During financial year 2016-17 to 2017-18 an expenditure of Rs.5,290,819/- (POL Rs.3,270,259+ R&M Rs. 2,020,560) has been incurred on POL and repair maintenance of above said vehicles as under:

POL

Vehicle No.	2016-17	2017-18	Grand. Total
GX-804	847,617	871,543	1,719,160
GAB-702	381,078	473,003	854,081
GY-536	338,465	358,553	697,018
Total Rs.	1,567,160	1,703,099	3,270,259

Repair

Vehicle No.	2016-17	2017-18	Grand. Total
GX-804	170,050	446,300	616,350
GAB-702	462,235	609,300	1,071,535
GY-536	190,945	141,730	332,675
Total Rs.	823,230	1,197,330	2,020,560

The expenditure of Rs.5.290 million is treated as irregular/unauthorized.

No reply was given.

Para-41 **Non deposit of 16% GST amounting to Rs. 7.014 million by M/s Belfort**
(O.S-56) **Security Services (Pvt) Ltd. into Govt. Treasury.**

According to clarification issued by the Regional Tax Office Islamabad vide letter No.RTO/ISB/WHT/Unit-IV/41 dated 15.08.2016 “in accordance with clause (C) of Sub Section 44 of Section 2 of Sales Tax Act 1990 the services means the time at which the services are rendered or provided. Therefore, it is clear that the services performed by security agency after 1st July, 2015 shall be liable to tax at 16% irrespective of its date of agreement”.

Contrary to above, it has been observed that during financial year 2016-17 and 2017-18 the management of PIMS has made the payments of Rs. **43,839,255** to M/s Belfort Security Services (Pvt) Ltd as under:-

Financial year	Gross amount of Bills	16% GST not by the deposited firm
2016-17	23,081,207	3,692,993
2017-18	20,758,048	3,321,287
Total Rs.	43,839,255	7,014,280

Audit has observed that as per above instructions of the Income Tax Office, the firm was required to deposit 16% GST amounting to Rs. 7,014,280/- into Govt. Treasury but no amount of GST has been deposited by the firm. Thus an amount of Rs. 7,014,280/- is recoverable from the concerned firm which may be recovered and deposited into Govt. Treasury under intimation to audit.

No reply was given.

Para-42 **Non fulfillment of obligations by Car Parking contractor.**
(O.S-54)

According to Rule-11 of GFR Vol-I “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”.

Contrary to above, it has been observed that the during financial year 2017-18 the management has awarded Car Parking Contract to M/s Secure Risk Islamabad vide PIMS letter No. F.1-19/2017-2018/C. Parking /Pur(NM)/PIMS dated 24.05.2018 as under:-

Name of Contractor /firm	Date of issue of award letter	Initial period of contract	Monthly Rent (Rs.)
M/S Secure Risk, Islamabad	24.05.2018	One year w.e.f.21.06.2018	366,000/-

As per terms & conditions of car parking contract the contractor was required to fulfill some obligations as under:-

1	The company/contractor will fix and clearly display a board at	No display board fixed by
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	the entry gates, warning all those exempted from parking fee to get free entry pass and return these at the exit gate, otherwise the company/ contractor and Pakistan Institute of Medical Sciences (PIMS) will not be responsible for any incident of theft or damage. The Security department of PIMS will issue sticker to all staff to be displayed on the front screen of their vehicles.	the contractor.
2	The approved company/ contractor will have to submit the agreement on judicial papers within fifteen days after receiving the award letter.	No agreement has been submitted by the firm so far.
3	The company/ contractor will be responsible for any theft/ loss of vehicle.	Instead of observing this clause, the contractor has got printed the slip with the following remarks on back side “contractor is receiving only Govt, parking fee. (Parking at your own risk”).
4	The approved company/ contractor will be evaluated on monthly basis by a committee designated by the competent authority PIMS according to the following Structured Evaluation Performa	No monthly performance evaluation report has been prepared and provided to audit.
<u>Requirements as part technical proposal.</u>		
5	NOC Ministry of Interior	Record not shown to audit.
6	License Chief Commissioner Office, Islamabad	Record not shown to audit.
7	Income Tax deduction of last three years.	Record not shown to audit.
8	Company’s audited financial report of last three years.	No audited financial report of the company has been shown to audit.
9	Company Profile.	Not produced to audit.
10	List of Clients.	Not produced to audit.
11	Firm’s last 03 years working experience including performance at respective organization/ Institution supported by the documentary proofs.	Not produced to audit.
12	Details of company’s Directors on letter pad.	Not produced to audit.
13	Details of monitoring/ inspection system on company’s letter pad.	Not produced to audit.
14	Details of locations of offices (to be clearly marked as Head Office / Regional Offices) with landline telephone numbers.	Not produced to audit.
<u>Responsibilities of the contractor.</u>		
15	The approved company / contractor will carpet parking Areas of PIMS with ground and stone dust.	No record has been provided to audit in this regard.
16	The approved company/ contractor will have to provide security to all vehicles in all parking areas of PIMS and ensure anti-theft measures to the entire satisfaction of Pakistan Institute of Medical Sciences (PIMS) competent authority.	No record has been provided to audit.

	The approved company/ contractor will be responsible for cleanliness of all parking areas & all roads of PIMS and will depute 06 Sanitary Workers in three shifts permanently for the said purpose at his own expenses.	
<u>Staff requirement.</u>		
17	The company/ contractor will provide minimum Eighty (80) numbers of Guards, three (03) Supervisors and one (01) operational Manager (total 84) to PIMS in three shift as required by the Security department of PIMS. Supervisors should be Ex Army personal i.e. NCO/JCO. Manager Operation should be a graduate (Preferable Ex. Army).	No such record has been provided to audit.
18	The approved company/ contractor will use Search Mirrors at Main Gates of Pakistan Institute of Medical Sciences (PIMS).	Search mirrors not being used.

Audit has observed that the above obligations have not been fulfilled by the contractor of Car Parking. Despite lapse of more than six months no formal contract agreement has been executed with the contractor. Actual date of possession of the car parking area by the contractor is also not known to audit.

No reply was given.

Para-43 **Unjustified payment of pay & allowances to Dr. Minhaj-us-Siraj who is not**
(O.S-68) **servicing the PIMS since September,2011.**

According to Rule-10 of GFR Vol-I “Every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety among the principles on which emphasis is generally laid are the following”.

- i. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- ii. The amount of allowances granted to meet expenditure of a particular type should be
So regulated that the allowances are not on the whole a source of profit to the recipients.

According to Rule-11 of GFR Vol-I “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”

Contrary to above, it has been observed that Dr. Minhaj-us-Siraj of PIMS was posted in Ministry of Capital Administration & Development Division w.e.f. September, 2011 (as per his application dated 21.06.2017 addressed to the Secretary CA&DD).

Audit has observed that :-

- i. The officer has been working as Deputy Director General (Health) since September ,2011 but his posting orders duly approved by the competent authority containing terms and conditions of the posting has not been produced to audit.

- ii. Although, the said doctor has been working in the CA&DD since September, 2011 but drawing his pay & allowance from PIMS budget without any justification. Detail of a few month's payment of pay and allowances is as under:-

Period	Gross Pay per month in Rs.
01.12.2013 to 30.06.2014	146,976
01.07.2014 to 30.11.2014	151,976
01.12.2014 to 30.06.2015	159,921
01.07.2015 to 30.11.2015	172,317
01.12.2015 to 30.06.2016	172,317
01.07.2016 to 30.11.2016	172,317
01.12.2016 to 30.06.2017	185,124

- iii. The payment of Health Allowance and Non Practicing Allowance has also been made to the doctor as under:-

Health Allowance

Period	Amount of Health Allowance per month	Total Payment made
01.01.2014 to 30.11.2014 (11 months)	50000	50000*11=550,000
01.12.2014 to 30.06.2017 (31 months)	53000	53000*31=1,643,000
Total Rs.		2,193,000

Non practicing Allowance

Period	Amount of Non practicing per month	Total Payment made
01.01.2014 to 30.06.2017 (42 months)	4,000	4,000*42=168,000/-
Total Rs.		168,000/-

- iv. Capital Administration & Development Division's letter dated 30.10.2015 (endorsed by the Finance Division vide No. 2(13)R-2/2015-983 dated 30.10.2015), has conveyed the approved for the grant of fixed Medical Risk Allowance to all Health Personnel working in BS-01 to 22 in the Federal Government Hospital under administrative control of CA&DD i.e. PIMS, FGSH, NIRM w.e.f. 01.10.2015 on monthly basis. The Fixed Medical Risk Allowance has also been paid to the Doctor as under :-

Period	Rate per month(Rs.)	Total payment (Rs.)
1.07.2015 to 30.04.2017	4,200	42,000
01.05.2017 to 30.06.2018	5,200	72,800
Total Rs.		114,800

Audit holds that since the officer is not serving the PIMS since September, 2011 therefore, the payment of Pay & Allowances and other benefits to the said doctor is treated as unjustified.

No reply was given.

Para-44 Irregular / unauthorized collection of hospital's receipt by Patient Welfare Society -Rs. 4.662 million.
(O.S-06)

According to Rule-11 "Each head of a department is responsible for enforcing financial order and strict economy at every step He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers".

Contrary to above, it has been observed that the management of the Patient Welfare Society has collected the hospital's receipt from various autonomous bodies/ institutions for treatment of their patients/ employees as under:-

Amount Received from Govt Institutions Autonomous Bodies during 2016-17.

S#	F. No.	Dated	Ch. No.	Deptt	Pt. Name	Amount Received	Amount Spent	Hospital charges	Amount Refund.
1	04	23.12.16	4125436	AIOU	M.Abdullah	250,000	85,000	10,000	230,000
2	06	3.1.17	00136381	CDA	M. Ramzan	200,000	22,000	0	178,000
3	07	9.2.17	1002700788	CDA	Saeed Asif	400,000	327,100	0	0
4	08	14.2.17	72283938	IIUI	F/o Imranullh	450,000	176,000	40,600	230,394
5	09	3.4.17	1002704522	CDA	Asif Mehmood	280,000	280,000	0	0
6	10	28.4.17	1002706090	CDA	Saeed Asif	200,000	170,900	0	0
7	11	8.5.17	78490261	IIUI	M. Shoaib	21,000	0	0	21,000
8	18	14.6.17	1002740968	CDA	M. Hussain	280,000	280,000	0	0
9	05	17.1.17	71390682	IIUI	F/o Imranullh	450,000	208,900	42,650	198,450
Sub-Total (A) Rs.						2,531,000	1,549,900	93,250	857,844

Amount Received from Govt. Institutions Autonomous Bodies during 2017-18.

1	01	31.8.17	1002707619	CDA	Khalid	280,000	280,000	0	0
2	07	25.9.17	45496387	PAEC	M.Amjad	800,000	0	0	0
3	23	30.1.17	0002899	IIUI	Saqib	300,000	144,700	40,000	115,300
4	25	2.2.18	00006280	QAU	M. Ashraf	250,000	244,400	0	5,600
5	27	1.3.18	100353281	CDA	Sarfranz	232,900	0	0	0
6	32	5.4.18	00000308	NUST	Farhad	250,000	196,200	40,000	13,800
7	33	30.6.18	00004880	IIUI	Fakhar Alam	18,500	8,500	10,000	0
Sub- Total (B):-						2,131,400	873,800	90,000	134,700
Grand Total						4,662,400	2,423,700	183,250	992,544

Audit has observed that:-

- i. Patient Welfare Society is not authorized to collect hospital's receipt and its further deposit into society's current bank Account No. 4010795201 being maintained with National Bank of Pakistan PIMS Branch Islamabad. Thus collection of above receipt ,its deposit into Societty's Bank Account and incurring of expenditure there from is treated as irregular/unauthorized.
- ii. Detail of total receipt, expenditure incurred and amount refunded to concerned departments during 2016-17 and 2017-18 is as under:

Total Receipt	Rs. 4,662,400/-
Less amount incurred on treatment	Rs. 2,423,700/-
Balance	Rs. 2,238,700/-
Less amount deposited in hospital account	Rs. 183,250/-
Balance	Rs.2,055,450/-
Less amount refunded to department	Rs.1,062,906/-
Remaining un-adjusted amount lying in the Society's account	Rs. 992,544/-

Thus balance an amount of Rs. 992,544/- is still lying un-adjusted in the Society's since long for which no steps have been taken by the society. Retention un-adjusted amount needs to be justified.

- iii. Audit could not ascertain the observance of rules and fulfillment of codal formalities i.e calling of open tender while incurring expenditure of Rs.2,423,700/- on purchase of medicines which is in violation of PPRA Rules,2004. Authenticity of actual receipt and distribution of medicines among the patients could not be verified as no such record has been provided to audit.

No reply was given.

Para-45 **Loss to Govt. exchequer due to non disposal of off road vehicle worth Rs.**
(O.S-44) **3.557 million.**

Accordingly to Rule-26 of Staff Car Rules, 1980 “All vehicles shall be disposed of by Ministry / Division concerned through public auction.

Contrary to above, it has been observed that from noting of file No. F.1/16(TPT)/PIMS the management of PIMS, during May,2017,has submitted a case to the Capital Administration and Development Division (CADD) for constitution of Condemnation Committee for condemnation of 16 official vehicles (list enclosed) of the PIMS. The original cost of the vehicles is Rs. 3,557,000/- (as given in enclosed the statement) .

Although, the CADD has constituted a Condemnation Committee vide Office Order No. F.4-26/2017-18-General dated 31.07.2018 and a meeting of Condemnation Committee has also been convened on 7.9.2018 vide meeting notice No. F.4-26/2017-18-General dated 6.9.2018. But the said vehicles have neither been declared condemned nor disposed off so far. Due to non disposal, the condition of vehicles is deteriorating day by day and these are losing reserve price with the passage of time.

No reply was given.

Para-46 **Non submission of PC-IV of completed projects to Planning**
(O.S-51) **Commission.**

Accordingly to instructions contained in Planning Commission’s document “Manual of Development Project” “PC-IV form is required to be submitted at the time when the project is adjudged to be completed”.

Contrary to above, it has been observed that the management of PIMS had got approved the following development projects in the past. As per their administrative approval, the period of completion of the following development projects has been expired. But no PC-IV has been submitted to the Planning Commission (through line Ministry) so far. Detail is as under:-

S #	Name of Project	Total Cost (Rs. in million)	Date of approval	Time for completion as per Admn. approval	Expenditure incurred (Rs. in million)
1	Up gradation of X-Ray Machines in Radiology Department in PIMS Islamabad	59.760 million	31.08.2016 Approved by the DDWP	12 months up to 30.08.2017	46.274 up to 2016-17
2	Up gradation of X-Ray Machines in Radiology Department in Children Hospital, Islamabad	59.760 million	31.08.2016 Approved by the DDWP	12 months up to 30.08.2017	40.337 up to 30.06.2017

3	Establishment of Bone Marrow Transplant Centre at PIMS Islamabad	43.344 million	26.03.2013	Completion time extended up to up to 30.06.2018	24.8 up to 30.06.2016
4	Up-gradation of Non Radiation Diagnostic Services in PIMS Islamabad	198.130	11.04.2017	12 months w.e.f. 23.06.2017 to 22.06.2018	83.094 up to 30.06.2018

Reasons for non submission of PC-IV of above said projects needs to be justified and position clarified to audit.

No reply was given.

Para-47 **Non maintenance of inventory of dead stock items in Health Management**
(O.S.70) **Information System (HMIS)-Rs. 98.880 million.**

According to Rule- 154 of GFR Vol-I “An inventory of the dead stock should be maintained in all Government offices in a form prescribed by competent authority, showing the number received, the number disposed of (by transfer, sale loss etc) , and the balance in hand for each kind of article. The instructions given below should be carefully observed by all concerned.

Contrary to above, it has been observed that the management of PIMS has been maintaining a Health Management Information System (HMIS) wherein data regarding patients, lab tests, accounts, and medicines and surgical store etc. has been maintained during financial year 2016-17 and 2017-18. But the PIMS has also purchased Physical Assets (including hardware, furniture, and medical equipment) during 2016-17 and 2017-18 as under:-

Financial Year	Name of Office	Head of Account	Expenditure
2016-17	PIMS	A09-Physical Assets	17,553,889
	Children	A09-Physical Assets	3,558,676
	MC H	A09-Physical Assets	0
	Cardiac	A09-Physical Assets	1,097,902
	Burn Center	A09-Physical Assets	5,875,463
2017-18	PIMS	A09-Physical Assets	16,207,481
	Children	A09-Physical Assets	2,753,785
	MC H	A09-Physical Assets	771,032
	Cardiac	A09-Physical Assets	50,852,850
	Burn Center	A09-Physical Assets	209,800
		Total Rs.	98,880,878

Audit has observed that:-

- i. The Physical assets and costly equipment worth Rs.98,880,878/- has been purchased but no computerized inventory of dead stock items has been maintained in the Health Management Information System (HMIS).
- ii. Items purchased during financial year 2016-17 and 2017-18 have been entered in stock register but no previous reference of similar item is available. Thus the audit is unable to know the whereabouts of costly machines purchased in the past, their stock position and further disposal (after purchase of new machines in replacement of old one).

Reasons for non maintenance of Dead Stock Inventory of costly store items worth Rs.98.880 million may be made known and position clarified to audit.

Para-48 Irregular expenditure of Rs. 2.304 million without calling open tender.

(O.S-11)

According to Rule-12 PPRA Rules,2004 “Procurements over forty thousand rupees and up to the limit of one million rupees shall be advertised on the Authority’s website in the manner and format specified by regulation by the Authority from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency”.

(2) All procurement opportunities over one million rupees should be advertised on the Authority’s website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu”.

The contrary to above, it has been observed that during financial year 2016-17 the management of the project “Establishment of Federal Breast Cancer Screening Centre at PIMS Islamabad” has incurred an expenditure of Rs. 2,304,931 on account of designing and printing charges, purchase of stationery and misc items as under:-

S#	Head of Account	Bill No and date	Invoice No. & date	Name of Supplier/Firm	Particular of purchase	Amount
1	A039-A03970	FBCSP-0099/2016-17 dated 22.06.2017	147 dated 20.6.2017	Kashif Trading Company	P/F of rolling Blind (Folding Type)	148,370
2	A03901- office stationery	FBCSP-0107/2016-17 dated 23.6.2017	1408 dated 2.6.2017	IK Enterprises	Fie Tray plastic , Toner Fax and Toner copier	39,500
3	A03901- office stationery	FBCSP-0111/2016-17 dated 23.6.2017	2473 dt. 22.06.2017	Ch. General order supplier Chakwal	Offset paper	394,000
4	A03901- office stationery	FBCSP-0110/2016-17 dated 23.6.2017	298 dt. 2.6.2017	RS Traders	Stationery Items	376,111
5	A03903- Seminar/syposia	FBCSP-0066/2016-17 dated 15.6.2017	OM/17/020 dt.24.06.2017	Midas Communication Pakistan	Four color printing on penaflex	79,200
6	A03903- Conf. Seminar/syposia	FBCSP-0065/2016-17 dated 15.6.2017	OM/17/019 dt.24.06.2017	Midas Communication Pakistan	Writing pad, front and back title four color printing etc.	83,750
7	A03903- Conf. Seminar/syposia	FBCSP-0067/2016-17 dated 09.6.2017	OM/17/021 dt.24.06.2017	Midas Communication Pakistan	Keychain in wood FBCS logo print on keychain (Designing and printing)	82,500
8	A03903- Conf. Seminar/syposia	FBCSP-0067/2016-17 dated 09.6.2017	OM/17/017 dt.24.06.2017	Midas Communication Pakistan	Designing and printing	76,000
9	A03903- Seminar/syposia	FBCSP-0069/2016-17 dated 20.6.2017	OM/17/023 dt.24.06.2017	Midas Communication Pakistan	Designing and printing	84,000
10	A03903- Seminar/syposia	FBCSP-0068/2016-17 dated 15.6.2017	OM/17/022 dt.24.06.2017	Midas Communication Pakistan	Designing and printing	80,000
11	A03902- Printing	FBCSP-0109/2016-17	OM/17/2006 dt.19.06.2017	Midas Communication	Designing and printing	90,000

	& Publication	dated 23.6.2017		n Pakistan		
12	A03970- Others	FBCSP-0025/2016-17 dated 02.6.2017	OM/17/214-A dt.29.06.2017	Midas Communication Pakistan	Designing and printing	84,000
13	A03970- Others	FBCSP-0024/2016-17 dated 02.6.2017	OM/17/214-B dt.29.06.2017	Midas Communication Pakistan	Designing and printing	76,000
14	A03970- Others	FBCSP-0026/2016-17 dated 02.6.2017	OM/16/212 dt.25.06.2017	Midas Communication Pakistan	Designing and printing and installation	69,000
15	A03970-Others	FBCSP-0027/2016-17 dated 02.6.2017	OM/16/213 dt.25.06.2017	Midas Communication Pakistan	Designing and printing and installation	69,000
16	A03902-Printing & Publication	FBCSP-0103/2016-17 dated 23.6.2017	OM/17/2008 dt.19.06.2017	Midas Communication Pakistan	Designing and printing	90,000
17	A03902- Printing & Publication	FBCSP-0102/2016-17 dated 23.6.2017	OM/17/2009 dt.19.06.2017	Midas Communication Pakistan	Designing and printing	90,000
18	A03902- Printing & Publication	FBCSP-0108/2016-17 dated 23.6.2017	OM/17/2007 dt.19.06.2017	Midas Communication Pakistan	Designing and printing	99,900
19	A03902- Printing & Publication	FBCSP-0101/2016-17 dated 23.6.2017	OM/17/2010 dt.19.06.2017	Midas Communication Pakistan	Designing and printing	100,000
20	A03902- Printing & Publication	FBCSP-0104/2016-17 dated 23.6.2017	OM/17/2005 dt.19.06.2017	Midas Communication Pakistan	Designing and printing	93,600
					Total Rs.	2,304,931

Audit has observed that:-

- i. No open tender has been floated to get the benefit of competition rates as required under Rule-12 of PPRA Rules,2004.
- ii. Out of total amount of Rs. 2,304,931 an expenditure of Rs.1,346,950 has been incurred on designing & printing, key chair in wood FBCS from one supplier / firm i.e M/s Midas Communication by splitting up purchase orders to avoid necessity for calling open tender and sanction of competent authority.
- iii. No stock entry has been made and provided to audit. In the absence of stock entry the entire purchase of items (as detailed in the table) is treated as doubtful. Audit could not ascertain the actual supply received and issuance of items to concerned officers/ staff/ departments.

No reply was given.

Para-49 **Irregular/unjustified expenditure incurred on POL & repair maintenance of**
(O.S-12) **official vehicles of PIMS out of project funds- Rs.0.292 million.**

According to Rule-10 of GFR Vol-I According to Rule-10 of GFR Vol-I “Every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety among the principles on which emphasis is generally laid are the following:

2. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

Contrary to above, it has been observed that the management of the project titled “Establishment of Federal Breast Cancer Screening Centre at PIMS Islamabad” has incurred an expenditure of Rs. 487,526/-on POL and repair maintenance of following official vehicles of Islamabad Hospital which did not relate to the project:-

S#	Bill No. date	Vehicle No.	Exp. Incurred on POL
1	FBCSP-0031/2016-17 dated 13.04.2017	097	4167/-
		098	4167/-
		1231	3715/-
		2005	8334/-
		3158	4167/-
		3173	4167/-
		3472	4167/-
		3651	4167/-
		3652	4167/-
		3653	12,501/-
		3904	1,486/-
		5263	7,430/-
		5264	3,715/-
		5283	3,715/-
		536	4,458/-
		5356	3,715/-
		5936	4,667/-
		5992	6,032/-
		6408	8,334/-
		7136	14,482/-
		7137	7,015/-
		7165	1,486
		7168	2,972/-
		8157	4,167/-
		8159	4,167/-
		8160	12,501/-
		8246	6,032/-
8393	8,916/-		
8652	4,167/-		
8791	8,334/-		
8926	4,833/-		
9105	1,486/-		
912	6,032/-		
932	6,833/-		
934	4,167/-		
Sub total Rs.			194,863/-
S#	Bill No. date	Vehicle No.	Exp. Incurred on Repair of vehicles
	FBCSP-0031/2016-17	Gs-932	14,150/-
		8293	11,500/-
		098	30,100/-
		7481	10,550/-
		2005	24,150/-

	5992	7,350/-
	Sub total Rs.	97,800/-
	Grant Total Rs. (194,863+97,800)=	292,663/-

Despite the fact that the above vehicles have not been purchased out of said project but the cost of POL & repair maintenance of Rs.292,663/- incurred on PIMS (main) vehicles has been charged to the project funds which is treated as irregular/ unjustified .

No reply was given.

Para-50 Non recovery of Rs. 0.307 million from an Assistant.
(O.S-13)

According to Rule-8 of GFR Vol-I “Subject to such general or specific instruction as may be issued by Government in this behalf it is the duty of the Revenue or Administrative Department concerned to see that the dues of Government are correctly and promptly assessed collected and paid into the treasury”

According to Rule-4 to 5 of GFR Vol-I “All transactions to which any officer of Government is a party in his official capacity must be brought to account without delay”. “Moneys received as dues of Government or for deposit in the custody of Government should be credited into the Public Account in accordance with the Treasury”

Contrary to above, it has been observed that the management of PIMS has issued Office Order No. PF.1-4(Asstt)/2011-CH (Admin) dated 23.10.2018 conveying the following order of competent authority.

“with reference to this office letter of even number dated 16.04.2018 regarding personal hearing of Mr. Muhammad Shoaib-ul-Islam, Assistant (BPS-16) Children Hospital, he was heard in person by the Executive Director (Authority) on 16.5.2018. Taking a lenient view and considering his length of service, he was directed to submit an affidavit for commitment to work regularly in future. In compliance of the direction, he has submitted an undertaking on stamp paper. Therefore his salary is hereby released. However, the prolonged period of his unauthorized absence from duty w.e.f. 25.4.2017 to 4.6.2018 is hereby treated as leave without pay.”

As per above Office Order recovery of Rs.898,805 for the period 25.04.2017 to 04.06.2018 has been worked out as under:-

Period	Gross pay	Amount Recoverable
25.4.2017 to 30.06.2017 (02 month 06 days)	62,782	138,120
01.07.2017 to 30.11.2017 (05 months)	67,616	338,080
01.12.2017 to 31.5.2018 (06 months)	68,903	413,418
01.06.2018 to 04.06.2018 (04 months)	68,903	9,187
	268,204	898,805

Against recoverable amount of Rs.898,805/- recovery of Rs.591,689 has been made and deposited into Govt. Treasury (by the DDO as his pay was released through DDO) as under:-

Period / monthly	Total Amount(Rs.)	Month of drawal by DDO	Date of deposit into Govt, Treasury	Period of delayed deposit

11/2017 to 2/2018(04 months)	231,614	11/2017,12/2017,1/2018,2/2018	28.06.2018	04 to 06 months
3/2017 to 4/2018 (02 months)	116,312	3/2017 and 04/2017	13.07.2018	03 to 04 months
5/2018	58,156	5/2018	26.10.2018	05 months
6/2018	58,007	6/2018	26.10.2018	04 months
7& 8/2018 (02 months)	127,600	7& 8/2018	07.11.2018	03 to 04 months
Total Rs.	591,689			

The balance amount of Rs.307,116 has not been recovered from the above said Assistant so far. Audit has further observed that his salary was drawn by the DDO (instead of making payment through his bank account) and was temporarily misappropriated for the period ranging from 03 to 06 months as given in above table.

Reasons for non recovery of Rs. 307,116 and temporary misappropriation may be justified to audit.

No reply was given

Para- 51 Irregular /unauthorized deposit of hospital receipt in Bank Account- (O.S-25) Rs. 0.398 million.

Accordingly to Rule-4 and 5 of GFR Vol- “All transactions to which any officer of Government is a party in his official capacity must be brought to account without delay. Moneys received as dues of Government or for deposit in the custody of Government should be credited into the Public Account in accordance with the Treasury Rules”.

Rule-8 ibid further states that “Subject to such general or specific instruction as may be issued by Government in this behalf it is the duty of the Revenue or Administrative Department concerned to see that the dues of Government are correctly and promptly assessed collected and paid into the treasury”

Contrary to above, it has been observed that the management of Children Hospital has been maintaining Bank Account No. 4010790411 with Nation Bank of Pakistan PIMS Branch, Islamabad for deposit of funds received from other department/institutions/autonomous bodies for treatment of their employees.

Audit has observed that:-

- i. During July, 2015 to March ,2018 the management of Children Hospital has received a sum of Rs. 140,923 from various autonomous bodies i.e. Allama Iqbal Open University, PTCL, FBISE,CDA, PEMRA, Dawah Academy, PNRA PAEC (as detailed in enclosed statement) and deposited into above bank account instead of Govt. Treasury. After adding opening balance of Rs. 257,485/- (as on 01.07.2015), total closing balance of Rs.398,408/- is available in the said Bank Account on 05.03.2018 which has not been deposited into Govt. Treasury despite lapse of three and half years. Thus Govt. money has been retained outside the Govt. Exchequer without any justification.
- ii. No approval of competent authority has been obtained for opening and maintenance of above account and produced to audit.

- iii. No cash book of said bank account has been maintained which is in contravention of Rule-177 of FTRs.
- iv. No adjustment accounts have been rendered to the concerned autonomous against receipt of above amounts.

No reply was given.

Para-52 **Doubtful disbursement of 60% share of fee -Rs.3.115 million.**
(O.S-23)

According to Rule-205 of FTRs "Subject as hereinafter provided in this rule, a Government officer entrusted with the payment of money shall obtain for every payment he makes, including repayment of sums previously lodged with the Government, a voucher setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in the accounts. Every voucher must bear, or have attached to it, an acknowledgment of the payment signed by the person by whom, or in whose behalf, the claim is put forward. The acknowledgment shall be taken at the time of payment. "

A) Contrary to above, it has been observed that during financial year 2016-17 to 2017-18 the management of Mother & Child Hospital (MCH) has drawn 60% share of fee of Rs. 22,573,085 out of which an amount of Rs.7,098,925 has been paid to the Head of Pathology, Radiology and Accounts Department for further disbursement to paramedic and concerned staff as under:-

Period of payment	Voucher No. & Date	Grass amount of drawn	Name of Component	Actual payment made to HOD for further disbursement	Actual Disbursement shown to Audit	Disbursement of paramedics and Common Pool share not shown to audit.
July-Sep 2016	68 dated 16-11-2016	2,617,060	Pathology	629,608	382,703	246,905
			Radiology	239,022	140,456	98,566
			Common Pool	26,170	0	26,170
Oct-Dec 2016	69 dated 28-02-2017	3,114,899	Pathology	794,472	482,914	311,558
			Radiology	298,170	175,213	122,957
			Common Pool	31,150	0	31,150
Jan-March 2017	70 dated 31-05-2017	3,307,900	Pathology	773,034	469,884	303,150
			Radiology	269,464	158,345	111,119
			Common Pool	33,080	0	33,080
April-June 2017	71 dated 16-08-2017	2,794,034	Pathology	567,155	337,391	229,764
			Radiology	270,821	155,578	115,243
			Common Pool	27,940	0	27,940
July-Sep 2017	72 dated 09-12-2017	2,946,342	Pathology	620,141	368,911	251,230
			Radiology	258,649	148,586	110,063
			Common Pool	29,464	0	29,464
Oct-Dec 2017	73 dated 20-02-2018	2,601,260	Pathology	454,423	270,329	184,094
			Radiology	253,911	145,864	108,047
			Common Pool	26,012	0	26,012
Jan-March 2018	74 dated 21-05-2018	2,702,438	Pathology	523,983	311,708	212,275
			Radiology	277,234	159,262	117,972
			Common	27,024	0	27,024

			Pool			
April-June 2018	75 dated 31-08-2018	2,489,152	Pathology	393,301	233,967	159,334
			Radiology	249,805	143,505	106,300
			Common Pool	24,892	0	24,892
TOTAL		22,573,085		7,098,925	4,084,616	3,014,309

Audit has observed that out of Rs.7,098,925/-, paid to HODs and Accounts Section by the MCH a sum of Rs. 4,084,616/- has been disbursed to concerned staff and record produced to audit. Whereas, no record regarding disbursement of balance amount of Rs.3,014,309/- has been produced to audit.

B) Similarly, the management Islamabad Hospital (IH) has drawn 60% share of fee amounting to Rs.5,088,744 and paid to Head of Pathology Department for further disbursement to Lab Technicians. The Pathology Department disbursed a sum of Rs.4,966,682 to the staff leaving undisbursed amount of Rs.101,588/-.No record has been produced to audit regarding disbursement of balance amount of Rs.101,588/-.Detail is as under:-

Period of payment	Bill No. & Date	Name of Component	Actual payment made to HOD for further Disbursement to Lab. Technicians	Actual Disbursement Shown to Audit	Disbursement not shown to Audit
July-Sep 2016	83 dated 02-11-206	IH Pathology	468,632	463,833	4,799
Oct-Dec 2016	84 dated 07-02-2017	IH Pathology	574,991	555,151	19,840
Jan-March 2017	85 dated 19-05-2017	IH Pathology	656,224	636,756	19,468
April-June 2017	86 dated 25-08-2017	IH Pathology	641,642	629,507	12,135
July-Sep 2017	87 dated 23-11-2017	IH Pathology	760,387	756,500	3,887
Oct-Dec 2017	88 dated 28-04-2018	IH Pathology	501,993	484,912	17,081
Jan-March 2018	89 dated 09-08-2018	IH Pathology	793,547	769,169	24,378
April-June 2018	90 dated 29-08-2018	IH Pathology	691,328	670,854	20,474
Total Rs.			5,088,744	4,966,682	101,588

Thus disbursement of Rs.3,115,897(3,014,309 + 101588) is treated as doubtful. The possibility of mis-appropriation of cash money of Rs.3.115million cannot be ruled out.

No reply was given.

Para-52 **Doubtful disbursement of 60% share of fee by the Children Hospital amounting to**
(O.S-50) **Rs.4.298 million-suspected misappropriation thereof.**

According to Rule-205 of FTRs "Subject as hereinafter provided in this rule, a Government officer entrusted with the payment of money shall obtain for every payment he makes, including repayment of sums previously lodged with the Government, a voucher setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in the accounts. Every voucher must bear, or have attached to it, an acknowledgment of the payment

signed by the person by whom, or in whose behalf, the claim is put forward. The acknowledgment shall be taken at the time of payment. "

Contrary to above, it has been observed that the management of Children Hospital has drawn 60% share of fee during financial year 2016-17 to 2017-18 and paid the following amounts to Head of Departments / their authorized persons for further disbursement to their staff:-

Period of payment	Voucher No. & Date	Name of department	Actual payment made to concerned Head of department.	Amount disbursed and shown to Audit	Disbursement not shown to audit.	Name of HOD/authorized person who received amount from Children Hospital
July-December 2016	67 & 68 dated 02-03-2017	Pathology	736,670	0	736,670	Amjad Mehmood, Lab. Manager
		X-Ray & Ultrasound	500,843	0	500,843	Dr. Shazia Farooqui
		Admn& Accounts Share	24,600	0	24,600	Not mentioned
		Anesthesia	73,687	0	73,687	Not mentioned
			0	0	0	
Jan-June 2017	69 dated 31-07-2017	Anesthesia	53,281	0	53,281	Not mentioned
		Pathology	700,748	0	700,748	Amjad Mehmood Medical Technologist
		X-Ray Ultrasound	478,254	0	478,254	Dr. Shazia Farooqi Profesor
July-Dec 2017	70 dated 13-03-2018	Anesthesia	47,427	0	47,427	Not mentioned
		Pool Staff	19,724	0	19,724	-do-
		Pathology	624,678	0	624,678	Prof. Shahla Zameer, Head of Radiology
		X-Ray Ultrasound	440,167	0	440,167	Amjad Mehmood Medical Technologist
Jan-June 2018	71 dated 29-08-2018	Pathology	598,257	0	598,257	No detail of disbursement provided.
		X-Ray Ultrasound	0	0	0	No detail of disbursement provided
		Admn& Accounts	0	0	0	No detail of disbursement provided
		Anesthesia	0	0	0	No detail of disbursement provided
		Total:-	4,298,336	0	4,298,336	

Audit has observed that an amount of Rs. 4,298,336/- was paid to head of department/ authorized persons for further disbursement to their employees (in each department) but no further disbursement has been made by them and produced to audit. The possibility of misappropriation 60% share of fee of Rs.4.298 million cannot be ruled out.

No reply was given.

Para-53 **Non recovery of Rs.0.374 million of house rent allowance and conveyance allowance from Dr. Mazhar Badshah despite occupation of two rooms of Medical Officers Hostel by him.**
(O.S-32)

According to Rule-8 of GFR Vol- “Subject to such general or specific instruction as may be issued by Government in this behalf it is the duty of the Revenue or Administrative Department concerned to see that the dues of Government are correctly and promptly assessed collected and paid into the treasury”

According to Rule-11 of GFR Vol-I “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”.

Contrary to above, it has been observed that as per PIMS letter No.F.1-1/2016/DDE/Billing/ZABMU/PIMS dated 5.9.2016, Dr. Mazhar Badshah had occupied Room No. 03& 04 of Medical Officers Hostel (in PIMS premises) and residing alongwith his family.

Audit has observed that:-

- i. As per letter No.F.1-1/2016/DDE/Billing/ZABMU/PIMS dated 5.9.2016, the said Doctor has occupied Room No. 03& 04 of Medical Officers Hostel but neither the house rent nor conveyance allowance has been recovered from the said Doctor. Audit has worked out recovery of House Rent allowance and conveyance allowance amounting to Rs.374,112/- as under:-

Period	Rent of HRA per month	Amount of HRA recoverable	Rate of Conveyance allowance per Month	Amount Recoverable	Total Amount
March 2016 to June 2018 (27 Months)	8,856/-	239,112	5,000/-	135,000/-	374,112/-

- ii. No approval of competent authority for allotment of two rooms to Doctors has been provided to audit. Thus the allotment of two rooms to a Doctor is not justified.

No reply was given.

Para-54 **Non recovery of air conditioner charges from the Doctors/Medical Officers/PGs- Rs.1.200 million.**
(OS-33)

According to Rule- of GFR Vol –I “Subject to such general or specific instruction as may be issued by Government in this behalf it is the duty of the Revenue or Administrative Department concerned to see that the dues of Government are correctly and promptly assessed collected and paid into the treasury”

According to Rule-11 of GFR Vol-I “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”.

Contrary to above, it has been observed that that the management of PIMS has issued following letters to various Doctors/Medical Officers/PGs (residing in Medical Officers Hostel) for deposit of Air Conditioner Charges amounting to Rs.1,200,000 as under:-

Letter No.F.1-1/2016/DDE/Billing/SZABMU/PIMS dated 05.09.2016 issued to 66 Medical Officers/Doctors/PGs residing in Medical Officers Hostel for deposit of Air-Conditioner Charges for the period April to September,2016

S#	Name& Designation/Department	Room No	Department	Monthly Amount	Amount payable within due date
1	Dr. Faheem Ahmed (MO)	01	General Surgery	1000.00	6000.00
2	Dr. Taimoor Hafeez (PG) Dr. Umair (PG)	02	Gastro	1000.00	6000.00
3	Dr. Mazhar Badsha (with family)	3&4	AP-NL	1000.00	6000.00
4	Dr. Liaqat Ali (AP)	5	Cardiac	1000.00	6000.00
5	Dr. Qasim MO	6	Ortho	1000.00	6000.00
6	Dr. Fareen Zada (MO)	7	Peeds	1000.00	6000.00
7	Dr.Zeeshan Mustafa Dr.Zaheer Ahmed	8	Radiology	1000.00	6000.00
8	Dr.Alamgeer	9	Neurosurgery	1000.00	6000.00
9	Dr.Nouman Manzoor Malik	11	Ortho	1000.00	6000.00
10	Dr.Suliman Zab (MO)	12	G/S	1000.00	6000.00
11	Dr.Alamgeer	13	Gen.Medicine	1000.00	6000.00
12	Dr.Ishfaq Ali Dr.Mohammad Arbi	16	Neurology G.M	1000.00	6000.00
13	Dr.Shahid Iqbal Dr.Muzzafar Khan	17	Netro G.M	1000.00	6000.00
14	Dr.Naveed Ahmed Shaikh (MO)	18	Anesthesia	1000.00	6000.00
15	Dr. Junaid Iqbal PG Dr. Saeed Ullah PG	19	Ent Artho	1000.00	6000.00
16	Dr. M. Saiq (AP)	20	BSs	1000.00	6000.00
17	Dr. Zakir Jan (AP)	21	Neurology	1000.00	6000.00
18	Dr. G.H Shabeer (MO)	23	Plastic Surgery	1000.00	6000.00
19	Dr. Syed Amir Shah (MO)	24	Neurosurgery	1000.00	6000.00
20	Dr. Zahid Iqbal(MO)	25	Anesthesia	1000.00	6000.00
21	Dr. Ahmed Farhan (MO)	26	G. Medicine	1000.00	6000.00
22	Dr. Shaid Ullah Qazi	28	Anesthesia	1000.00	6000.00
23	Dr. Imran-ud-Din (MO)	29	Gastro	1000.00	6000.00
24	Dr. Abdur Rehman Dr. Gul Nawaz (PG)	30	Gen. Surgery Cardiac	1000.00	6000.00
25	Dr. Umar Farooq Dr. Tahir Gillani	32	N.S Pulmo	1000.00	6000.00
26	Dr. Shafiq Hussain Dr. Muneeb Ullah	34	General Surgery	1000.00	6000.00
27	Dr. Fazal Qayum Dr. Nadeem Akhtar	35	Gen. Surgery ENT	1000.00	6000.00
28	Dr. Abdur Razzaq (CMO)	36	C.H	1000.00	6000.00
29	Dr. Usman Javed Dr. Aqeel Ahmed	38	Urology Nephrology	1000.00	6000.00
30	Dr. Bilal Dr. Safi Ullah	39	Gastro G. Medicine	1000.00	6000.00
31	Dr. Asif Imran (PG)	40	Gastro	1000.00	6000.00
32	Dr. Kashif Khan	41	Nephrology	1000.00	6000.00
33	Dr. Tahir Jillani Dr. waseem Abbas	42	Peeds Gastro	1000.00	6000.00
34	Dr. Mohammad Niaz	43		1000.00	6000.00
35	Dr. sana Ullah Dr. Musa	44	CH Anesthesia	1000.00	6000.00

36	Dr. Mohsin Ali Dr. Ali Akbar Sohail	45	Peads Sur Peads Surg.	1000.00	6000.00
37	Dr. Mohammad Saeed	48	EAC Ortho	1000.00	6000.00
38	Dr. Imran Yousaf Dr. Adnan Ullah	49	G.S Anesthesia	1000.00	6000.00
39	Dr. Wali Mohammad (MO)	50	Dental	1000.00	6000.00
40	Dr. Yasir Waheed Dr. Wasif Zafar Abbasi	51	Gen. Med	1000.00	6000.00
41	Dr. Mulazim (MO)	52	CH	1000.00	6000.00
42	Dr. Rehmat Ullah (PG) Dr. Zaheer Gul (FCPS)	53	Cardiac Eye	1000.00	6000.00
43	Dr. Khalil PG Dr. Junaid PG	54	Phys. Radiology	1000.00	6000.00
44	Dr. Zahid Dr. Majid Hussain	55	Anesthesia G. Surgery	1000.00	6000.00
45	Dr. Shoukat Ali Shah with Family (MO)	56	Anesthesia	1000.00	6000.00
46	Dr. Syed Salah-ud-Din Shah Dr. Rashid	57	Peads/Surgery	1000.00	6000.00
47	Dr. Ghulam Mustafa Kamal Dr. Shan Alam	59	Gastro/ Gastro Relieve	1000.00	6000.00
48	Dr. Nasir Ali Shah (MO)	61	Cardiac	1000.00	6000.00
49	Dr. Saad Ali Shah Dr. Umar Farooq	63	General Surgery	1000.00	6000.00
50	Dr. Bilal Dr. Hammad Akhtar	64	Anesthesia/Nephro	1000.00	6000.00
51	Dr. Fazal Mehmood (PG)	65	Ortho	1000.00	6000.00
52	Dr. Mohammad Ismail with Family	66	Dermo	1000.00	6000.00
53	Dr. Arif (PG)	67	Urology	1000.00	6000.00
54	Dr. Mohammad Yaad Zuman Dr. Sohail	68	Ortho Peads	1000.00	6000.00
55	Dr. Amjad Hussain Dr. M. Suliman	69	Urology. G.S	1000.00	6000.00
56	Dr. Sher Alam	70	Gastro	1000.00	6000.00
57	Dr. Rizwan Ahmed Dr. Taimoor	71	Gastro	1000.00	6000.00
58	Dr. Mohammad Ali (MO)	72	CH	1000.00	6000.00
59	Dr. Sajid Ali Shah (MO)	73	General Surgery	1000.00	6000.00
60	Dr. Amir Nawaz	74	Cardiac	1000.00	6000.00
61	Dr. Iqbal Shah	76	General Medicine	1000.00	6000.00
62	Dr. Azmat Ullah (MO)	77	ENT	1000.00	6000.00
63	Dr. Farhan Ahmed Dr. Sohail Akhtar	78	Cardiac. Peads	1000.00	6000.00
64	Dr. Irfan Ullah (MO)	81	Urology	1000.00	6000.00
65	Dr. Ali Raza Dr. Saddiq Hussain	83	Peads ENT	1000.00	6000.00
66	Dr. Shahbaz Memon Dr. Zulfiqar Memon	84	Anesthesia Peads	1000.00	6000.00
				Total Rs	396,000

Letter No. .F.1-1/2017/DDE/Billing/SZABMU/PIMS dated 27.07.2017 issued to 65 Medical Officers/Doctors/PGs residing in Medical Officers Hostel for deposit of Air-Conditioner Charges for the period April to September, (2017)

S#	Name& Designation/Department	Room	Department	Monthly	Amount payable
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		No		Amount	within due date
1	Dr. Faheem Ahmed (MO)	01	General Surgery	1000.00	6000.00
2	Dr. Taimoor Hafeez (PG) Dr. Umair (PG)	02	Gastro	1000.00	6000.00
3	Dr. Mazhar Badsha (with family)	3&4	Assistant Professor	1000.00	6000.00
4	Dr. Liaqat Ali (AP)	5	(AP)Cardiac	1000.00	6000.00
5	Dr. Qasim MO	6	Ortho	1000.00	6000.00
6	Dr. Naveed Hussain (from July to Sep 20127) Dr. Tayyab Anjum(MO)	7	(PG Cardiac (PG) G.Surgery	1000.00	3000.00
7	Dr.Zeeshan Mustafa Dr.Umair Ajmal (PG)	8	Radiology	1000.00	6000.00
8	Dr.Nouman Manzoor Malik	11		1000.00	6000.00
9	Dr.Suliman Zab (MO)	12	G/S	1000.00	6000.00
10	Dr. Umair ,Dr. Sheraz	13	Neurology Radiology	1000.00	6000.00
11	Dr.Ishfaq Ali, Dr.Mohammad Arbi	16	Neurology G.M	1000.00	6000.00
12	Dr.Shahid Iqbal (PG) ,Dr.Muzzafar Khan(PG)	17	(CH) (G.M)	1000.00	6000.00
13	Dr.Junaid-ul-Islam ,Dr. Raies	18	Psychiatry Psychiatry	1000.00	6000.00
14	Dr. Yawar ,Dr.Asad Ullah PG	19	Cardiac PG Artho	1000.00	6000.00
15	Dr. Muneeb Ahmed Dr. Khawar Suliman	20	Urology Urology	1000.00	6000.00
16	Dr. Zakir Jan (AP)	21	Neurology	1000.00	6000.00
17	Dr. Rashid Shamksi Dr. Adnan	22	Peads Medicine G. Medicine	1000.00	6000.00
18	Dr. G.H Shabeer (MO)	23	Plastic Surgery	1000.00	6000.00
19	Dr. Syed Amir Shah (MO)	24	Neurosurgery	1000.00	6000.00
20	Dr. Zahid (MO)	25	Anesthesia	1000.00	6000.00
21	Dr. Umair Gul PG (MO)	27	Radiology	1000.00	6000.00
22	Dr. Shahbaz Memon (PG)	28	Anesthesia	1000.00	6000.00
23	Dr. Imran-ud-Din (MO)	29	Gastro	1000.00	6000.00
24	Dr. Abdur Rehman Dr. Gul Nawaz (PG)	30	Gen. Surgery Cardiac	1000.00	6000.00
25	Dr.Hafiz Mohmmad Habib (July to Sep 2017) Dr. Naveed Ahmed	32	Pathology Artho	1000.00	3000.00
26	Dr. Abdul Razzaq MO	34	Peads	1000.00	6000.00
27	Dr. Fazal Qayum Dr. Nadeem Akhtar	35	Gen. Surgery ENT	1000.00	6000.00
28	Dr. Mujahid ,Dr. Shafeeq	36	Gen.SurgeryGen. surgery	1000.00	6000.00
29	Dr. Asif Imran (PG) Dr.Anwar-ul-Haq(MO)	40	Gastro	1000.00	6000.00
30	Dr. Kashif Khan (PG) Dr. Arif Mumtaz (PG)	41	Nephrology	1000.00	6000.00
31	Dr. Tahir Jillani Dr. waseem Abbas	42	Peeds Gastro	1000.00	6000.00
32	Dr. sana Ullah Dr. Musa	44	CH Anesthesia	1000.00	6000.00
33	Dr. Mohsin Ali Dr. Ali Akbar Sohail	45	Peads Sur Peads Surg.	1000.00	6000.00
34	Dr. Mehboob Ur Rehamn (MO) Dr. Abdul Manan (PG)	47	Cardiac Peads	1000.00	6000.00
35	Dr. Hamza PG Dr. Mohammad Saeed (PG)	48	Dental Ortho	1000.00	6000.00
36	Dr. Imran Yousaf(PG) Dr. Yawar Shah (PG)	49	N.S G.Med	1000.00	6000.00

37	Dr. Wali Mohammad (MO)	50	Dental	1000.00	6000.00
38	Dr. Syed Arif Hussain (PG) Dr. WHafeez Ullah (PG)	51	Gen. Med	1000.00	6000.00
39	Dr. Khalil Ullah Mubashar Dr. Muhammad Shoib	52	Gen. Med	1000.00	6000.00
40	Dr. Rehmat Ullah (PG) Dr. Wajahat Hussain PG	53	Cardiac	1000.00	3000.00
41	Dr. Nouman Dr. Junaid PG	54	Phys. Radiology	1000.00	6000.00
42	Dr. Abdur Rasheed Dr. Zahid Dr. Zeshan PG	55	Anesthesia G. Surgery	1000.00	6000.00
43	Dr. Wasan Manzoor PG Dr. Pervez PG	56	Gen. Med Anesthesia	1000.00	6000.00
44	Dr. Jahazeb Sikandar ,Dr. Rashid	57	Dermatology Peads/Surgery	1000.00	6000.00
45	Dr. Muhammad Arslan (PG) Dr, Asif (PG)	59	G.S G.S	1000.00	6000.00
46	Dr. Sharjeel Waheed MO	61	Gen. Sur	1000.00	6000.00
47	Dr. Saad Ali Shah Dr. Umar Farooq	63	General Surgery	1000.00	6000.00
48	Dr. Javed PG Dr. Hamad Akhtar PG	64	Anesthesia/Nephro	1000.00	6000.00
49	Dr. Bilal Ahmed(PG) Dr.Fatheen PG	65	Ortho	1000.00	6000.00
50	Dr.Sadiq PG	66	ENT	1000.00	6000.00
51	Dr. Arif (PG) Dr. Ahram PG	67	Urology G.Sur	1000.00	6000.00
52	Dr. Mohammad Yaad Zuman Dr. Sohail	68	Ortho Peads	1000.00	6000.00
53	Dr. Amjad Hussain PG Dr. Muhammad Raheem PG.	69	Urology. G.S	1000.00	6000.00
54	Dr. Sher Alam Dr. Haseeb Noor	70	Gastro	1000.00	6000.00
55	Dr. Rizwan Ahmed Dr. Taimoor	71	Gastro	1000.00	6000.00
56	Dr. Mohammad Ali (MO)	72	CH	1000.00	6000.00
57	Dr. Arslan Khan Dr. Safer Ahmed PG	74	Gen.Med Cardiac	1000.00	6000.00
58	Dr.G. Shabbir (PG) Dr.Asad Gulzar	75	Neurology Peads	1000.00	6000.00
59	Dr. Azmat Ullah (MO)	77	ENT	1000.00	6000.00
60	Dr. Asad Javed	79	Neurology		
61	Dr. Furan PG Dr.Ahmed (PG)	80	Gastro Cardiac	1000.00	6000.00
62	Dr. Irfan Ullah (MO)	81	Urology	1000.00	6000.00
63	Dr.Waseem Sajjad PG Dr,Suffian PG	82	Gen . Med Rahumatology	1000.00	6000.00
64	Dr. Ali Raza Dr. Mehair Mubashar	83	Gen. Med Peads	1000.00	6000.00
65	Dr.Qaser Abbas Dr. Zulfiqar Memon	84	Radiology Peads	1000.00	6000.00
				Total Rs.	384,000

Letter No. .F.1-1/2018/DDE/Billing/SZABMU/PIMS dated 24.08.2018 issued to 68 Medical Officers/Doctors/PGs residing in Medical Officers Hostel for the period April to September, 2018

S#	Name& Designation/Department	Room No	Department	Monthly Amount	Amount payable within due date
1	Dr. Faheem Ahmed (MO)	01	General Surgery	1000.00	6000.00
2	Dr. Umair (PG)	02	Gastro	1000.00	6000.00
3	Dr. Mazhar Badsha (with family)	3&4	Assistant Professor	1000.00	6000.00
4	Dr.Muhammad Ikram	5	GS NS	1000.00	6000.00

	Dr. Zeshan Basharat				
5	Dr. Qasim MO	6	Ortho	1000.00	6000.00
6	Dr. Naveed Hussain Dr. Saqib Mehmood	7	Cardiac	1000.00	6000.00
7	Dr. Tayab Azam Dr. Umair Ajmal (PG)	8	(PG Radiology (PG) G.Surgery	1000.00	6000.00
8	Dr. Pradhuma Khumar Dr. Ghausishanker	9	PG NS P. Sur	1000.00	6000.00
9	Dr. Bilal Liaqat Dr. Abdur Rehman	11	PG N/S Anesthesia	1000.00	6000.00
10	Dr. Suleman Zaib	12	MO	1000.00	6000.00
11	Dr. Rizwan Dr. Shahnawaz	13	PG Cardiac	1000.00	6000.00
12	Dr. Ali Muhammad Dr. Muhammad Arbi	16	Peads Sur. Gen. Med	1000.00	6000.00
13	Dr. Shahid Iqbal Dr. Muzzafar Khan	17	PG Netro	1000.00	6000.00
14	Dr. Talah Mehmood Dr. Junid ul Islam	18	PG Psy PG Psy	1000.00	6000.00
15	Dr. Sharjeel	19	MO G/S	1000.00	6000.00
16	Dr. muneeb Ahmed Dr. Khawar Sulman	20	PG Urology PG Urology	1000.00	6000.00
17	Dr. Rashid Shamsi, Dr. Adnan	22	PF Peads PG/GM	1000.00	6000.00
18	Dr. Amir Shah	24	MO N/S	1000.00	6000.00
19	Dr. Umair Gul	27	MO/Red	1000.00	6000.00
20	Dr. Shahbaz Ahmed Dr. Shahbaz Memon	28	PG N/S PG Anesthesia	1000.00	6000.00
21	Dr. Imam Ud Din	29	MO/Gastro	1000.00	6000.00
22	Dr. Naveed Ahmed Dr. Hafiz M Habib	32	PG/EAC PG/Lab	1000.00	6000.00
23	Dr. Razzaq	34	MO Peads	1000.00	6000.00
24	Dr. Fazal Qayoom	35	PG/GS	1000.00	6000.00
25	Dr. Mujahid Dr. Muhammad Ibrahim	36	GS	1000.00	6000.00
26	Dr. Aqeel Ahmed Dr. Zeshan	38	PG/Neph	1000.00	6000.00
27	Dr. Bilal Dr. Safi Ullah	39	PG/Gst PG/GM	1000.00	6000.00
28	Dr. Asif Imran Dr. Anwar Ul Haq	40	PG/Gastro ,MO/Lab (02 AC0	1000.00	12000.00
29	Dr. Kashif Khan Dr. Mumtaz Saddiai	41	PG/Neph PG/Neph	1000.00	6000.00
30	Dr. Tahir Jillani Dr. Ahmed Ali Masood	42	PG/Peads Reh	1000.00	6000.00
31	Dr. Mosheen Ali Dr. Ali Akbar Sohail	45	PG Peads PG Peads	1000.00	6000.00
32	Dr. Mehboob	47	PG/CWD	1000.00	6000.00
33	Dr. A K Alam ,Dr. Adam Zaheer	48	PG/Dental PG Eye	1000.00	6000.00
34	Dr. Umeer Hussain Dr. Muhammad Ismail	49	PG/GS PG/GM	1000.00	6000.00
35	Dr. Wali Muhammad	50	MO Dental	1000.00	6000.00
36	Dr. Zakir Jan Dr. Hafeez Ullah	51	PG/GM PG/GM	1000.00	6000.00
37	Dr. Sajid Shah	52	MO/GS	1000.00	6000.00
38	Dr. Abdul Qadeer Dr. Wajahat Zahid	53	PG/Ortho PG Cardiac	1000.00	6000.00
39	Dr. Numan Dr. Said Zaman	54	PG/Psy PG/GS	1000.00	6000.00
40	Dr. Rashid Dr. Arsalan Zahid	55	PG Anesthesia	1000.00	6000.00

			PG Anesthesia		
41	Dr. Wasan Dr. Perveez	56	PG/GM PG Anesthesia	1000.00	6000.00
42	Dr. Ibrar Dr. Rashid	57	PG/Psy PG/Peads Surgery	1000.00	6000.00
43	Dr. Muhammad Irsalan Khani Dr. Asif	59	PG/GS PG/GS	1000.00	6000.00
44	Dr. Pernab Dr. Mubashar Ali Baig	60	PG/NS PG/NS	1000.00	6000.00
45	Dr. Asad Ullah Dr. Saeed Ullah	61	PG/ENT PG/ENT	1000.00	6000.00
46	Dr. Saif ur Rehman	62	DD/EAC	1000.00	6000.00
47	Dr. Saad Ali "shah Dr. Adnan	63	PG/GS PG Anesthesia	1000.00	6000.00
48	Dr. Muhammad Imran Dr. Jahanzaib	64	PG Cardiac	1000.00	6000.00
49	Dr. Riaz Ahmed Dr. Hasan Imtiaz	65	PG/Neu PG/Neu	1000.00	6000.00
50	Dr. Qasier Abbas Dr. Ansab	66	PG/Radiology PG/ENT	1000.00	6000.00
51	Dr. Arif Dr. Arsalan Anwar (02 AC)	67	PG/Urology PG/Peads Surgery	1000.00	12000.00
52	Dr. Mazhar Jamil Dr. Bilal	68	PG/Peads PG/ Peads	1000.00	6000.00
53	Dr. Amjaed Hussain Dr. Muhammad Raheem	69	PG/Urology G/S	1000.00	6000.00
54	Dr. Luqman Asghaqr Dr. Illays	70	PG/Ortho PG/ GS	1000.00	6000.00
55	Dr. Rizawan	71	PG/Gastro	1000.00	6000.00
56	Dr. Sharjeel	72	MP/EAC	1000.00	6000.00
57	Dr. Ghulam Shabir Dr. Abdur Rehman	73	PG/Neu PG/M	1000.00	6000.00
58	Dr. Amir Nawaz	74	PG/CWD	1000.00	6000.00
59	Dr. Khalil Ur Rehman Dr. Shabir	75	PG/GM Neurology	1000.00	6000.00
60	Dr. Ejaz ,Dr. Jahangeer	76	PG/Eye PG/GS	1000.00	6000.00
61	Dr. Azmat	77	MO/ENT	1000.00	6000.00
62	Dr. Farhan Ahmed Dr. Sheryar	78	MO/CWD PG/Dermo	1000.00	6000.00
63	Dr. Asad Javed with family	79	PG/NS	1000.00	6000.00
64	Dr. Furqan Dr. Bilal Ahmed	80	PG/Gastro PG/CWD	1000.00	6000.00
65	Dr. Irfan Ullah	81	MO Urology	1000.00	6000.00
66	Dr. Waseem Sajjad	82	PG/ G.Sur	1000.00	6000.00
67	Dr. Ali Raza Ch. Dr. Mehair Mubashar	83	PG/Peads GM	1000.00	6000.00
68	Dr. Syed Afif Hussain Dr. Zulfiqar Memon	84	PG/GS PG/Peads	1000.00	6000.00
				Total Rs.	420,000
				Grand Total Rs.	1,200,000

Audit has observed that:-

- i. Neither the above said Air conditioner Charges amounting to Rs. 1,200,000 have been recovered from the concerned Doctors/Medical Officers/PGs nor deposited into Government Treasury.
- ii. Rates charged to the above allottees have not been approved from the competent authority. Even no electricity meters has been installed at the MOs Hostel. Audit is unable to work out the actual cost of electricity incurred and average unit cost recoverable for the said doctors. Audit holds that lump sum cost of electricity @ Rs.1,000/- charged per month per room is on lower side and not based on actual cost borne by the PIMS.

No reply was given.

Para-55 **NON-PRODUCTION OF RECORD**
(O.S-34)

Article 170 of the Constitution of Islamic Republic of Pakistan require the Auditor General of Pakistan to give directions to the Federal and Provincial Governments to keep the accounts in such form and in accordance with such principles and methods as the Auditor-General may, with the approval of the President, prescribe.

Section-14(2) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 states that the officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

According to Section-14(3) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 “any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules”.

During audit of PIMS for the period 2016-17 and 2017-18, the following record has been called for vide Requisition No. 16 dated 26.12.2018 and No.18 dated 03.01.2019 but the same has not been produced to audit till 08.01.2019:

1. Log Book of central Sterilization unit for cardiac surgery.
2. Detail of electricity meters installed in residential colony, recovery of electricity charges from the allottees and their further deposit into Govt. account/IESCO account (if any) during the period under audit.
3. Detail of recovery of water charges from the allottees of residential colony and their further deposit into Govt. account.
4. Original vouchers of electricity paid to IESCO, gas charges paid to SNGPL and water chares paid to CDA.

Reason for non-production of record may be made known besides taking appropriate action against the persons held responsible for non production of record. All relevant record may be provided to audit.

No reply was given.

Para-55 **NON-PRODUCTION OF RECORD**
(O.S-65)

Article 170 of the Constitution of Islamic Republic of Pakistan require the Auditor General of Pakistan to give directions to the Federal and Provincial Governments to keep the accounts in such form and in accordance with such principles and methods as the Auditor-General may, with the approval of the President, prescribe.

Section-14(2) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 states that the officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

According to Section-14(3) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 “any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules”.

During the audit of PIMS for the period 2016-17 and 2017-18, the following record has been called for vide Requisition No.19 dated 08.01.2019 and No.20 dated 10.01.2019 but the same has not been produced to audit:-

1. Detail of ultrasound, X-ray, CT scan and MRI machines replaced with new machines at IH, CH, MCH and Burn Centre during 2016-17 and 2017-18.
2. Detail of condemnation of above said old machines and their disposal through open auction.
3. Log book of X-ray machine installed at Cardiac Centre.
4. Files regarding hiring of residential accommodation.
5. Record regarding provision of plot to a Mobile Phone company, total amount received and deposited into Govt. Treasury.

Reason for non-production of record may be made known besides taking appropriate action against the persons held responsible for non production of record. All relevant record may be provided to audit.

No reply was given.

Para-56 **Un-justified opening and maintenance of joint Bank Account by Dr.**
(O.S-38) **Muhammad Amjad Ch. and Dr. Noshela Amjad with closing balance of**
Rs. 16.062 million as on 30.06.2015.

According to Rule- 11 Each head of a department is responsible for enforcing financial order and strict economy at every step He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.

Scrutiny of record of Children Hospital has revealed that a Bank Account No. 3016856028 titled SZAMBU HEC Grant Dr. Muhammad Amjad/ Dr.Noshela Amjad was opened in National Bank of Pakistan PIMS Branch, Islamabad.

Audit has observed that:-

1. As per tilted of account the said account was opened for HEC Grant but a joint account has been opened in the name of above said Doctors which seems un-justified.
2. No approval of competent authority for opening of above joint bank account, purpose of opening of account and detail of expenditure incurred during 2016-17 to 2017-18 has been produced to audit.
3. Audit has called for the detail of PLS Bank Account No. 3016856028 titled "SZAMBU HEC GRANT DR. MUHAMMAD AMJAD/ DR NOSHELA AMJAD" alongwith all relevant record i.e detail of expenditure incurred up to 30.6.2018, cash book, vouchers, Bank Statements up to 30.6.2018, source of funding, profit earned up to 30.06.2018 and approval of competent authority for opening of the bank account vide requisition No.12 dated 30.11.2018.
In response, the management of PIMS has intimated that the said account pertains to Shaheed Zulfiqar Ali Bhutto Medical University and PIMS has no record against the requisition". Audit holds that during the period July,2016 to March,2018 the PIMS was working under the control of SZABMU but no record regarding above bank account has been produced to audit.
4. There was a closing balance of Rs. 16.062 million as on 30th June, 2015 but the audit could not scrutinize the detail of expenditure incurred during 2015-16 to 2017-18 by the PIMS.

No reply was given.

Para-57 (O.S-53) Irregular /unauthorized deduction of Lab. Maintenance charges and departmental charges out of 60% share of fee by the Pathology and Radiology Departments-Rs.0.440 million.

According to Rule-11 of GFR Vol-I "Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers to Rule 11 of GFR Vol-I .

According to Rule-205 of FTRs "Subject as hereinafter provided in this rule, a Government officer entrusted with the payment of money shall obtain for every payment he makes, including repayment of sums previously lodged with the Government, a voucher setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in the accounts. Every voucher must bear, or have attached to it, an acknowledgment of the payment signed by the person by whom, or in whose behalf, the claim is put forward. The acknowledgment shall be taken at the time of payment. "

Contrary to above, it has been observed that during financial year 2016-17 and 2017-18 the Head of Pathology and Radiology departments have been paid 60% share of fee amounting to Rs. 6,092,243/-for further disbursement to their employees. The concerned departments, while making payment to concerned employees, have deducted a sum of Rs. 440,266/- on account of 2% Lab Maintenance charges and 1% Departmental charges as under:-

Period	Voucher No. & Date	Name of Department	Total amount paid to Pathology and Radiology Department	Lab Maintenance/ Departmental charges deducted	Remarks
July-Sep. 2016	83 dated 02-11-206	Pathology	629,608	36378	2% Lab Maintenance charges
		Radiology	239,022	14509	1% Departmental Charges
Oct-Dec. 2016	84 dated 07-02-2017	Pathology	794,472	43,818	2% Lab Maintenance charges
		Radiology	298,170	13,287	1% Departmental Charges
Jan-March2017	85 dated 19-05-2017	Pathology	773,034	48,750	2% Lab Maintenance charges
		Radiology	269,464	12,562	1% Departmental Charges
April-June 2017	86 dated 25-08-2017	Pathology	567,155	46,613	2% Lab Maintenance charges
		Radiology	270,821	15,022	1% Departmental Charges
July-Sep. 2017	87 dated 23-11-2017	Pathology	620,141	55,520	2% Lab Maintenance charges
		Radiology	258,649	14,090	1% Departmental Charges
Oct-Dec. 2017	88 dated 28-04-2018	Pathology	454,423	35,415	2% Lab Maintenance charges
Jan-March 2018	89 dated 09-08-2018	Pathology	523,983	55,741	2% Lab Maintenance charges
April-June 2018	90 dated 29-08-2018	Pathology	393,301	48,561	2% Lab Maintenance charges
Total Rs.			6,092,243	440,266	

Audit has observed that:-

1. Instead of making disbursement to concerned employees, both the Pathology and Radiology Departments have deducted 2% Lab maintenance charges and 1% departmental charges respectively without any justification and approval of competent authority.
2. No record regarding utilization of above amount of Rs.440,266/-has been maintained and produced to audit. Thus the whereabouts of the undisbursed amount is not known.

No reply was given.

Para-58 **Doubtful/unjustified payment of cost of maintenance contract of Gamma**
(O.S-64) **Camera to to M/S Raditech-Rs.0.400 million.**

According to Rule-11 of GFR Vol-I “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”

Contrary to above, it has been observed that the management has made payments of Rs.400,000/- on account of maintenance contract cost of Gama Camera during financial year 2006-07 to M/s Raditech as under:-

S#	Name of firm Bill No & Date	Contract awarded vide letter No.	Amount Rs.
1	M/s Raditech Bill No.075 dated 06.03.2007	No.F.1-15/2005-06/Maintenance, Angio/AD(P)/PIMS dated 01.06.2006 (1 st Quarter)	100,000
2	M/s Raditech Bill No.076 dated 06.03.2007	No.F.1-15/2005-06/Maintenance, Angio/AD(P)/PIMS dated 01.06.2006 (2 nd Quarter)	100,000
3	M/s Raditech Bill No.087 dated 15.06.2007	No.F.1-15/2005-06/Maintenance, Angio /AD(P)/PIMS dated 01.06.2006 (3 rd Quarter)	100,000
4	M/s Raditech Bill No.088 dated 15.06.2007	No.F.1-15/2005-06/Maintenance, Angio /AD(P)/PIMS dated 01.06.2006 (4 th Quarter)	100,000
Total Rs.			400,000

Audit has observed that:-

- i. During financial year 2014-15 the management of PIMS had purchased Dual Detector Gamma Camera at a cost of Rs. 29,300,000/- from M/s Varitron vide Supply Order No.F.1-3/2012-13/C. Surgery/Purchase/PIMS dated 21.03.2015. But payment of cost of maintenance contract to a firm during 2006-07 is not understood.
- ii. There is no inventory of old Gamma Camera, if any, and record regarding its disposal at the time of purchase of new Gamma Camera during 2015. Thus the whereabouts of previous Gamma Camera, if any, is not known.

In view of above the entire payment of cost of maintenance contract of Rs.400,000/- is treated as doubtful/unjustified.

No reply was given.

Para-59 **Non recording of third party payments in Cash Books – incomplete and**
(O.S-55) **improper maintenance thereof.**

According to Rule- 77 Save as otherwise expressly provided in these rules or in any authorized departmental regulations, the following rules shall be observed by all Government officers who are required to receive and handle cash: -

- i. Every officer receiving money on behalf of the Government should maintain a

cash

book in Form T. R. 4.

- ii. All monetary transactions should be entered in the cash book as soon as they occur and attested by the head of the office in token of check.

Contrary to above, it has been observed that the management of PIMS, Burns Centre and Cardiac Centre has incurred an expenditure of Rs.6.554 billion during financial year 2016-17 and 2017-18 as under:-

(Rs. in millions)

Years	Departmental ID	Original Budget	Final Budget	Expenditure
2016-17	PIMS	2,442,647,000	2,782,556,956	2,868,933,995
	Burn Care Centre	122,304,000	120,030,000	127,715,151
	Cardiac Care Center	320,000,000	184,713,044	182,652,920
Sub Total Rs.		2,884,951,000	3,087,300,000	3,179,302,066
2017-18	PIMS	2,592,956,000	2,913,283,000	2,921,615,315
	Burn Care Center	129,915,000	127,626,000	136,729,528
	Cardiac Centre	320,000,000	318,677,000	316,730,425
Sub Total Rs.		3,042,871,000	3,359,586,000	3,375,075,268
Grand Total Rs.		5,927,822,000	6,446,886,000	6,554,377,334

Scrutiny of Cash Books of above offices has revealed that no crossed cheque issued in favour of third party/firms has been recorded in the Cash Books of above offices. Only those cheques issued in favour of DDO have been entered in the Cash Books. Due to non recording of third party payments/transactions, the cash books have been found incomplete and improper.

No reply was given.

Para-60 **Non-disbursement of 60% share of fee amounting to Rs.0.178 million -suspected**
(O.S-49) **misappropriation thereof.**

According to Rule-205 of FTRs "Subject as hereinafter provided in this rule, a Government officer entrusted with the payment of money shall obtain for every payment he makes, including repayment of sums previously lodged with the Government, a voucher setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in the accounts. Every voucher must bear, or have attached to it, an acknowledgment of the payment signed by the person by whom, or in whose behalf, the claim is put forward. The acknowledgment shall be taken at the time of payment. "

Contrary to above, it has been observed that during financial year 2016-17 to 2017-18 the management of Children Hospital has drawn 60% share of fee amounting to Rs. 178,080/- in respect of following officers. But the same has not been paid to them as no payees receipt/disbursement detail has been produced to audit.

Period of payment	Voucher No. & Date	Share drawn in respect of	Amount of Admn. share	Amount of Accounts share	Total amount not paid
July-December 2016	68 dated 02-03-2017	Prof. Dr. Javed Akram	9,570	10,010	19,580
		Dr. Altaf Hussain Administor	8,700	9,100	17,800
		Dr. Raja Amjed Mahmood	8,700	9,100	17,800
		Dr. Anjum Javed	5,220	7,280	12,500
Jan-June 2017	69 dated 31-07-2017	Prof. Dr. Javed Akram	8,800	9,150	17,950

		Dr. Altaf Hussain Administor	8,000	8,300	16,300
		Dr. Raja Amjed Mahmood	8,000	8,300	16,300
		Dr. Anjum Javed	6,400	6,650	13,050
Jan-June 2018	71 dated 29-08-2018	Dr. Raja Amjed Mahmood	11,000	15,000	26,000
		Dr. Anjum Javed	8,800	12,000	20,800
		Total Rs.	83,190	94,890	178,080

Thus the whereabouts of Rs. 178,080/- is not known to audit. The possibility of misappropriation of the said amount cannot be ruled out.

No reply was given.

Para-61 **Irregular expenditure without calling tender- Rs. 0.488 million.**
(O.S-46)

According to Rule-12 PPRA Rules, 2004 “Procurements over forty thousand rupees and up to the limit of one million rupees shall be advertised on the Authority’s website in the manner and format specified by regulation by the Authority from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency”.

Contrary to above, it has been observed that the Ministry of National Health Services, Regulations & Coordination vide letter No. 15/20140-Afghan-DD-P dated 25-05-2016 (addressed to Dr. Fazal-e-Mola, Administrator) has issued an Assignment Account cheque No. A312702 dated 23.05.2016 for Rs. 25,362,000/- in favour of PIMS for training activities for Nishter Kidney Hospital Jalalabad Afghanistan.

Out of this amount, the management has incurred an expenditure of Rs. 488,737/- on purchase of stationery and other store items as under:-

S#	Name of firm bill No & date	Gross Amount	Particulars of Purchases
1	R.S Traders Rawalpindi Invoice No. 155 dated 13.2.2017	73,437	42 stationery items
2	R.S Traders Invoice No. 128 dated 13.1.2017	62,700	File covers and envelop of different size
3	R.S Traders Rawalpindi Invoice No. 181 dated 10.03.2017	68,600	57 Nos. Laptop Bags with printing @ Rs.1200/- each
4	R.S Traders Invoice No. 129 dated 13.1.2017	95,000	100 Nos. Lap top bags with printing @ Rs. 950/- each
5	R.S Traders Rawalpindi Invoice No. 182 dated 21.3.2017	60,200	43 Nos. Lap top bags @ Rs.1400/- each
6	Prince Book Depot voucher No.6 dated 17.2.2017	86,400	Purchase of 36 books
7	Prince Book Depot bill No.45 dated 17.2.2017	42,400	Purchase of books for doctors
	Total Rs.	488,737	

Audit has observed that:-

- i. The above expenditure of Rs.488,737/- has been incurred without calling tender as required under Rule-12 of PPRA Rules 2004. The said expenditure is treated as irregular.
- ii. No stock register has been produced to audit. Audit could not ascertain the actual receipt of above items and further issuance to concerned and closing balance in stock. Thus the above purchases are treated as doubtful.

No reply was given.

Para-62 Non disposal of unserviceable items lying in Transport Section.
(O.S-43)

Accordingly to Rule- 167 of GFR Vol-I “Subject to any special rules or orders applicable to any particular department stores which are reported to be obsolete, surplus or unserviceable may be disposed of by sale or otherwise under the orders of the authority competent to sanction the writing off of a loss caused by deficiencies and depreciation equivalent to their value. Each order declaring stores as unserviceable should record the full reasons for condemning them and how the condemned stores are to be disposed of i.e. whether by sale public auction or otherwise. The head of the office should record full particulars regarding all condemned stores in suitable list from which their disposal can be watched.

Contrary to above, it has been observed that a number of dead stock/old spare parts are lying in Transport Section since (as detailed in enclosed statement. Although, a Committee has been constituted vide Office Order No. F.1-2/2017-18(TPT)-PIMS dated 24-9-2018 but neither the unserviceable items have been declared condemned nor disposed off so far.

The action of the management is contrary to above rules of the Govt.

No reply was given.

Para-63 Irregular /unjustified expenditure on off road vehicle Rs.0.993 million .
(O.S-10)

According to Rule-10 of GFR Vol-I “Every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety among the principles on which emphasis is generally laid are the following:

- ii. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

The contrary to above it has been observed that the management has incurred as expenditure of Rs. 993,578/- on following off road vehicles No.IDB-3159 and No. X-67-3848:-

Expenditure incurred on repair and maintenance of vehicle No.IDB-3159
(off road w.e.f. 25.10.2013)

Vehicle No.	Bill No. and Date	Expenditure incurred		Total
		POL	Repair	
IDB-3159				
	666 dated 27.12.2013		49,210	49,210
	866 dated 04.03.2014		18,550	18,550
	6373 dated 15.03.2014		4,100	4,100
	1510dated 25.03.2014		13,200	13,200
	1810 dated 10.04.2014		3800	3800
	2189 dated 15.07.2014		23000	23000
	2246 dated 22.08.2014		9,250	9,250
	9606 dated 21.10.2014		15,630	15,630
	1126 dated 06.02.2015		86,500	86,500
	3431 dated 07.03.2015		5,470	5,470
	3296 dated 15.04.2015		11,450	11,450
	3323 dated 20.05.2015		23,000	23,000

	1128 dated 05.06.2015		76,675	76,675
	7124 dated 07.07.2015		21,150	21,150
	3242 dated 12.07.2015		11,500	11,500
	10134 dated 08.08.2015		98,900	98,900
	407 dated 02.07.2016		2,680	2,680
	468 dated 07.09.2016		13,200	13,200
	4317 dated 07.06.2018		24,545	24,545
	4336 dated 20.07.2018		24,940	24,940
	Total Rs.		536,750	536,750
Expenditure incurred on repair and maintenance and POL on vehicle No. X-67-3848 (off road w.e.f. 10.12.2012)				
Vehicle No.	Bill No. and Date	Expenditure incurred on		Total
No. x-67-3848		POL	Repair	
	12597 dt. 3.7.2017		99,800	
	12595 dt. 7.8.2017		98,900	
	12596 dt. 6.2.2018		98,600	
	12597dt. 21.3.2018		99,400	
	15.11.2017	6,790		
	16.02.2018	53,338		
Grant Total Rs.		60,128	396,700	993,578
(536,750+60,128+396,700)=				

Audit has observed that :-

1. Incurring of expenditure on above said off road vehicles is neither justified nor economical. The action of the management is contrary to Rule-10 of GFR Vol-I. The expenditure of Rs. 1.092 million is treated is irregular/unjustified.
2. No movement register of the above two off road vehicles has been maintained which rendered the entire expenditure on POL & repair/ maintenance as doubtful. Despite lapse of considerable period the said vehicles have neither been declared condemned by the Condemnation Committee nor disposed off.

No reply was given.

**Para-64 Irregular/unauthorized deposit of project funds into PLS Bank Account-
(O.S-07) Rs.25.362 million.**

Accordingly to Rule-7 of GFR Vol-I “Unless otherwise expressly authorized by any law or rule or order having the force of law moneys may not be removed from the Public Account for investment or deposit elsewhere without the consent of the Ministry of Finance”.

As per Rule-96 of GFR Vol-I “It is contrary to the interest of the State that money should be spent hastily or in an ill considered manner merely because it is available or that the lapse of a grant could be avoided. In the public interest, grants that cannot be profitably utilized should be surrendered”.

Contrary to above, it has been observed that the Ministry of National Health Services, Regulations & Coordination vide letter No. 15/20140-Afghan-DD-P dated 25-05-2016

(addressed to Dr.Fazal-e-Mola, Administrator) has issued an Assignment Account cheque No. A312702 dated 23.05.2016 for Rs. 25,362,000/- in favour of PIMS for training activities for Nishter Kidney Hospital Jalalabad Afghanistan. The PIMS has deposited the said cheque of Rs. 25.362 million into PLS Securities Account No.3010766690 being maintained with National Bank of Pakistan, PIMS Branch, Islamabad.

Audit has observed that:-

- i. The Ministry of National Health Services, Regulations & Coordination has issued the Assignment Account cheque for Rs.25.362 million in favour of PIMS to avoid lapse of budget at the close of financial year 2015-16.
- ii. The amount has been released by the Ministry of National Health Services, Regulations & Coordination to the PIMS in June 2016 for incurring expenditure on training activities of the project titled “ Procurement ,Installation and Commissioning of Medical Equipment for three hospitals in Afghanistan”. But instead of incurring the expenditure on specific purpose, the said amount has been kept in an unauthorized bank account till January,2017 to earn profit and to avoid its lapse at the close of financial year 2015-16. Thus the Govt. money has been kept outside the public exchequer for a period of 06 months without incurring expenditure upon the purpose for which it has been released.
- iii. In January,2017,the entire amount of Rs. 25.362 million has been released/deposited into Public Health Department (SZABMU) Bank Account No.4057690487 vide letter No.F.2-70/16-17/Acctts dated January,2017 for incurring expenditure on training activities for Nishter Kidney Hospital Jalalabad Afghanistan. Out of Rs.25.363 million an expenditure of Rs.16,754,109 has been incurred by the Public Health Department and the balance amount of Rs.8,552,743 has been deposited into Govt. Treasury on 29.06.2018 vide Cheque No.1825746 dated 16.04.2018.However, as bank statement an amount of Rs 55,148 is still lying in the bank account which has not been deposited into Govt. Treasury so far. The said bank account has also not been closed after performing training activity.

No reply was given

Para-65 **Non conducting of physical verification.**
(O.S-66)

According to Rule-159 of GFR Vol.I “A physical verification of all stores should be made at least once in every year.”

Contrary to above, it was observed that no Physical verification of Store/ Stock has been carried out during 2016-17 to 2017-18 by the management of PIMS.

No reply was given.

Para-66 **Non conducting of Internal Check**
(O.S-67)

According to Rule-13 of GFR Vol-I “In the discharge of his ultimate responsibilities for the administration of an appropriation or part of an appropriation placed at his disposal every Controlling officer must satisfy himself not only that adequate provisions exist within the departmental organization for systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings of its subordinate officers and to guard against waste and loss of public money and stores but also that the prescribed checks are effectively applied For this purpose each Head of the Department will get the account of his

office and those of the subordinate disbursing officers if any inspected at least once in every financial year by a Senior Officer not connected with the account matters to see whether;

- i. Rules on handling and custody of cash are properly understood and applied.
- ii. Effective system of internal check exists for securing regularity and propriety in the various transactions including receipt and issue of stores etc if any and .
- iii. Satisfactory arrangement exists for systematic and proper maintenance of Account Books and other ancillary records concerned with the Initial Accounts.

Contrary to above, it has been observed that no Internal Check of PIMS has been conducted for the financial year 2016-17 and 2017-18.

No reply was given.



ORATE GENERAL AUDIT
(FEDERAL GOVERNMENT)
Federal Employees Benevolent Funds Buildings
Zero Point, Islamabad

No.Audit-I/AIR/ PIMS/2016-18/F.

Dated-----2019

Copy to:-

1. The Secretary Ministry of National Health Services Regulation and Coordination -Islamabad for kind information.
2. The Executive Director Pakistan Institute of Medical Sciences Islamabad (PIMS), Islamabad.

(Zafar Abbas)
Audit Officer