



**PERFORMANCE AUDIT REPORT
OF
DISTRICT HEALTH AUTHORITY
TOBA TEK SINGH**

AUDIT YEAR 2019-20

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

| | |
|---------|--|
| ADP | Annual Development Program |
| CEO | Chief Executive Officer |
| CT | Computed Tomography |
| C&W | Communication & Works |
| DAO | District Accounts Officer |
| DDC | District Development Committee |
| DHA | District Health Authority |
| DHIS | District Health Information System |
| DHQ | District Headquarter Hospital |
| EPI | Expanded Program of Immunization |
| FIF | Falah-e-Insaniyat Foundation |
| FP | Family Planning |
| ICU | Intensive Care Unit |
| IDAP | Infrastructure Development Authority of Punjab |
| IMR | Infant Mortality Rate |
| IRMNCH | Integrated Reproductive Maternal Child Healthcare |
| INTOSAI | International Organization of Supreme Audit Institutions |
| LHW | Lady Health Worker |
| MCH | Mother Child Health Care |
| MO | Medical Officer |
| MSDS | Minimum Service Delivery Standards |
| OPD | Outdoor Patient Department |
| PAO | Principal Accounting Officer |
| PC-I | Planning Commission Proforma-I |
| PHC | Primary Health Care |
| PHFMC | Punjab Health Facility Management Company |

| | |
|------|---|
| PMU | Project Management Unit |
| POL | Petrol Oil Lubricants |
| PPRA | Punjab Procurement Regulatory Authority |
| PSR | Preliminary Survey Report |
| RHC | Rural Health Centre |
| SHC | Secondary Health Care |
| SMP | Standard Medical Protocols |
| SOPs | Standard Operating Procedures |
| SMO | Senior Medical Officer |
| WIP | Work in Process |
| WMO | Women Medical Office |

PREFACE

The Auditor-General conducts audit subject to Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973, read with Sections 8 and 12 of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001 and Section 115 and Section 108 of the Punjab Local Government Act, 2013.

The Directorate General of Audit, District Governments Punjab (South), Multan conducted Performance Audit of “District Health Authority for the Financial Years 2016-19” in April, 2020. Audit examined the service delivery, procurement of medicine & medical equipment in terms of economy, efficiency, effectiveness as well as compliance with procurement rules in respect of the medical equipment. The main objective of the District Health Authority is the improvement of overall healthcare facility for general public by providing modern diagnostic, surgical and interventional treatments to patients. District Health Authority was established to improve healthcare facilities by enhancing the expertise of doctors and paramedical staff and to bring improvement in research and training facilities for post graduates medical students. Overall implementation of the development schemes was found unsatisfactory and desired objectives were not achieved. The Audit Report indicates specific actions that if taken, will help the management realize the objectives of the District Health Authority.

The observations included in this Report have been communicated to the management but neither DAC was convened nor written responses were provided by the management.

The Audit Report is submitted to the Governor of the Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan 1973, for causing it to be laid before the Provincial Assembly.

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

Directorate General of Audit, District Governments Punjab (South), Multan conducted Performance Audit of “District Health Authority” district Toba Tek Singh for the Financial Years 2016-19 from 27 April to 13 May, 2020. The main objectives of the audit were to examine service delivery with reference to Minimum Service Delivery Standards (MSDS) and to verify the achievement of targets with reference to efficiency, economy and effectiveness. Audit also focused on the effectiveness of the internal control system and procedures followed. Audit was conducted in accordance with the INTOSAI Auditing Standards.

District Health Authority has been established under Punjab Local Government Act, 2013 which came into force on 1st January, 2017. The Authority conducts its operations for establishment, management & supervision of primary & secondary health care facilities and institutions in the district. The major objectives of the District Health Authority, Toba Tek Singh are:

- i. To establish, manage and supervise primary and secondary health care facilities;
- ii. To ensure human resource management and capacity development of health service delivery personnel;
- iii. Implementation of MSDS as prescribed by the Punjab Health Care Commission;
- iv. Implementation of certain SOPs and Standard Medical Protocols (SMPs);
- v. Capacity building of service delivery staff.

Overall performance regarding implementation of MSDS was found unsatisfactory. DHA failed to cover the acute shortage of specialists and paramedical staff. Total 227 posts of medical professionals remained vacant during this period (**Annexure-A**). Audit observed that medicines were not purchased according to prescription/demand by the specialists working in different health facilities. Due to late finalization of rate contracts of medicine, budget of Rs 96.837 million which was 61.44% remained unutilized during the financial year, 2018-19. It resulted in purchase of medicine from local market on higher rates amounting to

Rs 2.660 million. Health Councils budget was provided to overcome the urgent requirements and streamline day to day service delivery of health facilities. However, 50.20% of the health councils' budget remained unutilized for the period 2016-19. Five schemes of up gradation of different health facilities could not be completed despite the lapse of stipulated time period, the said buildings are still incomplete with an expenditure of Rs 111.736 million. There was also a cost overrun of Rs 32.964 million due to non-finalization of rate contracts of machinery & bio medical equipment till finalization of this report. Resultantly, the Authority failed to achieve the stated objectives of provision of better health facilities in a timely/efficient manner. Further the management failed to comply with relevant procurement / contractual requirements resulting in mis-procurement, purchases of medicine at higher rates as well as non-recovery of liquidity damages for late supply by the suppliers. Machinery & bio medical equipment purchased by the DHA at its own or supplied by the PMU valuing Rs 58.850 million were found lying idle in the stores of different health facilities. Physical verification of health facilities depicted that costly machinery and bio medical equipment valuing Rs 74.345 million requiring minor repair were found non-functional. Poor asset management also resulted in loss due to theft and unauthorized transfer of DHA assets to other department valuing Rs 8.990 million. Consultants at Secondary Health Facilities were paid Incentive Allowance of Rs 10.302 million for evening rounds but Audit observed that this expenditure was incurred without doing evening rounds hence resulting in poor service delivery. Dialysis units at THQ Hospital Kamalia and Eye Cum General Hospital, Gojra were not made functional due to non-handing over of buildings by the IDAP contractors, and machines were lying idle in the stores. Six ventilators were provided by the PMU in 2018 to DHQ Hospital, Toba Tek Singh but remained unutilized till the date of Audit.

Keeping in view the findings, Audit made following recommendations to be implemented in future:

- a. Recruitment of qualified and committed health professionals to fill the human resources gap in field hospitals.
- b. Earliest completion of ongoing development schemes to avoid time and cost overrun.

- c. District Health Information System (DHIS) should be strengthened and monitored to evaluate the outcomes of stated objectives.
- d. The Authority needs to take remedial measures to improve internal controls in respect of service delivery by the specialists in evening.
- e. Proper monitoring & corrective measures be taken to avoid occurrence of misappropriation, irregularities, pilferage / wastage of funds.
- f. Procurement of medicine & equipment must be according to demand of health facilities to avoid shifting of medicine near expiry/non-utilization of costly medical equipment.
- g. Rate Contract of Medicine must be finalized at the start of the financial year to avoid reported cases of non-supply, late supply, purchase of medicine on higher rates.

The management needs to recover all the recoverable amounts as pointed out in this report.

Further, following irregularities were also reported in the regulatory audit of DHA for the financial year 2018-19, compliance by the concerned DDOs is still awaited.

- i. Misappropriations / Fraud involving an amount of Rs 1.496 million were reported in one case;
- ii. Irregularities and Non-Compliance involving an amount of Rs 99.253 million were noticed in 12 cases;
- iii. Value for Money and Service Delivery Issues involving Rs 36.217 million were noted in six cases;
- iv. Other issues involving amounting to Rs 98.876 million in sixteen cases.

1. INTRODUCTION

Directorate General of Audit, District Governments Punjab (South), Multan conducted Performance Audit of “District Health Authority, Toba Tek Singh for the Financial Years 2016-19” from 27 April to 13 May, 2020. Audit was conducted in accordance with the INTOSAI Auditing Standards.

1.1 District Health Authority

District Health Authorities across the province were established under Punjab Local Government Act (PLGA) 2013 by the Punjab Government according to Section 17 of the Act. According to Section 17(2) of PLGA 2013 these authorities shall consist of indirectly elected members from the local governments and technocrat members as may be prescribed on the basis of proportion of population of the District, provided that the elected members shall be in majority. The technocrat members of these authorities shall have expertise in the relevant field and shall also be appointed by the Government. The Government shall appoint the Chairman and the Vice Chairman of an Authority and they shall serve during the pleasure of the Government. The Chairman and the Chief Executive Officer of the Authority shall be personally responsible to ensure that the business of the Authority is conducted proficiently, in accordance with law and to promote the objectives of the Authority.

The Chief Executive Officer is responsible to ensure that the business of the District Health Authority is carried out in accordance with the laws and to coordinate the activities of the groups of offices and institutions for coherent planning, development, effective and efficient functioning. Chief Executive Officer is responsible for efficient provision of primary & secondary health services and Implementation of Provincial Standards and Policies. He is also responsible for the management and rationalization of existing healthcare facilities, healthcare workers and achievement of targets against performance indicators set by the Authority.

District Health Authority has following primary and secondary health facilities:

| Sr. No. | Name of Unit | No. of Units |
|---------|-------------------------------|--------------|
| 1 | Basic Health Units | 70 |
| 2 | Rural Health Centers | 9 |
| 3 | City Hospitals | 2 |
| 4 | Tehsil Headquarter Hospitals | 2 |
| 5 | District Headquarter Hospital | 1 |
| 6 | MCH Centers | 2 |
| 7 | Zila Council Dispensaries | 23 |

(District Health Information System Dashboard, 2019)

1.2 Financial Out lay of the District Health Authority

Year wise budget/utilization of funds is as under:

(Rupees in million)

| Financial Year | Budget | Release | Expenditure |
|----------------|-----------------|-----------------|-----------------|
| 2016-17* | 1170.330 | 1170.330 | 478.200 |
| 2017-18 | 1495.410 | 1451.293 | 1413.326 |
| 2018-19 | 2214.169 | 2165.726 | 1884.906 |
| Total | 4879.909 | 4787.349 | 3776.432 |

*January to June, 2017 (Annual Budget Books, expenditure statements for the years 2016-19)

1.3 Vertical Programs supervised by District Health Authority

Following Vertical Programs are on track in the District Toba Tek Singh under the supervision of District Health Authority;

- 1- Hepatitis Control Program.
- 2- IRMNCH & Nutrition Program.
- 3- Expanded Program of Immunization.
- 4- Malaria Control Program.
- 5- TB.DOTS Program.

1.4 Objectives of the District Health Authority:

District Health Authority has been established under Punjab Local Government Act, 2013 which came into force on 1st January, 2017. The authority conducts its operations for establishment, management & supervision of primary & secondary health care facilities and institutions in the district. The functions of District Health Authority, Toba Tek Singh as described in the Punjab Local Government Act, 2013 are:

- i. To establish, manage and supervise primary and secondary health care facilities and institutions;
- ii. To approve the budget of the Authority and allocate funds to health institutions;
- iii. To coordinate health related emergency response during any natural calamity or emergency;
- iv. To develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- v. To ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- vi. To ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government;
- vii. Implementation of minimum standards of service delivery, infrastructure, patient safety, hygienic and public health as prescribed by the Punjab Health Care Commission;
- viii. Implementation of certain Standard Operating Procedures (SOPs) and Standard Medical Protocols (SMPs) for patient safety and hygiene as prescribed by the Punjab Health Care Commission;
- ix. Capacity development of service delivery staff with regard to implementation of MSDS at district level;
- x. Establishment of health facility management guidelines;
- xi. To follow provincial policy on rationalization of staff in health facilities;

- xii. On ground operations of current and future vertical interventions of department may be delegated to District Health Authority;
- xiii. Strengthening of DHIS system at district level;
- xiv. To ensure adequate budgetary provision for health facilities/health initiatives;
- xv. To play operative role in attainment of Sustainable Development Goals.

1.5 Service Delivery Standards of District Health Authority

Minimum Service Delivery Standards are defined as “least level of services, which the patients and service users have a right to expect”. MSDS include minimum package of services, standards of care (level specific) and mandatory requirements/system specifications that must be complied with and are vital to ensure the delivery of these services:

- MSDS for establishment of health facilities;
- Standard Operating Procedures for different departments under its jurisdiction;
- A comprehensive referral system.

2. AUDIT OBJECTIVES

The major objectives of the performance audit were:

1. To review the achievement of targets against intended objectives of District Health Authority;
2. To evaluate the effectiveness of service delivery of health care system at district level;
3. To analyze the efficiency of drug procurement process, hiring and monitoring mechanism of District Health Authority;
4. To evaluate whether the expenditure was incurred with due regard to economy in providing effective health services;
5. To access whether the SOPs, SMPs and MSDS have been implemented across the board in health facilities in district;
6. To evaluate that internal controls are operative and functioning properly.

3. AUDIT SCOPE AND METHODOLOGY

The scope of audit was to evaluate service delivery and achievement of targets, implementation of MSDS, procurement and utilization of medical equipment under different development schemes, improvement/up gradation of different departments/wards of health facilities within the jurisdiction of District Health Authority, Toba Tek Singh. Audit scope was limited to the period from January, 2016 to June, 2019.

The Performance Audit was conducted in accordance with the Standards of International Organization of Supreme Audit Institutions (INTOSAI) keeping in view the rules and regulations framed by the Government from time to time. The audit methodology adopted during Performance Audit included:

- i. Collection and scrutiny of relevant data obtained from District Health Information System, procurement process, vouchers, letters, files, documents, reports etc.;
- ii. Review of Minimum Service Delivery Standards;
- iii. Review of PC-I of the projects under revamping program;
- iv. Review of Health Department guidelines;

- v. Visit of offices of District Health Authority;
- vi. Field visits of primary & secondary health facilities;
- vii. Interviews with concerned officers/staff of District Health Authority;
- viii. Correspondence files.

Scope Limitation

It is pertinent to mention here that Audit had to face scope limitation due to delay in production of complete and relevant record in the wake of Covid-19 pandemic and lockdown situation.

4. AUDIT FINDINGS AND RECOMMENDATIONS

Organization and management play key role in improvement of service delivery standards, as they provide a structure that facilitates the coordination and implementation of activities. In the absence of elected members of DHA, Schedule of Authorized Expenditure was approved by the Deputy Commissioner, being Administrator of District Health Authority, Toba Tek Singh. Many challenges were faced by newly established District Health Authority in 2017-18 as medicine & equipment were procured at Provincial level without consultation/obtaining demand from the health facilities. Central Rate Contract of medicine for the year 2017-18 was also executed at Provincial Level without coordination of District Health Authority. In the financial year 2018-19, DHA could utilize only 39% budget of medicine due to delay in finalization of District Rate Contract. It not only resulted in late supplies of medicine but also purchase of medicine from local market at higher rates creating undue burden and loss to the DHA funds.

4.1 Organization and Management

Organization management refers to the art of effectively using and controlling of assets, getting people together on a common platform to make them work towards a common predefined goal. DHA could not implement tools to organize and manage the assets effectively after its establishment.

4.1.1 Non-appointment of Chairman/irregular approval of the budget

According to Section 30(3) of the Punjab Local Government Act 2013, when an elected Local Government is, for any reason, not in office, the Government may appoint an administrator to perform the functions of the Local Government until the elected Local Government assumes office but such period shall not exceed six months.

Local Government failed to appoint the Chairman after establishment of the District Health Authority. Hence, Deputy Commissioner, being Administrator of District Health Authority acted in the place of the Chairman and approved Annual Budget of DHA, Toba Tek Singh amounting to Rs 6,616.876 million for the period, 2017-19 by violating the Punjab Local Government Act, 2013. In the absence of elected Chairman & members the Health Authority could not perform in full spirit. The detail of unauthorized approved budget is as under:

(Rupees in million)

| Year | Salary | Non-Salary | Development | Total |
|--------------|------------------|------------------|----------------|------------------|
| 2017-18 | 1,274.714 | 205.446 | 15.250 | 1,495.410 |
| 2018-19 | 1,527.402 | 533.984 | 152.784 | 2,214.169 |
| Total | 6,118.667 | 2,351.749 | 360.629 | 6,616.876 |

Audit is of the view that due to weak internal and financial controls, the Annual Budget was approved without sanction of the Competent Authority.

Sanction of Annual Budget without obtaining approval from the Competent Authority resulted in irregular approval of Annual Budget amounting to Rs 6,616.876 million.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends regularization of the matter from the Competent Authority besides fixing responsibility on person(s) at fault, under intimation to Audit.

4.1.2 Poor service delivery due to shortage of medical specialists

According to Section 94 of the Punjab Local Government Act, 2013, a District Health Authority shall coordinate planning and allocate finances for provision of service delivery at District level & develop linkages between private and public health sectors for enhancing access and coverage of health care facilities to the general public and improving quality of these services. Furthermore, according to Rules 3(f) and 4(1)(l) of the Punjab District Authority (Budget) Rules, 2017, the Chairperson shall evaluate progress against key performance indicators for achieving economy, efficiency and effectiveness in expenditure, The CEO act as PAO and shall ensure the utilization of funds in the public interest and on specified objects.

District Health Authority failed to cover shortage of medical specialists in the health facilities throughout the district. The success of the Authority is based on the existence of qualified and committed health professionals at all levels, particularly at primary and secondary health facilities. Salient posts of health specialists in secondary health facilities remained vacant. Total 227 posts of medical & paramedical staff were lying vacant. 9 seats of Anesthetic remained out of 11, all 4 seats of pathologist remained vacant. Health facilities had 113 seats of paramedic staff vacant. The situation greatly affected the follow up ratio which fell to 1.99 % from 3.12%. The detail is as under:

| Sr. No. | Categories | District Toba Tek Singh | | |
|--------------|---------------------------|-------------------------|--------------|------------|
| | | Sanction | Filled | Vacant |
| 1 | Surgeon | 8 | 7 | 1 |
| 2 | Anesthetist | 11 | 2 | 9 |
| 3 | Pathologist | 4 | - | 4 |
| 4 | Blood transfusion officer | 3 | - | 3 |
| 7 | WMOs/WMOs/SMOs | 247 | 201 | 46 |
| 8 | Staff Nurse | 265 | 214 | 51 |
| 9 | Paramedical Staff | 1,588 | 1,475 | 113 |
| Total | | 2,126 | 1,899 | 227 |

Follow up ratio of the health facilities.

| Year | Formations | Annual Out Door Patients | Revisits of Patients | %age |
|---------|---------------------------------------|--------------------------|----------------------|------|
| 2015-16 | Primary & Secondary Health Facilities | 2,101,168 | 65,458 | 3.12 |
| 2016-17 | Primary & Secondary Health Facilities | 2,438,858 | 50,538 | 2.07 |
| 2017-18 | Primary & Secondary Health Facilities | 3,383,515 | 38,865 | 1.15 |
| 2018-19 | Primary & Secondary Health Facilities | 3,270,521 | 65,058 | 1.99 |

Audit is of the view that due to weak internal controls and shortage of medical specialists, follow up of patients decreased.

Non-appointment of medical specialists and paramedical staff at health facilities resulted in decrease in follow up ratio and poor service delivery to the population.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

4.1.3 Weak monitoring/Non-conducting of evening rounds by the consultants – Rs 10.302 million

According to Primary and Secondary Health Care Department Notification No.PA/OS/(G)4-8/2016 dated 03.08.2016 “in pursuance of the approval of competent authority 40% of the existing allowance shall be paid subject to conducting of evening rounds in hospital by consultant on call basis, for the purpose of adjustment in duty roster as devised by Punjab Information Technology Board. For purpose consultant shall checkout from morning shift through biometric attendance system after 2:00 pm and shall check in again after 5:00 pm. The consultant shall remain in hospital at least for one hour and shall conclude the round by checking out again. Their attendance and evening rounds shall be strictly monitored through bio metric attendance system.

Health Authorities failed to ensure conducting evening rounds by the consultants at secondary health facilities after establishment of the DHA. Service delivery at these health facilities remained poor due to leaving the critical patients

with junior medical officers and consultants preferred to engage at their private hospitals because neither biometric attendance was available nor shown to the Audit. However, the said doctors continued to draw 40% incentive allowance without justification. Resultantly, an amount of Rs 10.302 million was drawn without performing job and poor patients were deprived of the benefits of medical services. The situation greatly affected the service delivery and it caused an increase of death rate at health facilities or referrals. Detail of incentive drawn without performing duty is as under:

(Rupees in million)

| Sr. No. | Name of formation | Period | Number of Specialists | 40% Incentive Allowance |
|---------|----------------------|---------|-----------------------|-------------------------|
| 1 | DHQ Hospital | 2018-19 | 18 | 2.742 |
| 2 | ECG Hospital Gojra | 2018-19 | 11 | 3.240 |
| 3 | THQ Hospital Kamalia | 2016-18 | 6 | 4.320 |
| | - | | 35 | 10.302 |

Audit is of the view that due to weak internal controls and lack of monitoring, patients were deprived of the intended benefits by non-performing evening rounds.

Non-conducting of evening rounds by the consultants resulted in poor service delivery and excess burden on DHA funds of Rs 10.302 million.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit

4.1.4 Wasteful expenditure on repair of machinery & equipment—Rs 2.860 million

According to Rule 15.21 (7) of Punjab Financial Rules Volume-I, if during the course of audit, loss, fraud or misappropriation is suspected, Audit may carry out physical verification of stores and other assets jointly with the local officer-in-charge of the stores and other assets. Further, according to Rule 2.33 of Punjab

Financial Rules Volume-I, every Government servant should realise fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

During Performance Audit of DHA, Toba Tek Singh it was observed that two DDOs of DHA got repaired machinery & bio medical equipment for Rs 2.860 million. However, the expenditure was held wasteful because the same could not become functional after repair and are still lying idle till the date of audit. The detail of expenditure is as under:

(Rupees in million)

| Sr. No | Name of Equipment | Formation | Year of Repair | Quantity | Amount | Remarks |
|--------------|---------------------------------|--------------|----------------|----------|--------------|----------------------------|
| 1 | Incinerator | DHQ Hospital | 2017 | 1 | 1.450 | No operative since repair |
| 2 | Photocopier machine | DHQ Hospital | 2019 | 1 | 0.042 | No operative since repair |
| 3 | Generator 150 KVA | ECGH Gojra | 2017 | 1 | 0.705 | No operative since repair |
| 4 | False Ceiling Registration Hall | DHQ Hospital | 2018 | 6767 cft | 0.663 | Removed after installation |
| Total | | | | | 2.860 | |

Audit is of the view that due to weak internal controls and negligence, wasteful expenditure was incurred on repair of machinery & equipment.

Non-functioning of precious machinery & bio medical equipment after major repair resulted in loss to the DHA amounting to Rs 2.860 million.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

4.2 Financial Management

Financial management is a process which aims at managing project resources properly to achieve project's objectives economically, efficiently and in a transparent manner. The essential authorities in terms of financial management like budget formulation/approval, releases and execution are carried out by the Deputy Commissioner/ administrator, which can affect the achievement of objectives. Weak financial management and negligence resulted into time and cost overrun of various development schemes. Weak asset management resulted in withholding of millions of rupees due to lying of assets in the stores of different health facilities. Weak internal controls and negligence was also observed due to non-utilization of costly machinery & bio-medical equipment requiring minor repair.

4.2.1 Non-achievement of objectives due to non-utilization of funds – Rs 159.014 million

According to Rules 3(f), 4(1)(l) and 5 of the Punjab District Authority (Budget) Rules, 2017, the Chairperson shall evaluate progress against key performance indicators for achieving economy, efficiency and effectiveness in expenditure. The CEO act as PAO and shall ensure the utilization of funds in the public interest and on specified objects. The head of offices and institutions shall be responsible for guarding against waste and loss of public money.

Chief Executive Officer, DHA Toba Tek Singh failed to ensure full utilization of available budget under prominent heads of accounts which resulted in unavailability of service delivery and effectiveness/purpose of resources vanished. No budget was allocated for designated residential buildings of Medical Officer at BHUs after establishment of DHA. Resultantly, service delivery affected due to non-residing of the Medical Officers at the BHUs. As far as Health Councils' budget is concerned more than 50% of funds remained unutilized for the period 2016-19. Further, major portion of the Health Councils' funds was utilized for payment of salaries to the contingent paid staff by deviating the stated purposes of the Health Councils' Funds. It is pertinent to mention that expenditure on contingent paid staff was made without observing Payment of Wages Act and

advertising the posts. More than 61% budget under MSD medicine remained unutilized due to late finalization of District Rate Contract which resulted in non-availability of essential medicine to the needy patients. Patient to bed ratio badly increased upto 70% as compared to 2016-17 due to non-functional of new wards at DHQ Hospital, Toba Tek Singh. The detail of funds utilization is as under:

(Rupees in million)

| Head of Account | Period | Funds Released | Funds Utilized | % of non-utilization |
|---------------------------------|---------|----------------|----------------|----------------------|
| Health Council | 2016-19 | 180.210 | 90.470 | 50% |
| Repair of residential Buildings | 2016-19 | 3.000 | 0.593 | 80% |
| Purchase of Physical Assets | 2016-19 | 32.997 | 7.178 | 78% |
| Medicine MSD 75% | 2018-19 | 157.611 | 60.773 | 61% |
| Total | | 373.818 | 159.014 | 57% |

Audit is of the view that due to weak financial controls and negligence, funds allocated were not properly utilized.

Non-utilization of funds resulted in inefficiency of procuring agency and depriving of the general public from the envisaged benefits.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends corrective measures, besides fixing responsibility on the person(s) at fault under intimation to Audit.

4.2.2 Unknown whereabouts of assets purchased – Rs 45.565 million

According to Rules 3(f) and 4(1)(l) of the Punjab District Authority (Budget) Rules, 2017, the Chairperson shall evaluate progress against key performance indicators for achieving economy, efficiency and effectiveness in expenditure, The CEO act as PAO and shall ensure the utilization of funds in the public interest and on specified objects.

District Health Authority, Toba Tek Singh received development grant for up gradation of health facilities from the Government of the Punjab, Finance Department. Out the said development grant DHA transferred revenue portion of Rs 45.565 million to the Primary & Secondary Health Care Department, Lahore

instead of utilization for purchase of machinery & equipment for the health facilities. Further scrutiny of record revealed that no record regarding utilization of funds and stock entries or supply of machinery & equipment was available in the DHA, Toba Tek Singh. The detail is as under:

(Rupees in million)

| Sr. No. | Name of Payee | Cheque No. | Date | Amount |
|--------------|--------------------------------|------------|----------|---------------|
| 1 | Secretary Govt. of Punjab, P&S | 663256 | 08.04.17 | 41.156 |
| 2 | Health Care Department, Lahore | 663258 | 08.04.17 | 4.409 |
| Total | | | | 45.565 |

Audit is of the view that due to financial mismanagement and negligence, whereabouts of the assets purchased by the Primary & Secondary Health Care Department were not available.

Unknown whereabouts of assets purchased by the Primary & Secondary Health Care Department resulted in loss to the DHA amounting to Rs 45.565 million.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends to probe the matter besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

4.2.3 Cost overrun due to delay in completion of development schemes – Rs 32.964 million

According to Rule 4(1) (a) of the Punjab Local Governments (Budget) Rules, 2017, The Chief Executive Officer shall act as Principal Accounting Officer of the Authority and shall ensure that each new development project proposal is feasible, sustainable and in line with the development priorities set by the District Authority. Further, according to Rule 4(1) (b) of the Rule ibid, The Chief Executive Officer shall also review progress of execution of the projects for their timely completion.

District Health Authority, Toba Tek Singh failed to complete three schemes for construction/establishment of emergency block/dialysis center at different health facilities of the district. Scrutiny of record revealed that due to extraordinary delay cost of development schemes increased from Rs 41.039 million to Rs 74.003 million. Resultantly, public exchequer faced an undue burden of Rs 32.964 million due to negligence at the part of Health Authorities in addition to depriving the general public from the envisaged benefits. The detail is as under:

(Rupees in million)

| Sr. No. | Name of Health Facility | Name of Scheme | Original Cost | Revised Cost | Variance | Actual date of Completion | Remarks |
|--------------|--|--|---------------|---------------|---------------|---------------------------|---------|
| 1 | Government Eye Cum General Hospital, Gojra | Up gradation of emergency department | 29.468 | 32.276 | 2.808 | 28.09.2017 | WIP |
| 2 | THQ Hospital, Kamalia | Establishment of dialysis center | 6.820 | 15.566 | 8.746 | 26.04.2018 | WIP |
| 3 | THQ Hospital, Kamalia | Establishment of 10 bedded new emergency block | 4.751 | 26.161 | 21.410 | 26.04.2018 | WIP |
| Total | | | 41.039 | 74.003 | 32.964 | | |

Audit is of the view that due to weak financial controls and negligence, cost of schemes was increased.

Increase in cost of schemes resulted in undue burden on the exchequer of the DHA amounting to Rs 32.964 million.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends to probe the matter besides fixing of responsibility on the person(s) at fault.

4.2.4 Utilization of Health Council funds by deviating from the stated objectives—Rs 17.340 million

According to Provisions 4 and 6 of Guidelines issued to Health Council, vide Government of the Punjab Primary & Secondary Healthcare Department Notification No.SG(B&A)1-48/2017-18 dated 20.11.2018, Secretary of HC will prepare M&R schemes, plan for purchase and repair of machinery and equipment to improve service delivery in health facility which will be executed after approval

from the HC. The money transferred shall be spent judiciously to uphold trust of the Government and Chairperson is mandated to hold fortnightly meetings of HC. Further, Health Council shall be responsible for safety of movable and immovable property of the hospital and shall check the attendance of the hospital staff.

DHA incurred expenditure through the Health Council of DHQ Hospital, Toba Tek Singh amounting to Rs 15.178 million on pay of 46 persons and Rs 2.162 million on account of repair & maintenances/POL of six ambulances of Falahe-Insaiyat Foundation engaged at different health facilities of the district. Scrutiny of record revealed that the above said amount of funds was utilized without observing mandate of the Health Council. Further, following discrepancies were observed while incurring expenditure:

- i. Rules, TORs, instructions, guidelines etc. regarding utilization of these funds were not defined.
- ii. Funds were transferred by Director General Health Services Punjab to Health Council, whereas the Health Council was mandated to manage the hospital affairs i.e. welfare of patients, repair of building/machinery/bio medical equipment etc.
- iii. Administrative control of the FIF health facilities and ambulances was not declared before transfer of funds.
- iv. Expenditure on salaries and wages of staff of FIF health facilities was incurred without authentication/identification of detail of employees.
- v. No job description/qualification was prescribed/available with the official's record.
- vi. No mechanism was devised by the DHA for carrying patients by FIF ambulances in the presence of Rescue 1122 which is a question mark on the authenticity of expenditure on POL/repair of ambulances.

The detail is as under:

| (Rupees in million) | | | |
|---------------------|------------------------------|----------------------------------|--------------------|
| Sr. No. | Formation | Description | Expenditure |
| 1 | DHQ Hospital, Toba Tek Singh | Pay and allowances of 46 persons | 15.178 |
| 2 | | POL of six ambulances | 1.677 |
| 3 | | R&M of six ambulances | 0.485 |
| Total | | | 17.340 |

Audit is of the view that due to weak internal controls, funds were transferred to Health Council account and payments were made without mandate/authenticity.

Transfer and utilization of funds without authenticity of record resulted in unauthorized expenditure of Rs 17.340 million.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends to take up the matter with Finance Department, Government of the Punjab for regularization, under intimation to Audit.

4.2.5 Loss to DHA due to auction of condemned material less than actual value – Rs 6.364 million

According to Sr. No. 6 Note-V and Sr. No. 6 (s) of Second Schedule (Rule 3) of the Punjab District Authorities (Delegation of Financial Power) Rules, 2017, surplus, unserviceable of condemned vehicle / machinery / equipment / spares / stores / stocks etc. shall be sold through competitive bidding by public auction and their market price shall be determined, after market survey, by a committee constituted by the Authority on recommendation of the Chief Executive Officer.

During Performance Audit of DHA, Toba Tek Singh it was revealed that dismantled/condemned material was auctioned for Rs 1.097 million instead of actual assessed value of Rs 7.169 million. Resultantly, loss of Rs 6.364 million was sustained by the DHA. Further, scrutiny of record revealed that assessment committee did not assess the actual value of the condemned material taking into account the item wise value of costly bio medical equipment i.e. condemned X-Ray plant, delivery tables, iron beds, Air Conditioners, iron doors, windows, iron grills, having assessed value of Rs 7.169 million by the last year's audit. The detail of non-transparent manner is as under:

- i. The price estimation was taken from the dealers during 08.06.2019 to 10.06.2019 i.e. before constitution of Price Estimation Committee.

- ii. The price estimation was made in lump sum (in heaps) instead of item wise rate.
- iii. Estimation of scrap was taken for 8 sites instead of available 10 sites of scrap.
- iv. No gate pass / invoice, indicating the description and quantity taken out of hospital premises was available/prepared.
- v. Condemned material was auctioned for Rs 1.097 million, however, the contractor deposited an amount of Rs 0.805 million leaving Rs 0.293 million unrecovered.

The detail of loss is as under:

(Rupees in million)

| Sr. No. | Nature and source of dismantled material | Destination | Amount |
|--|---|-------------------------------|--------------|
| 1 | Machinery & Equipment and Doors etc. removed during revamping program | Lying in courtyard | 3.528 |
| 2 | Machinery & Equipment and other medical items shifted by departments after condemnation | Lying in residential quarters | 3.641 |
| Total value of material | | | 7.169 |
| Amount deposited by the Contractor | | | 0.805 |
| Loss due to miscalculation/auction below the assessed value | | | 6.364 |

Audit is of the view that due to dereliction of duties, price estimation and auction were made in non-transparent manner.

Non-transparent price estimation and auction process resulted in loss of Rs 6.364 million to the DHA.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends bringing the matter at appropriate level for investigation and fixing responsibility on the person(s) at fault, under intimation to Audit.

4.3 Procurement and Contract Management

Procurement and contract management are associated with ensuring public scrutiny and need for assurance of value for money for expenditure out of public funds. It is a process which aims at managing project resources properly to achieve project's objectives economically, efficiently and in transparent manner.

Audit observed various instances of poor adherence to relevant provisions of PPRA and other irregularities connected with procurement contracts as elaborated below:

4.3.1 Expenditure without service delivery – Rs 111.736 million

According to Section 94 of the Punjab Local Government Act, 2013, a District Health Authority shall coordinate planning and allocate finances for provision of service delivery at District level & develop linkages between private and public health sectors for enhancing access and coverage of health care facilities to the general public and improving quality of these services. Furthermore, according to Rules 3(f) and 4(1) (I) of the Punjab District Authority (Budget) Rules, 2017, the Chairperson shall evaluate progress against key performance indicators for achieving economy, efficiency and effectiveness in expenditure. The CEO shall act as PAO of the Authority and shall ensure the utilization of funds in the public interest and on specified objects.

District Health Authority failed to complete five schemes for up gradation of various health facilities within stipulated period of time. Scrutiny of record revealed that an expenditure of Rs 111.736 million was incurred by the department but the buildings were not made functional due to the reasons best known to the executing agency. Resultantly, due to non-delivery of services the expenditure was held wasteful. The detail is as under:

(Rupees in million)

| Sr. No. | Name of Scheme | Cost of Scheme | Expenditure up to 30.06.2019 | Date of Commencement | Date of Completion (As per PC-1) | Status |
|---------|---|----------------|------------------------------|----------------------|----------------------------------|----------------|
| 1 | Up-gradation of Emergency Department of Govt. Eye Cum General Hospital, Gojra | 50.769 | 55.165 | 29.09.2016 | 28.09.2017 | Non-functional |

| Sr. No. | Name of Scheme | Cost of Scheme | Expenditure up to 30.06.2019 | Date of Commencement | Date of Completion (As per PC-1) | Status |
|--------------|--|----------------|------------------------------|----------------------|----------------------------------|----------------|
| 2 | Establishment of 10 bedded New Emergency Block at THQ Hospital Kamalia | 11.735 | 9.250 | 27.04.2017 | 26.04.2018 | Non-functional |
| 3 | Establishment of Dialysis Center at THQ Hospital Kamalia | 8.357 | 8.365 | 27.04.2017 | 26.04.2018 | Non-functional |
| 4 | Establishment of 60 Bedded Tehsil Headquarter Hospital, Pir Mahal | 31.136 | 24.456 | 20.10.2017 | 19.10.2018 | Non-Functional |
| 5 | Establishment of 40 Bedded Gynae/children ward, Toba Tek Singh | 29.122 | 14.500 | 17.01.2018 | 16.01.2020 | Non-Functional |
| Total | | 131.119 | 111.736 | | | |

Audit is of the view that due to financial mismanagement & negligence; development schemes were not completed/made functional within stipulated time period.

Non-completion of schemes within stipulated time period resulted in wasteful expenditure of Rs 111.736 million besides non-delivery of services to the needy patients.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

4.3.2 Loss due to non-observance of auction & collection rights rules – Rs 1.456 million

According to Rule 5(1)(a) of the Punjab Local Governments (Auction of Collection Rights) Rules, 2016, The local government shall award the contract through the public auction. Further according to Rule 5(1)(b) of the Rule ibid, the local government shall issue a public notice, in at least two national daily

newspapers one in Urdu and one in English, through the office of the Director General, Public Relations, Punjab minimum seven days prior to date of auction.

Medical Superintendent, DHQ Hospital Toba Tek Singh awarded collection rights of hospital canteen for Rs 1.456 million for the period 2016-17. Contrary to the above, the collection rights were re-awarded to the same contractor for the period 2017-18 without public auction. However, collection rights for the period of 2018-19 were finalized for Rs 3.010 million i.e. 106.73 % above than previous year. The detail is as under:

(Rupees in million)

| Sr. No. | Source of Income | Financial Year | Auction Price |
|--|--|----------------|-----------------|
| 1 | Hospital Canteen/fruit shop | 2016-17 | 1.456 |
| 2 | Hospital Canteen/fruit shop (without public auction) | 2017-18 | 1.456 |
| 3 | Hospital Canteen/fruit shop | 2018-19 | 3.010 |
| Variance (as compared to 2017-18) | | | 1.554 |
| Potential loss | | | 106.73 % |

Audit is of the view that due to financial mismanagement, auction of collection rights were awarded without observing Rules.

Award of Auction & Collection rights without observing rules resulted in irregular award & potential loss of Rs 1.554 million to the DHA funds.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person (a) at fault, under intimation to Audit.

4.3.3 Non-remittance of dues into DHA fund – Rs 3.285 million

According to Rules 4(1) (h) and 68(1) of the Punjab District Authorities (Budget) Rules, 2017, the Chief Executive Officer shall act as Principal Accounting Officer (PAO) of the Authority and shall monitor the receipts and expenditure of District Authority, offices, institutions. The primary obligation of the collecting Officer shall be to ensure that all revenue due is claimed, realized and credited

immediately to the District Authority Funds and to record entries under proper receipt head.

District Health Authority failed to collect local government dues from different contractors during 2017-19. Scrutiny of record revealed that cost of electricity amounting to Rs 1.106 million used by the IDAP contractor at DHQ Hospital, Toba Tek Singh was not recovered. Further, contractors of Parking and Canteen did not deposit arrears amounting to Rs 2.269 million. Resultantly, DHA was deprived of from own source income amounting to Rs 3.285 million. The detail is as under:

(Rupees in million)

| Sr. No. | Name of Auction | Year | Amount Due | Amount Deposited | Arrear |
|--------------------------|--------------------------------------|---------|--------------|------------------|--------------|
| 1 | Electricity Bills by IDAP contractor | 2017-19 | 1.016 | - | 1.016 |
| 2 | Parking Stand | 2018-19 | 2.937 | 1.602 | 1.335 |
| 3 | Canteen/fruit shop | 2018-19 | 2.659 | 1.725 | 0.934 |
| Total Recoverable | | | 5.596 | 3.327 | 3.285 |

Audit is of the view that due to weak financial controls, arrears of DHA were not recovered from the contractors Rs 3.285 million.

Non-remittance of arrears of DHA from the defaulting contractors resulted in short realization of DHA income amounting to Rs 3.285 million.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends recovery of DHA dues from the defaulting contractors, under intimation to Audit.

4.4 Asset Management

Asset management is a systematic process of developing, operating, maintaining, upgrading, and disposing of assets cost-effectively. The asset management is directly related to effective service delivery by the DHA. Various lapses have been found regarding asset management.

4.4.1 Improper asset management and deterioration due to non-repair–Rs 74.345 million

According to Rule 15.21 (7) of Punjab Financial Rules Volume-I, if during the course of audit, loss, fraud or misappropriation is suspected, Audit may carry out physical verification of stores and other assets jointly with the local officer-in-charge of the stores and other assets. Further, according to Rule 2.33 of Punjab Financial Rules Volume-I, every Government servant should realise fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

During Performance Audit of DHA, Toba Tek Singh it was observed that costly machinery & bio medical equipment valuing Rs 74.345 million requiring minor repair was found non-functional at different health facilities under the jurisdiction of DHA, Toba Tek Singh. No efforts were made by the concerned DDOs to make the said assets functional resulting into further deterioration (**Annexure-B**).

Audit is of the view that due to weak internal controls and negligence, DHA assets were not made functional.

Non-functioning of precious machinery & bio medical equipment resulted in loss to the DHA and rendering the costly assets amounting to Rs 74.345 million obsolete.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

4.4.2 Non-functional assets/ un-necessary purchase–Rs 58.850 million

According to Rule 4 of Punjab Financial Rules Volume-I, stores, in many cases, represent a locking up of capital which is not justifiable unless essential. In order to effect economy in this direction Audit will see that the balance in hand does not exceed the maximum limit prescribed by competent authority and is not in excess of requirements for a reasonable period.

District Health Authority failed to achieve maximum benefits by utilization of costly machinery & bio medical equipment valuing Rs 58.850 million. Scrutiny of record revealed that costly machinery & bio medical equipment either supplied by the PMU or purchased by DHA through ADPs was found lying idle in the stores of various health facilities. No efforts were made by the DDOs/supervisory authorities to utilize the precious assets. It is pertinent to mention that Autoclave valuing Rs 9.800 million received in 2007 was found lying packed in DHQ Hospital, Toba Tek Singh (**Annexure-C**).

Audit is of the view that due to negligence and mismanagement, DHA assets were not made functional /utilized.

Non-utilization of assets of DHA in health facilities resulted in blockage of resources amounting to Rs 58.850 million.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

4.4.3 Payment of HRA & Conveyance Allowance due to non-allotment of residences after needful repair –Rs 38.305 million

According to Rule, 4(2) of the Punjab Local Government (Property) Rules, the manager shall be responsible to the Local Government for any loss, destruction or deterioration of the property, if such a loss, destruction or deterioration occurs as a result of his default or negligence in discharge of his responsibility. Further, according to Para 6 of Government of the Punjab, Finance Department letter

No.FD(M-I)1-15/02-P-I, dated 15.01.2000, in case of designated residences, the officers/officials for whom residence is meant cannot draw House Rent Allowance. Furthermore, according to clarification issued by Government of the Punjab, Finance Department vide letter No.FD.SR.1.9-4/86(PR)(P) dated 15.10.2011, the employees who are residing in the residential colonies situated within work premises are not entitled to the facility of Conveyance Allowance.

District Health Authority failed to allocate budget for repair/renovation of its residential buildings situated at DHQ/THQs, Rural Health Centers and Basic Health Units of the district. During visits of health facilities by the audit team it was revealed that 156 designated residential buildings were found vacant due to dangerous/repairable condition (**Annexure-D**). DHA allocated minor amount of budget of Rs 3.00 million for repair of residential buildings during 2016-19 out of which only Rs 0.593 million could be utilized. Resultantly, the said residences remained vacant which not only affected the standard of service delivery but also loss of Rs 38.305 million in shape of House Rent Allowance & Conveyance Allowance paid due to non-allotment. The detail is as under:

(Rupees in million)

| Sr. No. | Name of Office | Total No. | Occupied | Dangerous/Repairable | Period | HRA | Conveyance Allowance | Total |
|--------------|------------------------|------------|------------|----------------------|--------|---------------|----------------------|---------------|
| 1 | DHQ Toba Tek Singh | 53 | 43 | 10 | 30 | 1.330 | 0.857 | 2.187 |
| 2 | THQ Kamalia | 41 | 35 | 6 | 30 | 0.783 | 0.514 | 1.297 |
| 3 | ECGH Gojra | 39 | 30 | 9 | 30 | 1.175 | 0.771 | 1.946 |
| 4 | Rural Health Centers | 139 | 78 | 61 | 30 | 7.961 | 5.226 | 13.187 |
| 5 | BHUs (MOs residencies) | 70 | 0 | 70 | 30 | 9.188 | 10.500 | 19.688 |
| Total | | 272 | 186 | 156 | | 20.437 | 17.868 | 38.305 |

| Period | Head of Account | Budget | Utilization | Balance | % age Utilization |
|---------|--------------------------------|--------|-------------|---------|-------------------|
| 2016-19 | Repair of residential Building | 3.000 | 0.593 | 2.407 | 19.767 |
| 2016-19 | Physical Assets | 35.997 | 7.771 | 28.226 | 21.588 |

(Budget & expenditure statement 2016-19)

Audit is of the view that due to negligence and mismanagement, residences at health facilities were not allotted after repair.

Non-allotment of residences after repair resulted in inefficient service delivery and loss due to payment of HRA & Conveyance Allowance to the employees amounting to Rs 18.616 million.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

4.5 Monitoring and Evaluation

Monitoring and evaluation plays integral role in improving performance and achieving results. Audit found lack of proper monitoring and evaluation by the DHA that resulted in various lapses.

4.5.3 Loss due to weak internal controls/monitoring – Rs 1.611 million

According to Rule 15.21 (7) of Punjab Financial Rules Volume-I, if during the course of audit, loss, fraud or misappropriation is suspected, Audit may carry out physical verification of stores and other assets jointly with the local officer-in-charge of the stores and other assets. Further, according to Rule 2.33 of Punjab Financial Rules Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

District Health Authority, Toba Tek Singh sustained loss of Rs 1.611 million due to theft of various assets at different health facilities. DHA authorities did not pursue the matter and no efforts were made to recover the loss from the responsible. The detail is as under:

(Rupees in million)

| Sr. No. | Name of Health Facility | Financial Year | Item Name | Amount |
|--------------|-------------------------|----------------|------------------------|--------------|
| 1 | DHQ Hospital TT Singh | 2017-18 | Tablet Samsung | 0.057 |
| 2 | DHQ Hospital TT Singh | 2017-18 | Fans UPS, Ceiling Fans | 0.600 |
| 3 | DHQ Hospital TT Singh | 2017-18 | Transformers 2 Nos. | 0.200 |
| 4 | DHQ Hospital TT Singh | 2017-18 | Electricity Wire | 0.095 |
| 5 | DHQ Hospital TT Singh | 2017-18 | LCD 55" | 0.055 |
| 6 | DHQ Hospital TT Singh | 2017-18 | Tab Samsung | 0.054 |
| 7 | ECG Hospital Gojra | 2017-18 | Tab Lenovo | 0.050 |
| 8 | DHQ Hospital TT Singh | 2011-12 | Ambulance TSB-266 | 0.500 |
| Total | | | | 1.611 |

Audit is of the view that due to negligence, efforts were not made to recover the loss from the responsible.

Non-pursuance of the matter/recovery of theft material resulted in loss to the DHA amounting to Rs 1.611 million.

The matter was reported to the CEO in June, 2020. No DAC was convened till the finalization of this report.

Audit recommends recovery amounting to Rs 1.611 million besides fixing responsibility on the person(s) at fault, under intimation to Audit.

4.6 Environment

Increased utilization of health services leads to increase in hospital waste. As the hospital waste increased, so incinerators were needed at health facilities for its proper disposal. There was no proper mechanism developed for disposal of waste in the health facilities. In 2016 DHQ Hospital incurred expenditure of Rs 1.450 million on repair of incinerator but the same could not become operational after repair. The disposal of hospital waste is an alarming concern with respect to environment and needs immediate attention.

4.7 Sustainability

District Health Authority could not become fully functional because no elected Chairman and other members held the office since its establishment. It is important to constitute the authority to supervise health administration in order to maintain and improve their performance and the overall quality of care. District Health Authority has no control on operational mechanism of RHCs and BHUs after constitution of Health Facilities Management Company in the District since January, 2018. There is no roadmap for financial sustainability of health authority and it is primarily relying on provincial grants. Implementation of the sustainability mechanism is the key to the success of the District Health Authority.

4.8 Overall Assessment

Overall assessment of DHA is unsatisfactory as adequate service delivery could not be ensured due to lack of human resources, time and cost overruns in development schemes, blockade of public resources in terms of non-operational machinery and equipment, delayed procurement of medicines, non-utilization of budget under different heads, poor service delivery due to dilapidated residences at RHC and BHU level. Further the overall performance of DHA was also not satisfactory as management could not achieve the intended targets set for MSDS in almost all primary and secondary health facilities. The development targets were also not achieved as different wards/departments were not handed over to the health facilities despite lapse of stipulated time period resulting into increase in referral cases.

i) Relevance

The procurement of medical equipment for newly upgraded health facilities under revamping program was highly relevant initiative as Government of the Punjab had placed high priority on the provision of health facilities at grass root level. However, most of equipment remained non-functional due to non-handing over of the buildings after renovation by the IDAP contractors. Further, District Health Authority had no control over the activities of the contractors working under its jurisdiction. Due to lack of coordination and linkage with the two tiers the outcome could not be fruitful. As far as ADP schemes being executed in the district are concerned, timelines were not achieved which resulted in hindrance in service delivery. In addition, cost overrun was observed of more than 32.964 million due to delay in procurement of machinery & bio medical equipment. Various vertical programs have been run in the district which resulted in inefficient use of resources. With the help of focused approach and efforts, DHA can achieve its objectives.

ii) Economy

Principles of economy were not observed in procurement of medical equipment. Machinery & Equipment received from PMU and purchased under ADPs was found lying packed in the stores of health facilities since long. Diathermy machines purchased in 2009 under PMDGP were found packed in different RHCs during filed visits. It is pertinent to mention that the said machine is used for surgeries however, no surgeries were conducted at RHCs. The below specification medical equipment having costly consumables were purchased, many of which were out of order and lying idle in the stores. The procurement of equipment was made without availability of relevant staff thus losing their useful life. Overall procurements were uneconomical in relation to the inputs and outcomes achieved.

iii) Efficiency

Efficiency is basically an input-output-relationship. In this context, service delivery was poor due to non-procurement of medical equipment despite availability of funds. Development schemes could not be completed within time and intended services could not be provided despite incurrence of huge expenditure.

DHA also failed to ensure timely execution of Revamping Schemes being executed by the IDAP. Different incomplete portions of these schemes were lying non-functional at three Secondary Health Facilities.

iv) Effectiveness

As far as effectiveness of the procurements under development schemes is concerned, it can be safely stated that the DHA could not achieve its stated goals due to purchase of irrelevant/excess equipment than demand, therefore the Program's effectiveness remained low.

v) Ethics

The objective of service delivery by the DHA aimed to reduce out of pocket expenditure of the poor through providing the medical services at the door step, but due to inconsistency in provision of health facilities i.e. non-availability of required equipment, unnecessary purchase of irrelevant equipment, lack of trained medical staff and poor environment of health facilities, non-availability of advance diagnostic equipment, lack of professionalism, rude behavior of staff nurses and medical officers, general public prefer to get medication from private hospitals or practitioners.

vi) Compliance with Rules

Irrelevant procurement, local purchase of medicine at higher rates, undue favor to the contractors / firms, lack of coordination among responsible authorities and non-availability of accountability process are the examples of non-adherence to Government rules and policies.

vii) Performance rating of Service Delivery

Unsatisfactory

ix) Risk rating of Service Delivery

High

5. CONCLUSION

If the performance of service delivery by the DHA is measured against planned objectives, audit is of the view that decisions were made without any planning and coordination with health facilities which resulted in late execution of District Rate Contract. The service delivery was observed below standards due to non-availability of trained medical staff and non-utilization of budget under various heads. Delay in procurements not only resulted in time and cost overruns but also depriving the general public from the provision of health care services. Delivery of services was poor due to short procurement of medical equipment despite availability of funds under ADP. On the other hand, various medical machinery and equipment were procured without immediate requirement and were deteriorating without use. Due to negligence of management newly purchased iron beds under ADP in 2016 were declared condemned in 2018 by the IDAP. The defective medical equipment was procured which became out of order right after its installation and required immediate repair which was neither carried out by the suppliers or the DHA. Some machinery/equipment was missing due to theft but the matter was not pursued by the authorities. Medical facilities such as Dialysis wards at Eye-cum General Hospital, Gojra and Tehsil Headquarters Hospital, Kamalia could not be made functional by the IDAP Contractors which resulted in non-delivery of services despite huge expenditures.

5.1 Key Issues for the Future

With tremendous and un-controlled explosion of population growth, the need for better health care facilities for a clean and healthy environment will increase with the passage of time. Following key issues may be deemed important for future guidance:

- i. Earliest constitution of DHA in full pattern, i.e. appointment of Chairman and other members;
- ii. Health Specialists gap must be filled to cover the deficiency in service delivery;

- iii. Purchase of latest laboratory equipment to maximize Diagnostic services besides making functional all repairable assets;
- iv. Sustainability and smooth running of Authority are not possible without proper supervision, strengthening of internal controls and awareness of the community;
- v. Effective utilization of assets especially bio medical equipment;
- vi. Timely release and proper utilization of funds for the betterment of patients;
- vii. Transparent administrative and financial discipline;
- viii. Timely purchase of bio medical equipment to avoid cost overrun;
- ix. Execution of District Rate Contract at the start of the financial year to avoid shortage of medicine, economies of large scale be achieved;
- x. Timely completion of the development schemes to avoid time overrun;
- xi. There must be proper administrative control of DHA authorities over Primary Health Facilities after handing over to the PHFMC;
- xii. Intensive training programs for the staff of DHA to operate the latest technology /equipment.

5.2 Lessons Identified

- i. Proper planning is key for clear understanding of the roles and responsibilities;
- ii. Only integrated planning & implementation produce desired & sustainable results;
- iii. Merit-based selection and capacity building of staff are crucial for implementation of a plan;
- iv. Commitment of the Authority and integration of responsibilities is essential for achievement of objectives;
- v. Sustainability and smooth running of the Authority are not possible without training, proper supervision, strengthening of internal controls and awareness of the community;

6. ACKNOWLEDGEMENT

We wish to express our serious concern that auditors had to face scope limitation while executing audit activity during spread of Covid-19 and prevailing lockdown situation. However, we appreciate the Management and staff of Chief Executive Officer (District Health Authority) Toba Tek Singh, especially DHIS staff for the assistance and cooperation extended to the auditors during execution of this assignment.

ANNEXURES

Annexure-A**Human Resources Gap of District Health Authority, Toba Tek Singh**

| Sr. No. | Categories | District Toba Tek Singh | | |
|--------------|---------------------------|-------------------------|--------------|------------|
| | | Sanction | Filled | Vacant |
| 1 | Gynecologist | 11 | 11 | - |
| 2 | Surgeon | 8 | 7 | 1 |
| 3 | Anesthetist | 11 | 2 | 9 |
| 4 | Pathologist | 4 | - | 4 |
| 5 | Blood transfusion officer | 3 | - | 3 |
| 6 | WMOs | 95 | 80 | 15 |
| 7 | MOs/SMOs | 152 | 121 | 31 |
| 8 | Paramedics | 234 | 196 | 38 |
| 9 | Vaccinators | 84 | 80 | 4 |
| 10 | Staff Nurse | 265 | 214 | 51 |
| 11 | Midwife | 44 | 36 | 8 |
| 12 | LHW | 1,183 | 1,122 | 61 |
| 13 | LHS | 43 | 41 | 2 |
| Total | | 2,137 | 1,910 | 227 |

Annexure-B**[Para: 4.4.1]****Improper asset management and deterioration due to non-repair – Rs 74.345 million**

(Rupees in million)

| Sr. No | Name of Equipment | Source | Formation | Year of Receipt | Quantity | Value |
|--------------|---|---------------------------|-------------------|-----------------|----------|---------------|
| 1 | Semi-Automatic Chemistry Analyzer | Hepatitis Control Program | DHQ Hospital | 2007 | 1 | 0.750 |
| 2 | Incinerator | Provincial Supply | DHQ Hospital | 2007 | 1 | 20.000 |
| 3 | Generator 200 KVA Comens | ADP | DHQ Hospital | 2009 | 1 | 9.600 |
| 4 | Generator 100 KVA Perkin | ADP | DHQ Hospital | 2017 | 1 | 7.500 |
| 6 | Air Conditioners | ADP | THQ Kamalia | 2009 | 10 | 0.450 |
| 7 | ECG Machine | PMDGP | THQ Kamalia | 2009 | 1 | 0.150 |
| 8 | Generator 25 KVA | ADP | City Hospital TTS | 2010 | 1 | 1.500 |
| 9 | Photocopier Machine | PMU | DHQ Hospital | 2016 | 1 | 0.450 |
| 10 | X-Ray plant 100 MAH | Provincial Supply | THQ Kamalia | 1992 | 1 | 2.500 |
| 11 | Steam sterilizer | PMU | DHQ Hospital | 2018 | 1 | 3.500 |
| 12 | Ceiling light OT | PMDGP | DHQ Hospital | 2009 | 1 | 1.600 |
| 13 | Air Curtain | PMU | ECGH Gojra | 2018 | 1 | 0.800 |
| 14 | Steam sterilizer | PMU | ECGH Gojra | 2018 | 1 | 3.500 |
| 15 | Autoclave sterilizer | CEO Office Supply | THQ Kamalia | 2013 | 1 | 0.600 |
| 16 | Centrifuge Machine | Regular Budget | THQ Kamalia | 2017 | 1 | 0.120 |
| 17 | Generator 150 KVA Comens | ADP | ECGH Gojra | 2009 | 1 | 6.600 |
| 18 | Stabilizer 5000 KW for dialysis machine | PMU | ECGH Gojra | 2017 | 1 | 0.125 |
| 19 | Generator 200 KVA | ADP | ECGH Gojra | 2009 | 1 | 8.200 |
| 20 | Steam sterilizer (MELAG) | PMU | ECGH Gojra | 2018 | 1 | 3.500 |
| 21 | Flower beds | ADP | THQ Kamalia | 2016 | 25 | 2.500 |
| 25 | Air Conditioners 1.5 Tons | Regular Budget | DHQ Hospital | 2017 | 6 | 0.400 |
| Total | | | | | | 74.345 |

Annexure-C**[Para: 4.4.2]****Non-functional of assets/ un-necessary purchase – Rs 58.850 million**

(Rupees in million)

| Sr. No. | Name of Equipment | Head/Source | Formation | Year of receipt/purchase | Quantity | Value |
|---------|-------------------------------|-------------------|--------------|--------------------------|----------|---------------|
| 1 | Bed Side Benches | ADP 2016-17 | DHQ Hospital | 2018 | 1 | 1.470 |
| 2 | Autoclave FCA/350-R | Hepatitis Program | DHQ Hospital | 2007 | 1 | 9.800 |
| 3 | Cardiac Defibrillator | ADP 2015-16 | DHQ Hospital | 2016 | 2 | 0.980 |
| 4 | Samsung Galaxy Tabs | Health Council | DHQ Hospital | 2017 | 12 | 0.687 |
| 5 | Tonometer | Health Council | DHQ TT Singh | 2018 | 1 | 0.700 |
| 6 | Audiometer | Health Council | DHQ Hospital | 2018 | 1 | 0.750 |
| 7 | Diathermy Machine | PMDGP | Various RHCs | 2009 | 8 | 4.240 |
| 8 | ABG Machine care lab i-15 | Health Council | DHQ Hospital | 2018 | 1 | 0.700 |
| 9 | Exhaust Fans | Health Council | DHQ Hospital | 2017 | 17 | 0.039 |
| 10 | Air Conditioner 2 Ton Split | PMU | ECGH Gojra | 2018 | 2 | 0.200 |
| 11 | Air Conditioner 2 Ton Cab nit | PMU | ECGH Gojra | 2018 | 34 | 5.950 |
| 12 | Autoclave | Health Council | DHQ TT Singh | 2018 | 1 | 0.099 |
| 13 | Dialysis Machine | ADP | ECGH Gojra | 2018 | 5 | 7.500 |
| | RO plant for machine | ADP | THQ Kamalia | 2018 | 1 | 0.500 |
| 14 | Incubators | ADP | ECGH Gojra | 2018 | 2 | 1.210 |
| 15 | Dialysis Machine | ADP | THQ Kamalia | 2018 | 1 | 1.500 |
| 16 | AC cabinet 2 tons | PMU | DHQ Hospital | 2018 | 11 | 1.925 |
| 17 | AC cabinet 4 tons | PMU | DHQ Hospital | 2018 | 2 | 0.700 |
| 18 | Ceiling Fans | PMU | DHQ Hospital | 2017 | 30 | 0.150 |
| 19 | Fowler Beds with accessories | PMU | DHQ Hospital | 2017 | 30 | 10.500 |
| 20 | Lenovo Tabs | PMU | DHQ Hospital | 2019 | 32 | 1.600 |
| 21 | OT light | PMU | DHQ Hospital | 2018 | 2 | 1.200 |
| 22 | ICU Beds | PMU | THQ Kamalia | 2019 | 4 | 1.800 |
| 23 | Desktop Computers | PMU | THQ Kamalia | 2019 | 5 | 0.400 |
| 24 | AC cabinet 4 tons | PMU | THQ Kamalia | 2018 | 5 | 3.500 |
| 25 | LED 55" | PMU | THQ Kamalia | 2018 | 5 | 0.750 |
| | | | | | | 58.850 |

Annexure-D**[Para: 4.4.3]****Non-repair of dangerous residencies and loss due to payment of HRA & Conveyance Allowance besides poor service delivery – Rs 38.305 million**

| Sr. No. | Name of Office | Detail of Residencies | | |
|----------------|------------------------|------------------------------|-----------------|------------------------------|
| | | Total Number | Occupied | Dangerous/ Repairable |
| 1 | CEO, Complex | 16 | 16 | - |
| 2 | DHQ Toba Tek Singh | 53 | 43 | 10 |
| 3 | THQ Kamalia | 41 | 35 | 6 |
| 4 | ECGH Gojra | 39 | 30 | 9 |
| 5 | City Hospital TT Singh | 2 | 2 | - |
| 6 | City Hospital Kamalia | - | - | - |
| 7 | RHC 316/GB | 19 | 6 | 13 |
| 8 | RHC 394 Jaja | 19 | 6 | 13 |
| 9 | RHC Rajana | 27 | 3 | 24 |
| 10 | RHC Mongi Banglow | 19 | 19 | - |
| 11 | RHC Pir Mahal | 11 | 10 | 1 |
| 12 | RHC 740/GB | 20 | 14 | 6 |
| 13 | RHC Sindhilianwali | 6 | 6 | - |
| 14 | RHC Aroti` | 9 | 9 | - |
| 15 | RHC Nia Lahore | 7 | 3 | 4 |
| 16 | BHUs for MOs | 70 | - | 70 |
| Total | | 358 | 202 | 156 |