



**PERFORMANCE AUDIT REPORT
ON
THE PUNJAB DEVOLVED SOCIAL
SERVICES PROGRAM (PDSSP)
(HEALTH SECTOR)
DISTRICT GOVERNMENT
BAHAWALPUR**

Audit Year 2014-15

15th May 2015

AUDITOR GENERAL OF PAKISTAN

PREFACE

The Auditor-General conducts audits as per 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 of the Punjab Local Government Ordinance 2001. The performance audit of "Punjab Devolved Social Services Program (Health Sector) Bahawalpur" was carried out accordingly.

The Directorate General Audit, District Governments, Punjab (South), Multan, a field office of the Auditor General of Pakistan, conducted the performance audit of Punjab Devolved Social Services Program (PDSSP) Health Sector Bahawalpur for the period 2006-14. The audit was carried out during April and May 2015 with a view to reporting significant findings to the stakeholders. Audit examined the economy, efficiency and effectiveness aspects of the Program. In addition to this, Audit assessed, on test check basis, whether the management complied with applicable laws, rules and regulations in managing the Program or not. The Audit Report indicates specific actions that, if taken, will help the management to implement the Program (PDSSP) successfully. Most of the observations included in this Report have been finalized in the light of written responses of the management and discussion in DAC meeting.

The Audit Report is submitted to the Governor of the Punjab in pursuance of Article 171 of Constitution of the Islamic Republic of Pakistan, 1973, read with Section 115 of the Punjab Local Government Ordinance, 2001 to cause it to be laid before the Provincial Assembly.

Islamabad
Dated:

(Rana Assad Amin)
Auditor General of Pakistan

TABLE OF CONTENTS

PREFACE	ii
ABBREVIATIONS AND ACRONYMS	i
EXECUTIVE SUMMARY	iii
1. INTRODUCTION	1
2. AUDIT OBJECTIVES	6
3. IMPACTS ANALYSIS	7
4. SWOT ANALYSIS	8
5. AUDIT SCOPE AND METHODOLOGY	9
6. AUDIT FINDINGS AND RECOMMENDATIONS	10
7. CONCLUSION.....	41
ACKNOWLEDGEMENT	43
ANNEX.....	44

ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
ADBF	Asian Development Bank Fund
BHU	Basic Health Unit
CBOs	Community Based Organizations
CCB	Community Development Board
CMW	Community Midwife
CSA	Control Self Assessment
DFID	Department for International Development of United Kingdom
DHDC	District Health Development Center
DHIS	District Health Information Center
DHQ	District Headquarter
EmONC	Emergency Obstetric and Newborn Care
H.D	Health Department
EDO	Executive District Officer
FLHF	First Level Health Facility
FP &PHC	Family Planning & Primary Health Center
GoP	Government of Pakistan
GoPb	Government of Punjab
IMR	Infant Mortality Rate
INTOSAI	International Supreme Audit Institution
LGs	Local Governments
LHV	Lady Health Visitor
LHW	Lady Health Worker
LHWP	Lady Health Workers Program
LIBOR	London Inter Bank Offered Rate
MDG	Millennium Development Goals
MICS	Multi-indicator Cluster Survey
MIS	Management Information System
MMR	Maternal Mortality Ratio
MNCH	Maternal Newborn and Child Health
MOU	Memorandum of Understanding
MSDS	Minimum Service Delivery Standards

MTBF	Medium-Term Budgetary Frame Work
NGO	Non Government Organization
NHPS	National Health and Population Survey
OCR	Ordinary Capital Receipt
PAIMAN	Pakistan Initiative for Mothers and Newborn Project
PC-1	Planning Commission- Performa 1
PDHS	Punjab Demographic and Health Survey
PFC	Punjab Finance Commission
PHSRP	Punjab Health Sector Reforms Program
PHIS	Punjab Health Information System
PIHS	Pakistan Integrated Household Survey
PLDs	Provincial Line Departments
PMDGP	Punjab Millennium Development Goals Program
P-PRSP	Punjab Poverty Reduction Strategy Paper
PRHFPS	Pakistan Reproductive Health and Family Planning Survey
PSU	Program Support Unit
RHC	Rural Health Centre
SMPs	Standard Medical Protocols
S.O	Statistical Officer
SOPs	Standard Operating Procedures
TA	Technical Assistance
WSS	Water Supply & Sanitation
WUCs	Water User Committees

EXECUTIVE SUMMARY

The Directorate General of Audit, District Governments, Punjab (South), Multan, carried out the Performance Audit of Punjab Devolved Social Services Program (PDSSP), District Government Bahawalpur for the period 2006-07 to 2013-14. The audit was carried out during 16.04.2015 to 13.05.2015 and in accordance with INTOSAI Auditing Standards.

The main objectives of the audit were to:

- a. Review program's performance against intended objectives.
- b. Assess that the program was managed with due regard to economy, efficiency and effectiveness.
- c. Review compliance with applicable rules, regulations and procedures.

PDSSP is an initiative taken by Government of the Punjab to improve service delivery at grass root level. It is designed to provide support to all 34 district of Punjab. This audit report deals with the program initiatives in health sector of district Bahawalpur. The program was launched by EDO (Health). Funds of Rs 66.911 million were allocated during the financial year 2006-07 to 2013-14, out of which an expenditure of Rs 44.521 million was incurred till June 2014.

The targeted impact of the PDSSP was the attainment of Millennium Development Goals (MDGs) by reducing Infant Mortality Rate (IMR) and Maternal Mortality Ratio (MMR) in Punjab with targeted outcomes of improved access, quality and equity of health services. Delivery of minimum package of services stipulated in the Minimum Service Delivery Standards (MSDS), especially in Maternal Newborn and Child Health (MNCH), was the strategy for attaining the MDGs.

Key audit findings include following important observations:

1. Preparing 3 year's rolling plan and incurring expenditure without coordination with the management of parallel programs.
2. Non achievements of targets.
3. Incurring expenditure from program funds in areas which are not part of the plan.
4. Unauthorized expenditure without rolling plan and utilization plan.
5. Non performance of core activities of the program.
6. Non utilization of funds.

Audit would suggest focusing on the following institutional, technical, financial and legal recommendations to improve overall performance of the program:

- i. Management of parallel programs should be coordinated properly in order to achieve synergy.
- ii. Government funds should be utilized for the purposes for which the funds are approved for, in accordance with the utilization plan of the program.
- iii. Purchases should be made in accordance with PDSSP Guidelines with observance of principles of economy, efficiency and effectiveness.
- iv. The activities of strengthening internal controls and financial management should be implemented in letter and spirit vis-à-vis observance of Government rules, and ancillary instructions.
- v. Government functionaries concerned with the implementation of the program must be educated about the program details, their roles and responsibility and the accountability mechanism. Commitment of the concerned authorities / staff is essential for successful implementation of the program. Environment of Control Self Assessment (CSA) may be developed at each level of the management.
- vi. Responsibility for delays, losses and overpayments, as reported through different audit paras of the report, must be fixed on the person(s) at fault and efforts be made to avoid recurrence of such irregularities / losses in future.

1. INTRODUCTION

Government of the Punjab is undertaking a number of initiatives to improve performance of social service sectors leading to the achievement of Millennium Development Goals (MDGs). United Nations, in September 2000, adopted the UN Millennium Development Goals. These goals were translated into road maps which were to be achieved by 2015. Two of these goals pertain to health sector, which are (i) reduction in child mortality and (ii) improvement in maternal health.

Punjab Devolved Social Services Program (PDSSP) is one of such initiatives taken by Government of the Punjab (GoPb) to improve service delivery at grass root level. Devolved system of Government under the Punjab Local Government Ordinance (PLGO) provides best opportunities as three tier of political system of Local Governments (LGs) which is backed by a number of Council, Committees, have built in transparency.

PDSSP is designed for providing wide support, covering all 34 districts and up to 34 TMAs for devolved social service. This audit report deals with endeavors of PDSSP pertaining to the health sector of Bahawalpur district only.

Health Department, Government of the Punjab is executing agency at provincial level. In District Government Bahawalpur, Executive District Officer (Health) is the responsible authority for implementation of the program.

1.1 Program Rationale

Punjab's social indicators fall far short of its economic development, as reflected by high infant, child, and maternal mortality rates; high susceptibility to communicable diseases; very low proportion of deliveries by trained birth attendants. A main reason for non improvement in social indicators in the province was that the Government of Punjab (GoPb) was short of resources in relation to its large socio economic needs and heavily relied upon fiscal transfers from the Federal Government. Worsening poverty and slow progress toward achieving the MDGs in Punjab provided the basis for Asian Development Bank's (ADB) support.

(Source: Page iii of the program document and Para No. 04 at page No. 17 of the Performance Evaluation Report of PDSSP carried out by Independent Evaluation Department of Asian Development Bank during September 2012).

1.2 Time Period of the Project

The program period was planned for the period 31.03.2005 to 31.03.2008; however it was started during financial year 2006-07 and it is still going on, to date.

1.3 Project Details

1.3.1 Design of the Program

PDSSP was built around three principal policy outcomes: (i) re-aligning inter-government relations to support devolved social services; (ii) rationalizing and setting minimum standards for social services; and (iii) strengthening the public accountability mechanisms and promoting public-private partnership. Government of the Punjab proposed three areas of policy actions focusing on strengthening of Local Government (LGs) to deliver improved social services.

1.3.2 Goals and Objectives of the Program

PDSSP's objective was to strengthen devolved social services for a more equitable, efficient, effective, and sustainable delivery of social services in line with the Punjab Local Government Ordinance 2001 (PLGO). The program aimed at achieving all MDGs including reduction of Infant Mortality Rate, Maternal Mortality Ratio and Child Mortality, improvement in bed occupancy rate, and improvement in immunization.

1.3.3 Key Performance Indicators and Targets

In order to assess progress of the program, many key health indicators and targets to be achieved were specified in the program document. Key Performance Indicators (KPIs) include reduction in Infant Mortality Rate (IMR), Maternal Mortality Ratio (MMR), child mortality and proportion of deliveries conducted by trained health professionals. The detail is given in Annex-A.

1.3.4 Main Beneficiaries of the Program

The main beneficiaries of PDSSP were designed to be the rural and urban poor, particularly women and girls. Special attention was given to vulnerable groups.

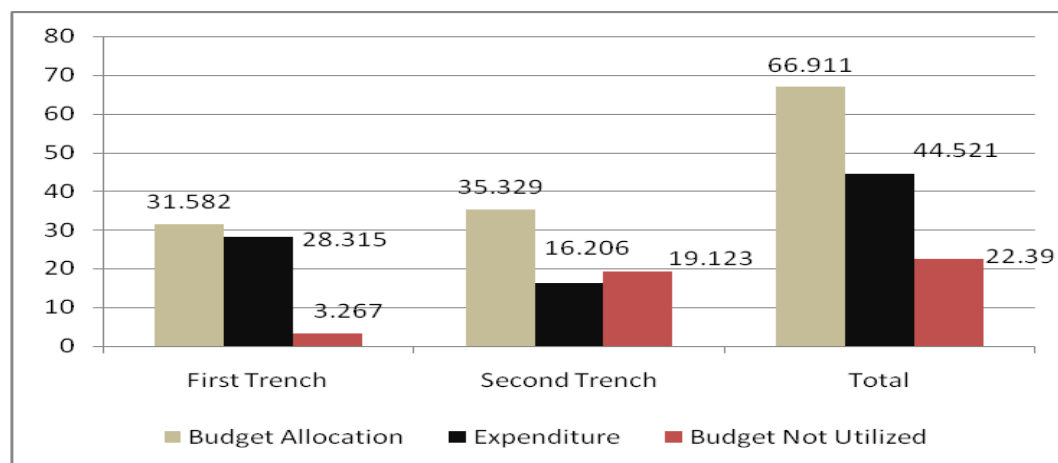
1.4 Sources of Financing

Asian Development Bank (ADB) provided a loan of US \$150 million of which \$ 75 million was from ordinary capital resources (OCR) and \$ 75 million was a loan from Asian Development Fund (ADF). The Department for International Development of the United Kingdom (DFID) co financed \$30 million as budget support and \$20 million as a technical assistance (TA) grant. The ADF financing amounting to \$ 75 million was to be allocated by the Government of Punjab as grants to district governments and tehsil (town) municipal administrations (TMAs) with health having 65% share.

1.5 Allocation of Funds to District Government Bahawalpur

EDO (Health) Bahawalpur received funds of Rs 66.911 million during 2006-14, out of which only Rs 44.521 million were spent till 30.06.14 and Rs 22.390 million of funds remained un-utilized. Funds were received by EDO Bahawalpur in two tranches; first tranche was received in 2006-07 and second tranche in 2010-11, detailed is stated below.

(Rupees in Million)					
Sr. No.	Account Head	Budget Allocation	Expenditure	Budget not Utilized	Percentage of Budget not Utilized
1	First Tranche	31.582	28.315	3.267	10.34 %
2	Second Tranche	35.329	16.206	19.123	54.12 %
	Total	66.911	44.521	22.39	33.46 %



1.6 Summary of Expenditure

Out of total expenditure of Rs 44.521 million, Rs 23.264 million were spent on account of purchase of machinery and equipment, Rs 8.954 on purchase of furniture and fixture, Rs 10.834 million on purchase of drugs and medicine and Rs 1.470 on computerization of drug sale license branch during 2006-14.

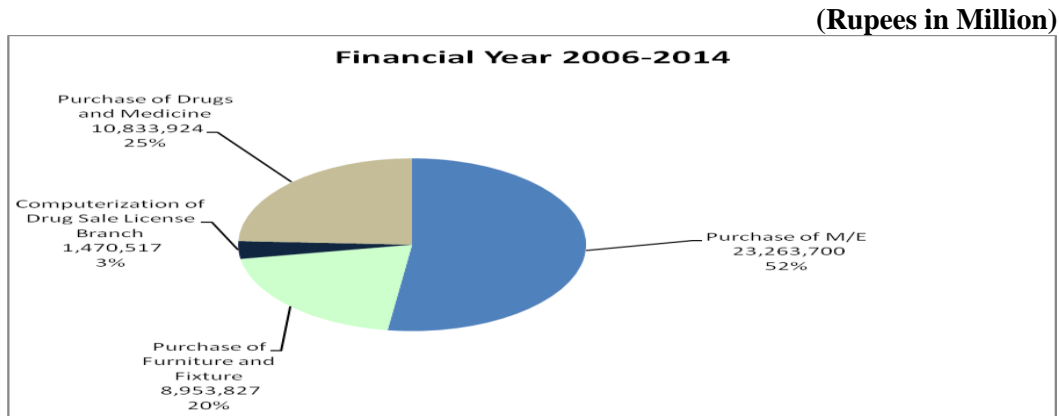
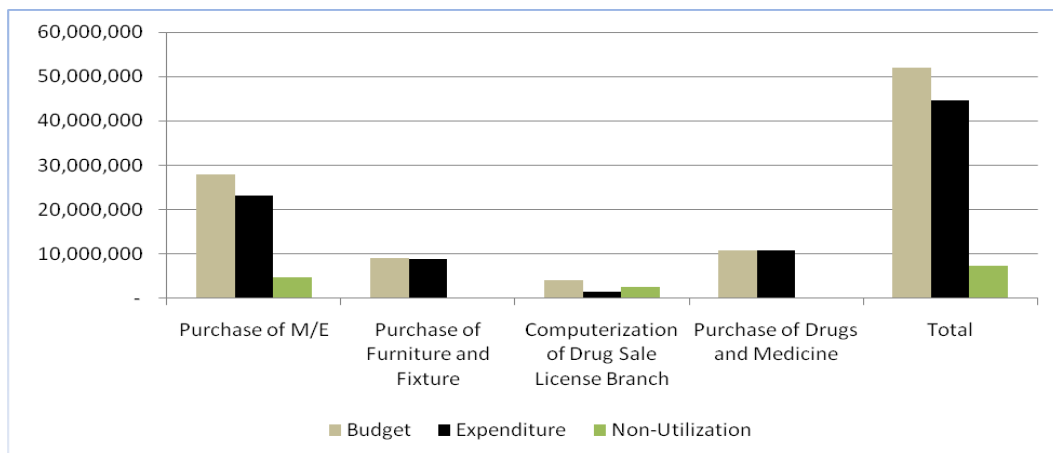


Chart below depicts budget utilization in various heads of accounts during 2006-14.



Main reason for non utilization of funds was non preparation of annual sector plans and abnormal delays in preparation and approval of utilization / rolling plans in relevant period. The detail of funds utilization is given in Annex – B.

1.7 Criteria for Audit

The performance audit activity was based on the guidelines / projects details available in the “Report and Recommendations of the President of the Asian Development Bank (ADB) regarding Proposed Program Loan and Technical Assistance Grant for the Punjab Devolved Social Services Program”, approved utilization plans and directives /guidelines circulated by the Government of the Punjab.

2. AUDIT OBJECTIVES

The objectives of the performance audit were to:

- a. Review program's performance against intended objectives.
- b. Assess that the program was managed with due regard to economy, efficiency and effectiveness.
- c. Review compliance with applicable rules, regulations and procedures.

3. IMPACTS ANALYSIS

3.1 Social Impact

According to Para 97 of the program document, PDSSP was designed to improve quality of human capital for a large majority of population of Punjab especially the rural population, poor segments and vulnerable people, by improved targeting. Better governance and realignment of roles and responsibilities of Provincial Live Department (PLDs) and Local Government (LGs) were expected to improve quality, efficiency, access and cost-effectiveness of social services as improved quality of life have direct impact on improving social sector outcomes and attainment of MDGs. Planned benefits of the program could not be achieved due to poor planning, inefficient execution and delays in implementation of program.

3.2 Impact on Institutional Reforms

According to Para 99 of the program document, PDSSP envisioned institutional reforms to strengthen local government system. The reforms were essential to institutionalize improved governance, access to information and citizen's participation in planning of social services to improve service delivery. The program aimed at strengthening liaison between policy makers (Provincial Government (PG) and LGs, service providers (LGs and their staff) and consumers (communities) to make social services more accountable. Development and implementation of policies for Public-Private Partnership (PPPs), hospital autonomy, Non Government Organization (NGO) and Community Board Organization (CBO) was essential for use of public funds through private sector participation. Planned benefits of program could not be achieved because institutional reforms were not implemented.

3.3 Impact on Economic Growth and Poverty Reduction

PDSSP was required to focus on provision of pro poor services. Expected output of this investment was human development by improving basic health, which in turn may accelerate economic growth, and reduce poverty. Improved public financial management and better strategic planning in Health Department were essential for increased value for money of public spending. The increased access and quality of public health services was expected to have a direct poverty reducing impact by lowering the burden of health care expenditure on the poor. This goal was not attained due to poor execution and implementation of the program and non utilization / misuse of available resources.

4. SWOT ANALYSIS

The Directorate has identified following strengths, weaknesses, opportunities and threats / challenges which can be used to prepare the strategy to meet the challenges.

a. Strengths

1. Economic Development
2. Capital resources from foreign donor / lending agencies
3. Human Resource
4. Devolution of District Government

b. Weaknesses

1. Delay in program implementation
2. Lack of monitoring and supervision
3. Lack of internal controls
4. No third party evaluation to assess sustainability
5. Non coordination with management of parallel programs

c. Opportunities

1. Other similar programs
2. Ongoing reforms in Health Sector
3. Presence of local Government agencies
4. Capacity building for service delivery

d. Threats (Challenges)

1. Poor social sector development
2. Achievement of Millennium Development Goals
3. Setting minimum standards for social services
4. Strengthening public accountability
5. Inter Government relations

5. AUDIT SCOPE AND METHODOLOGY

5.1 Audit Scope

The scope of audit was restricted to the expenditure incurred and activities performed by Executive District Officer (Health) Bahawalpur during 2006-14.

5.2 Audit Methodology

The performance audit was conducted in accordance with the INTOSAI Auditing Standards keeping in view the rules and regulations framed by the Government from time to time. The following audit methodology was adopted during performance audit:

- Collection and scrutiny of relevant data i.e. files, reports, newspapers, vouched accounts and stock registers etc.
- Discussions /interviews with concerned staff of health department and general public.
- Visits of different health institutions to judge the effectiveness of the Program and efficiency of service delivery.
- Study / review of statistical data provided to Audit.

6. AUDIT FINDINGS AND RECOMMENDATIONS

In execution, we assessed the achievements of planned objectives in terms of economy, efficiency and effectiveness of the services provided. Performance was also observed on the basis of achievement of targets set at the time of planning phase, through scrutiny of allied record, reports and visits to health institutions. Shortcomings during implementation of the program and need for improvement in the following areas were observed, which are detailed below.

6.1 Organization and Management

6.1.1 Non Coordination with Management of Parallel Programs

Various parallel programs having similar objectives are being executed in Punjab. Punjab Millennium Development Goals Program (PMDGP) which aimed at achieving MDGs was launched in 2008-09 at an estimated cost of Rs 34 billion. Maternal, Newborn and Child Health (MNCH) Program aimed at reducing maternal, newborn and child morbidity and mortality, was started in 2007 at an estimated cost of US \$ 320 million. Pakistan Initiative for Mothers and Newborn Project (PAIMAN) is a 5-years project of \$ 50 million, which aims to reduce child, maternal and newborn mortality. National Program for Family Planning and Primary Health Care (FP& PHC), also known as the Lady Health Workers Program (LHWP) aims to improve maternal, newborn and child health. These programs are being run by federal or provincial governments with the help of various international donor agencies.

Even though these programs have almost identical objectives and are running in the province of Punjab at the same time but these programs are running in isolation. There is no agency to coordinate efforts and achieve synergy.

Due to lack of coordination, PDSSP has failed to improve maternal, newborn and child mortality in country, with Pakistan following behind even in the region. Table below shows Pakistan's position in the region.

Country	Infant Mortality Rate	Under-Five Mortality Rate	Maternal Mortality Ratio
Bhutan	65	75	420
Bangladesh	54	57	380
India	56	74	540
Nepal	56	74	740
Sri Lanka	12	14	92
Pakistan	80	99	500
Punjab	77	112	300

^A United Nation's Population Fund. 2007. *State of the World's Population*. New York.

^B United Nation's Children's Fund. 2006. *State of the World's Children*. New York.

The matter was reported to EDO (Health) during May 2015. EDO replied that duplicity / overlapping of expenditure was not observed with other related Programs. Reply of the DDO was not tenable as substantiating evidences were not provided in support of the reply. DAC in its meeting held during March, 2016 directed that in future coordination should be made with the management of parallel programs and remaining activities of the program be performed in integrated manner.

Recommendations

- Audit recommends that in future, during launching of any program coordination must be made at all stages of the program.
- In order to streamline, coordinate and integrate activities of parallel programs, a Programs Coordinator at district level may be appointed.
- EDO should complete tenure for at least 3 years. Frequent transfers of EDO prevent continuity of policies and long term planning. At Bahawalpur district, during the period 2008 to 2013, six EDOs were changed.
- Post of EDO should be spared from political interventions. Furthermore, he must be well versed in policies and made totally responsible for MNCH indicators.

6.1.2 Inefficient Planning and Coordination

According to Para 69-70 (page No.16-17) of the program document, the health department was responsible for execution and implementation of the program. The program had to be implemented with a utilization plan and the program period was from 31.03.2005 to 31.03.2008. Three year's rolling plan for targeted approach along with annual sector plans, were to be prepared by District Government Bahawalpur.

Contrary to above, three year's rolling plan lack the targeted approach and did not cater for program objectives such as MDGs, but tried to achieve overall improvement in health sector. Furthermore, annual sector plan, which was a principal requirement, was not prepared.

Due to defective planning and ineffective coordination, the implementation of the program failed to achieve its goals.

The matter was reported to EDO (Health) during May 2015, but no reply was received. DAC in its meeting held during May 2016 decided that detailed utilization plan should be prepared and remaining activities must be performed accordingly. Critical paths should be delineated to guide the program activities/ monitor progress of the program.

Recommendation:

- A detailed utilization plan should be prepared and remaining activities must be performed accordingly. Critical paths should be delineated to guide the program activities/ monitor progress of the program.
- Roles and responsibilities/job description of relevant staff must be clearly defined enabling them to perform their responsibilities.

6.1.3 Late Preparation and Approval of Utilization Plans and Incurring Expenditure before Approval of 3 Year's Rolling Plan

According to Condition at Sr. No.7.1 of the MOU, it was responsibility of the EDO (Health) Bahawalpur to prepare (in 2007-08) three years rolling plan for 2008-11, get it approved from the Council and get included in the approved annual budget for the financial year 2008-09.

The program was launched without preparation / approval of detailed utilization plans. District Government Bahawalpur prepared its 1st three year's rolling plan for the period 2010-13. The plan was delayed and approved during 2009-10, as a result pace of utilization of funds and attainment of goals was delayed. Moreover, funds of Rs 16.159 million were spent (till 30.06.2008) before approval of 3 year's rolling plan.

Audit is of the view that due to late preparation of 3 years rolling plan, general public could not get basic health facilities on timely basis as planned for the program.

Late preparation of rolling plan resulted in un-authorized expenditure of Rs 16.159 million.

The matter was reported to the EDO (Health) during May 2015. EDO replied that the 3 years rolling plan (2008-11) was prepared by this office and sent to the Program Director of PDSSP for approval vide letter No.23.08.08 and the revised 3 years rolling plan was prepared in 2009 for the financial years 2010-13. Reply of the EDO was not tenable as copy of 1st 3 years rolling plan (2008-11) and letter of approval of the plan were not produced to Audit. Management did not respond to objection regarding the expenditure of Rs 16.159 million which was incurred before approval of the 1st 3 years plan. DAC in its meeting held during March, 2016 directed that plans should be prepared and got approved timely for proper implementation and to constitute inquiry as to how Rs 16.159 million were spent before the approval of the rolling plan.

Recommendations

Audit recommends that an enquiry be conducted with a view to fix responsibility for incurring expenditure without approval of rolling plan. Furthermore, in future, all project / programs must be executed within given timelines and resources must be utilized in accordance with the rules and plan governing the program.

6.1.4 Non Achievement of Targets Pertaining to Key Health Related Indicators

According to page No.40 of Appendix-2 of the PDSSP's program document (Report and Recommendations of the President Asian Development Bank to the Board of Director), Infant Mortality Rate (IMR) was targeted to be reduced to 40 per 1,000 live births and Maternal Mortality Ratio (MMR) was targeted to be reduced to 150 / 100,000 live births in Punjab. The program also suggested improvements in other key health indicators as mentioned at Annex-A.

During the course of Performance Audit of PDSSP (Health Sector) Bahawalpur, it was observed that above mentioned targets were not achieved. Multiple Indicator Cluster Survey (MICS) conducted by the Government of the Punjab indicated that IMR in Bahawalpur during 2013-14 was 91/1,000 live births MMR in Punjab was 227/100,000 live births. Whereas, data regarding MMR in Bahawalpur was not available. Data received from Multiple Indicator Cluster Survey (MICS) of 2013-14 indicated "Negative Trend" for the targets shown at Sr. No.1, 3, 6 & 7 of table shown below. These indicators showed that society at large, did not obtain benefit on relevant health problems despite PDSSP's

interventions. Data received from District Health Information System (DHIS), Monitoring & Evaluation website of health department and Multiple Indicator Cluster Survey (MICS) revealed that indicators at Sr. No. 2, 5, 10 & 12 showed only slight improvement despite utilization of substantial amount of funds. However, the pace of achieving the goals was not encouraging. Furthermore, as PDSSP, PMDGP and other parallel programs were working on attainment of MDGs and improvement in health sector, no data was available to segregate /confirm outcomes/contribution of each program.

Sr. No.	Key Performance Indicators	Target 2014-15	Punjab		Bahawalpur		Outcome
			2007-08	2013-14	2007-08	2013-14	
1	Child Mortality Rate per 1,000 live births	50	75	93	75	116	Negative
2	Child < 5 year under weight for age (%)	25	30 %	26.5 %	30 %	29.4 %	Slightly Improved
3	Children fully immunized 12-23 months (%)	85	80 %	62.3 %	80 %	51.6 %	Negative
4	Total Fertility Rate	3.6	4	3.8	4	3.5	Targets Achieved
5	Proportion of deliveries conducted by trained health professionals	60	40	64.7	40	42.3	Slightly Improved
6	Contraceptive prevalence rate (%)	60	50 %	38.7 %	50 %	29 %	Negative
7	Proportion of children 12-23 months immunized in rural areas increases from 51 % to 65 %	Above 80	51.2 %	59.8 %	51.2 %	36.12 %	Negative
8	Family planning services for married women 15-49 years increases from 15 % to 20 %	-	66.3 %	68.9 %	66.3 %	60 %	Targets Achieved
9	Proportion of antenatal care increases from 40 % to 50 %	-	64 %	78.8 %	64 %	60.2 %	Targets Achieved
10	Increase in Bed-occupancy Rate by 20 % from base line	-	-	-	-	15 %	Slightly Improved
11	Increase in Per-capita utilization of health facilities by 20 % from base line	-	-	-	-	88 %	Improved
12	Decrease in absenteeism rates for doctors by 20 %	-	-	-	-	6.25 %	Slightly Improved

Source: as per page -29 appendix-1 and page No.40 of Appendix-2 of the program document i.e. Report and Recommendations of the President Asian Development Bank to the Board of Directors, MICS, and DHIS.

Due to non adoption of targeted approach at planning and execution phases of the program, targets regarding reduction of IMR and MMR specially, since they pertain to MDGs and other targets mentioned in the table, were not achieved.

Non achievement of targets indicated that health sector did not improve and in some instances where progress was made, it was below the targets. Interventions of the program failed to achieve its stated targets.

The matter was reported to EDO (Health) during May 2015, but no reply was received. DAC in its meeting held during May 2016 decided that the matter may be investigated and reasons for non achievement of targets may be determined with a view to take remedial measures.

Recommendation:

Audit recommends that the matter may be investigated and reasons for non achievement of targets may be determined with a view to take remedial measures.

6.1.5 Inefficient Management of Health Services.

Page No.29 (appendex-1) of the PDSSP's program document specified bed occupancy rate to be increase by 20 % from base line.

During the course of Performance Audit of PDSSP (Health Sector) Bahawalpur, it was observed bed occupancy rate in Tehsil Headquarter Hospitals (THQs) and Rural Health Centres (RHCs) of the district Bahawalpur was low. After intervention of PDSSP, it improved slightly (by 15 % instead of 20 % from the base line). Low bed occupancy rates (Annex-C) in THQ Hospitals and RHCs also indicated that either indoor facilities in these hospitals were not up to the mark or referral protocols were not being observed by relevant doctors. Moreover, procurement process was not streamlined.

Audit is of the view that due to non adoption of targeted approach at planning and execution phases of the program, assigned targets regarding improvement in health sector were not achieved.

Non achievement of targets indicated that social sector did not improve, as planned.

The matter was reported to EDO (Health) during May 2015, but no reply was received. DAC in its meeting held during May 2016 decided that the matter may be investigated and reasons for non achievement of targets may be determined with a view to take remedial measures.

Recommendation:

Audit recommends that the matter may be investigated and reasons for non achievement of targets may be determined with a view to take remedial measures.

6.1.6 Unauthorized Expenditure on Activities not Relevant to Goals of PDSSP and Approved Utilization Plan

In order to achieve goals and objectives of the PDSSP, management of the program planned / specified various activities including procurements to be made, in the 3 year's rolling plan.

Management of PDSSP (Health Sector) Bahawalpur incurred expenditure of Rs 10.834 million on purchase of medicine, but procurement of relevant medicine was not mentioned in the 3 years rolling plan. Moreover, medicine of Rs 7.023 million did not relate to overall goals of PDSSP i.e. reduction of IMR, MMR or combating with HIV/AIDS, T.B and Malaria. In addition to this, procurement of medical equipments for RHCs and BHUs was not specified in the 3 year's rolling plan but expenditure was incurred on procurement of those items for RHCs, in violation of the approved plan.

Incurring expenditure on activities not relevant to the goals and objectives of the program indicated that the management intentionally diverted its focus from the targets. As a result, overall goals of the program could not be achieved.

The matter was reported to EDO (Health) during May 2015, but no reply was received. DAC in its meeting held during May 2016 decided that no expenditure shall be incurred without pre-defined goals and objectives and goals and responsibility be fixed for incurring expenditure on irrelevant activities.

Recommendations:

Audit recommends that no expenditure shall be incurred without pre-defined goals and objectives and goals and responsibility be fixed for incurring expenditure on irrelevant activities.

6.1.7 Non Performing / Non Incurring Expenditure on Activities Relevant to Goals and Objectives of PDSSP (MDGs)

According to 3 year's rolling plan, following activities were to be undertaken, which include procurement of Maternal, Neonatal and Child Health (MNCH) related machinery for THQ hospitals. Furthermore, to control high Maternal Mortality Rates (MMR), awareness campaign was to be launched through print and electronic media, training to lady health workers (LHWs), replacement of non functional ambulances for timely transportation of pregnant mothers and a monitoring and evaluation plan.

Contrary to above, planned MNCH related machinery (Annex-D) was not procured for THQ hospitals. There was no evidence that measures for reducing MMR as mentioned above had taken place and there was no monitoring and evaluation plan.

Non performing /incurring expenditure on activities relevant to the goals and objectives of the program indicated that the management diverted its focus from the targets. As a result, overall goals of the program could not be achieved.

The matter was reported to EDO (Health) during May 2015, but no reply was received. DAC in its meeting held during May 2016 requested the EDO (Health) to hold an enquiry to determine the causes of non performing planned activities. The funds must be re-authorized and spent for the achievement of program goals.

Recommendations:

Audit suggests that an enquiry be conducted to determine the causes of non performing planned activities. The funds must be re-authorized and spent for the achievement of program goals.

6.1.8 Non Recruitment of Staff of Local Support Group

Condition at Sr. No.14.1 of the MOU states that, Local Support Groups (LSGs) consisting of full-time social sector officers and other officers providing intermittent support shall be based in Bahawalpur. All officers of LSG shall be recruited by Program Support Unit (PSU), through a transparent and competitive process and will be placed at disposal of relevant departments.

In violation of terms and conditions of MOU, social sector officers and related staff was not recruited as a Local Support Group in the health department. As a result, the program was running without technical assistance. Recruitment of full time social sector officers in Bahawalpur was very much essential for achievement of goals.

Audit is the view that due to non recruitment of staff / deployment of staff, the right person for the right post at the right time could not be done.

The matter was reported to the EDO (Health) during May, 2015. The EDO replied that recruitment of relevant staff was responsibility of provincial government (Program Support Unit based at Planning and Development Department) and the EDO (Health) is not responsible for the fault. Reply of the EDO was not tenable as no efforts were made for recruitment of desired staff. Activities of the program were performed without involvement / guidance of technical personnel. The DAC in its meeting held during March, 2016 directed that planning of deployment of right person at the right job be observed.

Recommendations:

Audit recommends that in future, deployment of staff should be made as per plan to achieve the objective of the program and the pre-requisites for achieving the targets of program must be made available.

6.1.9 Non Facilitation of Public Private Partnerships (PPPs)

As per Condition at Sr. No.3.7 of the MOU, it was responsibility of the Government of the Punjab to notify Public Private Partnership (PPP) strategy and guidelines to facilitate Public Private Partnership (PPP) initiatives.

EDO (Health) Bahawalpur did not receive appropriate guidelines to facilitate Public Private Partnership (PPP) initiatives in the Health Sector. Funds of Rs 6.691 million were reserved for NGOs but was not spent till 30.06.2014

Audit is of the view that due to non facilitation of Public Private Partnerships (PPPs), health activities to be executed through them could not be performed.

The matter was reported to the EDO (Health) during May, 2015. The EDO replied that funds amounting to Rs 4.600 million out of Rs 6.691 million have been utilized with the involvement of PPP's / NGO's. Reply of the EDO was not tenable as no such expenditure was incurred till 30.06.2014 and no record was produced in support of reply. Moreover, funds of Rs 2.625 million were released to "Bahawalpur Cancer Society" which was not working on related activities. The DAC in its meeting held during March, 2016 directed that record pertaining to facilitate the PPPs be produced within fifteen days.

Recommendations:

Audit recommends that public-Private Partnerships (PPPs) must be initiated for achievement of program goals.

6.1.10 Non Performance of Planned Activities to Overcome Major Health Problems

As mentioned at pages No.58-67 of 3 year's rolling plan of PDSSP, poor sanitation, lack of safe drinking water, malnutrition and unhygienic practices were main causes of many diseases like diarrhea, acute respiratory infections, scabies, hepatitis etc. Moreover, diarrhea and acute respiratory infections are also causes of high child mortality.

The EDO (Health) identified major health problems in the area and their causes which included poor sanitation, unhygienic practices and malnutrition. Management chalked out a plan to perform activities such as frequent meetings with TMA, DO (Environment) and other relevant agencies and to introduce a regulatory mechanism to ensure use of safe instruments by dentists, barbers etc.

No efforts were made to improve the situation. DCO being head of District Government Bahawalpur failed to coordinate activities of relevant agencies which were important for attainment of goals and objectives of the PDSSP. It is

important to mention here that the TMAs collect sludge water from the city and then instead of properly managing the waste, some of the Tehsil/Town Municipal Officers (TMOs) sell it to nearby farmers who use that water for growing vegetables, crops etc and in turn transmit germs to general public. These observations have been raised in various TMA audit reports.

Audit is of the view due to non implementation of 3 years rolling plan in letter and spirit the people were deprived of better health care.

Due to non implementation of 3 years rolling plan, the objectives of the PDSSP could not be achieved.

The matter was reported to the EDO (Health) during May, 2015. The EDO replied that TMA, DO (Live Stock) and DO (Environment) are responsible for major functions narrated in the observation. The reply was not tenable as District Government through its 3 years rolling plan of PDSSP was responsible to perform those activities. DAC in its meeting held during March, 2016 directed that management should ensure achievement of the objectives of 3 years rolling plan and due efforts be made to overcome major health problems for achievements of the goals.

Recommendations:

Audit recommends due efforts and proper coordination must be made to overcome major health problems for achievements of the goals.

6.1.11 Strengthening of Drug Sale License Branch

According to PC-I of the project “Provision of Missing facilities / Purchase of Equipment, Furniture & Medicines for THQ Hospitals / RHCs & BHUs in District Bahawalpur under Punjab Devolved Social Services Programme (PDSSP)” funds of Rs 4.011 million were allocated for computerization of drug sale license branch.

The EDO (Health) received funds of Rs 4.011 million on account of computerization of drug sale license branch during 2012-13. The management did not spend it during that period. Funds were re-authorized in 2013-14 out of which Rs 1.470 million were spent. Expenditure of Rs 599,256 was incurred on purchase of 07 laptop computers which were distributed to drug inspectors.

The expenditure did not pertain to computerization of drug sale license branch. No efforts were made to provide missing facilities to the branch i.e. software, desktop computers etc. In addition to this, efforts were not made to integrate data of drug sale license branches of all districts of the Punjab.

The matter was reported to the EDO (Health) during May, 2015. EDO did not submit reply to the audit observation. DAC in its meeting held during May 2016 requested the EDO (Health) to get the matter investigated within 15 days.

Recommendation:

Audit recommends that the matter may be investigated to determine the reasons for not spending the budget according to the allocations.

6.1.12 Non Availability of Record / Data

According to Section 115(6) of Punjab Local Government Ordinance 2001, “All officials 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.

During the course of Performance Audit of PDSSP (Health Sector) Bahawalpur following important record /information / data was not available; as a result a number of risk areas could not be attended. Record not produced to Audit is detailed below:

- PDSSP’s purchase guidelines
- Ancillary instructions regarding strengthening of internal controls.
- Framework / mechanism to re-align inter-government relations to support devolved social services, strengthening public accountability and promoting public private partnership.
- Punjab Poverty Reduction Strategy Paper (P-PRSP)
- Framework / criteria that how funds were distributed among districts.
- Specific targets of Bahawalpur District and achievements.
- Mechanism to evaluate / segregate outcomes of PDSSP and PMDGP as both programs focused MDGs.
- Policies, guidelines and mechanism for promoting and regulating Public Private Partnerships (PPPs)

- Details and roles and responsibilities etc of NGOs and CBOs etc.
- Details, data and information regarding economic growth and poverty reduction observed as a result of PDSSP's investment in social sector.
- Details and mechanism regarding bridging wide gaps in income –based social developments.
- Details regarding categories / classification of categorization.
- Details i.e. rate and amount of interest paid for this loan.
- Details regarding coverage of foreign exchange risk.
- Detail of activities to be performed in for obtaining each tranche of funds by districts.
- Copy of loan agreement with ADB and GoPb.
- Detail of key performance indicators and achievements of Bahawalpur district and its comparison with other districts.
- Third party evaluation reports regarding output and sustainability of the Program.
- Survey reports / current status of key health / performance indicators and outcomes of the Program.

Audit is of the view that desired record was not produced due to weak internal controls and non / improper maintenance of relevant record.

Many risk areas could not be reviewed properly due to non maintenance of desired record.

The matter was reported to the EDO (Health) during May, 2015. EDO did not submit reply to the audit observation. DAC in its meeting held during May 2016, directed to get relevant record verified within 15 days besides fixing responsibility against the person at fault.

Recommendation:

Audit suggests that relevant record be got verified at the earliest besides fixing responsibility against the person at fault.

6.2 Financial Management

6.2.1 Non Utilization of Funds – Rs 22.389 million

According to Government of the Punjab, Finance Department's letters No.FD (W&M)-1-31/2006-07 dated 24.08.2006 and No. FD (W&M)-1-31/2009-10 dated 29.07.2009, district government received funds under PDSSP achievement of goals of PDSSP.

The EDO (Health) Bahawalpur received budget allocations of Rs 31.582 million and Rs 35.329 million during 2006-07 and 2010-11 respectively for performing the activities planned as First Trench and Second Trench under PDSSP. The DDO incurred expenditure of Rs 28.315 million and Rs 16.206 million till 30.6.14, which indicated that financial resources of 10.34 % and 54.12% were not utilized. It was also observed that no expenditure was incurred out of funds received for First Trench during 2007-08, 2012-13 and 2013-14. Main reason for non utilization of funds was inefficient planning and late preparation of action/utilization plans. Moreover, functionaries of the program were not fully aware of the tasks to be performed in each trench; as a result, desired activities could not be performed which adversely effected implementation of the program and utilization of funds for the desired benefits. The detail is given in Annex-E:

(Rupees in Million)

Sr. No.	Account Head	Budget Allocation	Expenditure	Budget not Utilized	Percentage of Budget not Utilized
1	First Trench	31.582	28.315	3.267	10.34 %
2	Second Trench	35.329	16.206	19.123	54.12 %
	Total	66.911	44.521	22.390	33.46 %

Audit is of the view that due to weak financial and managerial controls, funds could not be utilized as per approved plans.

The matter was reported to the EDO (Health) during May 2015. The EDO (Health) replied that procurement process was regularly initiated but could not be finalized timely due to high rates quoted by the suppliers. Now all schemes have been completed and funds utilized. Reply of the EDO was not tenable as inefficiency in utilization of resources caused abnormal delay in completion of the Program (due date of completion of the Program was 31.03.2008). The DAC

in its meeting held during March 2016 directed to utilize the funds for attainment of program goals.

Recommendation:

Audit recommends that un-utilized funds must be utilized at the earliest in order to achieve the targets, under intimation to Audit.

6.2.2 Loss due to Non Deduction of Liquidated Damages – Rs 1.143 Million

According to terms and conditions of the supply order dated 25.04.2009, if the contractor fails to adhere to delivery schedule and intends to seek extension therefore, it will be the sole discretion of the purchase officer either to grant or refuse extension in delivery period. If extension is granted, it shall be subject to liquidated damages @ 2 % per month or part thereof and payment of additional security as per rules.

EDO (Health) Bahawalpur issued supply order dated 25.04.2009 to “M/S Mediequips” for procurement of an X-Ray Machine worth Rs 5.445 million. Delivery period of 45 days up to 10.06.2009 and the delivery point was decided as RHC Khanqah Sharif. Page 29 of relevant stock register indicated the goods were received on 25.06.2010 i.e. after 12 months and 15 days of end of time limit. Liquidated damages of Rs 1.361 million were due but the DDO deducted Liquidated Damages of Rs 217,832 from the bill, which resulted into loss / over payment of Rs 1.143 million.

Audit is of the view that due to weak financial controls, liquidated damages were not recovered at the time of making payment to the suppliers.

Non recovery of Liquidated Damages resulted in loss to Government amounting to Rs 1.143 million.

The matter was reported to the EDO (Health) during May 2015. EDO replied that the firm duly applied for time extension up to 5-6 months due to some problems pertaining to imports from foreign country. Time extension was granted after imposing penalty of Rs 217,832. Goods were directly received by the SMO RHC Khanqah Sharif on 08.08.09. Reply of the EDO was not tenable as different documents showed different dates of delivery of the same machine. Moreover, due amount of penalty was not imposed in violation of terms and conditions of

the supply order and suppliers request of time extension was not produced for verification. Moreover, letter No.582 dated 26.06.2009 showing extension in delivery period did not indicate / specify the number of days for which extension was given. DAC in its meeting held during March 2016, decided to get all record verified.

Recommendations:

Audit recommends that liquidated damages of Rs 1.143 million be recovered from concerned, under intimation to Audit.

6.2.3 Unauthorized Expenditure without Signing MOU – Rs 11.106 million

As per Condition at Sr. No.11.1 of the MOU, this MOU shall come into force on the date of its execution by the parties hereto and shall remain in force until duration of implementation period of third tranche.

During the course of Performance Audit of PDSSP – Health Sector Bahawalpur, it was observed that the MOU was signed between Govt. of the Punjab and Distt. Govt. BWP during November 2008, whereas the entity received funds of Rs 31.582 million and incurred expenditure of Rs 11.106 million during 2006-08. Incurring expenditure before signing of MOU was unauthorized.

Audit is of the view that irregularity occurred due to weak internal control.

Expenditure incurred before agreement with the Provincial Government.

The matter was reported to the EDO (Health) during May 2015. The EDO replied that the MOU was signed by the DCO (representative of District Government) and sent to the Program Director of PDSSP for getting signatures of representative of Government of the Punjab (the Program Director sent its acknowledgement on 17.03.2006). Reply of the EDO was not tenable as the MOU was not signed by the representative of Provincial Government (as a copy of signed MOU was not produced to Audit). DAC in its meeting held during March 2016 directed that MOU be got signed from the parties and getting the expenditure regularized from the competent authority.

Recommendation:

Audit recommends that inquiry be initiated with a view to fix responsibility against the person(s) at fault and the expenditure be got regularized, under intimation to Audit.

6.2.4 Inefficient and Slow Procurement and Payment Process

As per rule 43 of the PPRA 2009, all procuring agencies shall make prompt payments to suppliers and contractors against their invoices or running bills within the time given in the conditions of the contract, which shall not exceed thirty days.

The procurement process of EDO (Health) Bahawalpur took about 120-473 days from the date of opening of tender to the date of receiving of stock; and the payment process took about 192-394 days from the date of receipt of stock to the date of cheque, which indicated that the procurement and payment process of EDO (Health) Bahawalpur was extremely inefficient. Efforts were not shown made to improve the pace of work. As a result, execution and completion of the planned activities were delayed abnormally. The detail is given in Annex – F.

Audit is of the view that irregularity occurred due to weak financial control.

Due to non observance of financial discipline timely purchases were not made.

The matter was reported to the EDO (Health) during May 2015. The EDO replied in case of electro medical equipment the payments cannot be made immediately after the receiving of stores. Physical verification / inspection by technical committee and installation/ commissioning of equipment by supplier are pre-requisite for making payments. In case of these equipments, the purchase orders were issued in Financial Year 2009-10 while supplies were received in the Financial Year 2010-11 due to which the payments were made after re-authorization of funds and approval for payment of pending liabilities by the competent authority. The DAC in its meeting held during March 2016 decided to get the matter investigated within 15 days. No progress was intimated till finalization of this Report.

Recommendation:

Audit recommends that inquiry be initiated with a view to fix responsibility against the person(s) at fault, under intimation to Audit.

6.2.5 Expenditure without Budget Provision – Rs 3.042 million

According to Para 12 (1) (5) of the Punjab's Local Government Account Manual, 2003 the expenditure shall be classified into account heads relating to nature of item. According to para 64 of Government of the Punjab, Local Government and Rural Development Department (Budget) Rules 2003, there are two elements necessary before public money can be spent on any object or work.

- (i) There must be an appropriation of funds for the purpose; and
- (ii) There must be a sanction of an authority competent to sanction expenditure.

EDO (Health) Bahawalpur incurred expenditure of Rs 3.042 million during 2008-09 on accounts of "Purchase of Medical Equipment" and "Furniture and Fixture". The expenditure was unauthorized as the entity did not have budget in relevant heads of accounts, A-09404 – Medical Equipment and A-09701 Furniture and Fixture. Detail is given in Annex-G:

Audit is of the view that due to weak financial controls, expenditure was incurred from irrelevant heads of accounts.

Incurring expenditure from irrelevant heads of accounts resulted in unauthorized expenditure amounting to Rs 3.042 million.

The matter was reported to EDO (Health) during May 2015. EDO (Health) replied that the funds were received under the account heads (A-09601 Machinery and Equipment and A-09701 Furniture and Fixture). Therefore expenditure was incurred from those heads of accounts. Reply of the EDO was not tenable as budget was not available in relevant head of accounts and expenditure was incurred from incorrect heads of accounts by misclassification.

The DAC in its meeting held during March 2016 decided to get the matter investigated with a view to fix responsibility against the persons at fault.

Recommendation:

Audit recommends that inquiry be initiated with a view to fix responsibility against the person(s) at fault, under intimation to Audit.

6.3 Procurement and Contract Management

6.3.1 Irregular Expenditure due to Non-compliance of Punjab Procurement Rules – Rs 18.221 million

According to Rule 9 and 12 (1) of the Punjab Procurement Rules 2009, procuring agency 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 and annual requirements thus determined would be advertised in advance on the PPRA's web site. Procurement opportunities over Rs. 100,000 and up to Rs. 2,000,000 shall be advertised on the PPRA's website in the manner and format specified by the PPRA from time to time

EDO (Health) incurred expenditure of Rs 18.221 million on account of purchase of various items during F.Y 2010-14. Annual requirement of various procurements was neither determined at the start of different financial years nor the procurement opportunities were advertised on the website of PPRA to achieve benefits of competitive bidding, in violation of above rules. The detail is given below:

(Amount in Rupees)

Sr. No.	Account Head	Financial Year				Total
		2010-11	2011-12	2012-13	2013-14	
1	A-09601 Purchase of Machinery & Equipment	8,317,800	4,022,000	493,900	-	12,833,700
2	A-09701 Purchase of Furniture and Fixture	3,917,000	-	-	-	3,917,000
3	A-09203 Purchase of Computerization of Drug Sale License	-	-	-	1,470,517	1,470,517
Total		12,234,800	4,022,000	493,900	1,470,517	18,221,217

Audit is of the view that due to weak management, uneconomical procurement was made.

Uneconomical purchase of Rs 18.221 million, without involvement of bid competition resulted in violation of rules.

The matter was reported to EDO (Health) during May 2015. EDO (Health) replied that all tenders for procurement of said items were uploaded on the PPRA

website and also advertised in daily newspapers. Reply of the EDO was not tenable as substantiating evidences relating to advertisement at PPRA website were not produced to Audit. DAC, in its meeting, held during March 2016, decided and requested the EDO to investigate the matter within 15 days. No further progress was intimated till finalization of this Report.

Recommendation:

Audit recommends early finalization of inquiry proceedings under intimation to Audit.

6.3.2 Unauthorized Expenditure on Account of Purchase of Medicine – Rs 7.023 million

According to Condition 7.1 of the MOU, EDO shall prepare 3 year’s rolling plan, clearly indicating therein, the activities, plans, projects, services and schemes proposed to be undertaken by EDO. In health sector, overall goal of PDSSP was to achieve progress on the Millennium Development Goals (MDGs) especially pertaining to reduction of IMR and MMR for which EDO (Health) Bahawalpur chalked out 3 year’s rolling plan for the period 2010-13.

EDO (Health) Bahawalpur incurred expenditure of Rs 10.834 million on account of purchase of drugs and medicines during F.Y 2012-14. The expenditure was not justified as procured medicines were not specified, in the approved rolling plan, of the PDSSP, out of which Rs 7.023 million were incurred on the medicine that were not related to the health issues given in MDG 4, 5 and 6. The detail is given below:

(Amount in Rupees)

Sr. No.	Month	Supplier	Invoice No. / Date	Amount	P.O. No. / Date	Product Name
1	June 2013	Saad Traders	537/10.05.13	486,000	760-65/ EDO (H) dated 17.04.13 with time limit of 60 days up to 16.06.13	Tab. Paracetamol 450 mg + Orphenadrine Citrate 35 mg. Blister Pack of 100 tablets or more in a carton
			585/12.05.13	350,000		Tab. Mecobalamine 500 mcg. Blister pack of 100 or less in a carton.
			619/11.06.13	1,719,000		Cap. Cephradine 500 mg. Blister pack of 12 or more in a carton
2	June 2013	Mediceena Traders	17947/28.05.13	1,396,000	772/EDO (H) dated	Tab. Theophylline 300 mg

Sr. No.	Month	Supplier	Invoice No. / Date	Amount	P.O. No. / Date	Product Name
			17948/10.06.13	294,000	17.04.13 with time limit of 60 days up to 16.06.13	Inj. Drotaverine HCL 40 mg/2ml.
			17949/17.06.13	432,000		Tab. Drotaverine 40 mg
3	May 2014	Mediwise Pharma Rawalpindi	1830/ 20.05.14	2,346,000	666/EDO (H) dated 20.03.14 with time limit of 60 days up to 19.05.14	Cap. Cefixime 400 mg, Tab. Paracetamol 450 mg + Orphenadrine Citrate 35 mg, Tab. Flurbiprofen 100mg
		Total		7,023,000	-	-

Audit is of the view that due to weak internal control, medicines were purchased which were not specified in the approved rolling plan of the PDSSP and not related to the program.

Purchase of medicines which were not specified in the approved rolling plan of the PDSSP and not related to the health issues given in MDG resulted in violation of applicable rules.

The matter was reported to the EDO (Health) during May 2015. EDO (Health) replied that the audit of MDGs has already been conducted by your office and medicine purchased under PDSSP was essential for THQs, RHCs and it was mentioned in the PDSSP Program. Reply of the EDO was not tenable as similar medicine was also procured from regular budget (Grant-16) and funds of PDSSP should have been utilized on achieving progress on the Millennium Development Goals (MDGs) related to health sector. Expenditure incurred was not relevant to the goals and objects of PDSSP. DAC in its meeting held during March 2016, decided to initiate the inquiry regarding relevance of medicine procured with the program. No progress was intimated till finalization of this Report.

Recommendation:

Audit recommends immediate initiation of inquiry regarding relevance of medicine procured with the program, under intimation to Audit.

6.3.3 Doubtful Expenditure on Account of Purchase of Medicines – Rs 242,100

According Para 17 of minutes of meeting dated 22-09-2001 under the chairmanship of Secretary Health Punjab, regarding procurement of medicine by District Governments, Drug Testing Laboratory (DTL) report was obligatory and as per terms and conditions of supply orders, the payment on account of purchase of medicines was required to be made after obtaining DTL reports.

EDO (Health) Bahawalpur purchased medicine of Rs 242,100 during 2008-10. The medicines were received on 27.06.09 and 26.11.09 but the DTL reports were issued by the Drug Testing Laboratory on 23.06.09 and 14.11.09 respectively i.e. well before receipt of medicine in store. The expenditure / consumption of medicine were unauthorized because samples of medicine were neither taken randomly nor were it sent to the Drug Testing Laboratory. The situation created doubts on efficacy of the medicine. The detail is given below:

(Amount in Rupees)

Cheque No. / Date	Item Purchased	Batch No.	Bill No. / Date	Supplier	Amount	Supply Order No. and Date	Date of Receipt of Stock (MRR)	Date of DTL Report
1207228/ 16.02.10	Keflocin Tabs 250 mg (Levofloxacin)	9E- 097	2179/--	M/S Aneeb Pharmaceuti cals (Pvt) Ltd.	180,000	SPO/373-75/ EDOH dated 31.03.09	27.06.09	23.06.09
1207174/ 15.02.10	Melta Susp.(Metr o nidazole 200 mg/5ml) 60ml	M- 089	Inst.09- 0383 / 24.11.09	M/S Evergreen Pharmaceuti cals (Pvt) Ltd.	62,100	MSD.2263- 66/ EDOH dated 31.10.09	26.11.09	14.11.09
Total					242,100	-	-	-

Audit is of the view that due to weak internal control, doubtful medicines were purchased.

Doubtful purchase of medicines of Rs 242,100 resulted in violation of applicable rules.

The matter was reported to the EDO (Health) during May 2015. EDO replied that similar medicines were purchased for MSD out of funds received for regular Grant-16. Quality of those medicines was got assured from DTL Multan. Meanwhile, supply orders of same medicine from the budget of PDSSP were also issued to the suppliers, as same batch of medicines were received from the supplier, there was no need of separate DTL reports. Reply of the EDO was not tenable as detail of all relevant supply orders and relevant batches of medicine

was not produced. DAC, in its meeting, held during March 2016, decided to initiate inquiry regarding medicine procured and submit inquiry report within 15 days. No progress was intimated till finalization of this Report.

Recommendation:

Audit recommends that inquiry be initiated against the persons at fault, under intimation to Audit.

6.4 Asset Management

6.4.1 Non Utilization of Funds for Procurement of Machinery and Equipment Required for Achievement of Goals of PDSSP

According to Rule 71(3&5) of Government of the Punjab, Local Government and Rural Development (Budget) Rules 2003, if the expenditure under any head of account at the close of year is less by more than 10% of the actual allocation, the head of office shall be responsible to explain such less expenditure to the satisfaction of Accounts Committee concerned.

EDO (Health) Bahawalpur prepared lists of machinery and equipment missing in different health facilities and planned procurement of those items during 2006-14 for Rs 99,041,492 but due efforts were not made to purchase those items. As a result, substantial amount of funds Rs 75,777,792 lapsed during those years and public was deprived of the desired benefits. The detail is as under:

Year	Budget	Expenditure	(Amount in Rupees) Non Utilization	
			Amount	Percentage
2006-07	27,075,000	6,997,600	20,077,400	74 %
2007-08	20,077,400	-	20,077,400	100 %
2008-09	12,440,000	3,042,300	9,397,700	76 %
2009-10	9,397,700	884,000	8,513,700	91 %
2010-11	11,883,700	8,317,800	3,565,900	30 %
2011-12	8,680,564	4,022,000	4,658,564	54 %
2012-13	4,658,564	-	4,658,564	100 %
2013-14	4,828,564	-	4,828,564	100 %
Total	99,041,492	23,263,700	75,777,792	

Audit is of the view that due to weak internal control, funds were not utilized for the procurement of machinery and equipment.

Non utilization of funds Rs 75,777,792 resulted in violation of applicable rules.

The matter was reported to the EDO (Health) during May 2015. EDO replied that procurement process was regularly initiated but could not be finalized timely due to high rates quoted by the suppliers. Now all schemes have been completed and funds utilized. Reply of the EDO was not tenable as inefficiency in utilization of resources caused abnormal delay in completion of the program and related health

facilities were not provided to the public timely. DAC, in its meeting, held during March 2016, decided that funds be utilized for the procurement of machinery and equipment at the earliest. No progress was intimated till finalization of this Report.

Recommendation:

Audit recommends realistic preparation of demand and funds should be utilized for the procurement of machinery and equipment, under intimation to Audit.

6.5 Monitoring and Evaluation

6.5.1 Non Finalization of Assessment, Monitoring and Evaluation Mechanism

As per Condition at Sr. No.9.3 of the MOU, the assessment, monitoring and evaluation shall take place on the basis of a clear process, input, output and outcome indicators. These indicators may be defined by the Program Support Unit (PSU), PDSSP and refined by the Punjab Finance Commission (PFC) in conjunction with PLDs and shall be communicated to Bahawalpur before commencement of financial year 2008-09.

During the course of Performance Audit of PDSSP (Health Sector) Bahawalpur, it was observed that relevant authorities did not define input, output and outcome indicators; as a result, assessment, monitoring and evaluation of the program could not take place.

The matter was reported to the EDO (Health) during May 2015. EDO replied that the provincial Government neither issued any guideline till to date nor funds were allocated for this purpose. Reply was not accepted as no efforts were shown made to get the assessment, monitoring and evaluation mechanism finalized. The DAC in its meeting held during March 2016 decided to get the matter investigated from the top management/ officer working at strategic level.

Recommendation:

Audit recommends that inquiry be initiated against the persons at fault besides regularization, under intimation to Audit.

6.5.2 Non Conduction of Third Party Evaluation of the Program

According to Condition at Sr. No.9.2 of the MOU, Governments of the Punjab and District Government Bahawalpur may employ third party evaluation (TPE) and social audit methods and techniques for the purposes of program review. Government of the Punjab shall develop terms of references (TORs) for TPE and social audit and shall communicate the same to District Government Bahawalpur prior to initiation of such TPE/social audit.

During the course of Performance Audit of PDSSP (Health Sector) Bahawalpur, it was observed that the EDO (Health) did not receive any guidelines / terms of references for TPE and social audit. As a result 3rd party evaluation (TPE) and social audit of the Program was not carried out.

The matter was reported to the EDO (Health) during May 2015. EDO replied that provincial Government did not issue any guideline regarding 3rd party evaluation of PDSSP and no funds were allocated for hiring of consultants for TPE. Reply of the EDO was not tenable as condition at Sr. No. 9.2 of the MOU provided to employ 3rd party evaluation and social audit methods and techniques. Moreover, the management did not make efforts for obtaining Terms of Reference for TPEs from the Government of the Punjab. The DAC in its meeting held during March 2016 decided to get the matter investigated from the top management/ officer working at strategic level.

Recommendation:

Audit recommends that inquiry be initiated against the persons at fault, under intimation to Audit.

6.5.3 Non Conduction of Audit by Commercial Auditors

According to Condition at Sr. No. 8.1 of the MOU, the case of conditional grants may also be subject to supplementary audit by an independent and qualified commercial auditor whose qualifications, experience and terms of reference are acceptable to Punjab, BWP and the ADB.

During the course of Performance Audit of PDSSP (Health Sector) Bahawalpur, it was observed that the entity incurred expenditure of Rs 44.521 million during 2006-14 but efforts were not made to get it audited from an independent and qualified commercial auditor; as a result, appropriate guidelines, suggestions etc from technical persons (professional auditors) were avoided.

The matter was reported to the EDO (Health) during May 2015. EDO replied that provincial Government did not issue any guideline regarding 3rd party evaluation of PDSSP and no funds were allocated for hiring of consultants for TPE. Reply of the EDO was not tenable as it was not relevant. Moreover, condition at Sr. No. 8.1 of the MOU provided to employ independent and qualified commercial auditors'. Furthermore, the management did not make efforts for obtaining Terms

of Reference (TORs) from the Government of the Punjab. The DAC in its meeting held during March 2016 decided to get DAC decided to get the matter investigated from the top management / officer working at strategic level.

Recommendation:

Audit recommends that inquiry be initiated against the persons at fault, under intimation to Audit.

6.6 Environment

According to the Hospital Waste Management Rules, 2005, and SOPs for Primary and Secondary Health Care Facilities devised by PDSSP, every hospital shall be responsible for the proper management of the waste generated by it till its final disposal. The Medical Superintendent shall constitute a waste management team whose members shall be informed in writing about their duties and responsibilities. The rules clearly define the procedures for waste collection, segregation, storage, transportation, and disposal. SOPs described how waste is classified and segregated into risk and non-risk waste and placed into color coded bags or specific boxes.

Hospital waste management/collection and disposal of hazardous and infectious medical waste and cleanliness situation in most of the entities under the control of the EDO (Health) Bahawalpur was not up to desired level. Moreover, no improvement was observed even after utilization of PDSSP grants.

6.7 Sustainability

PDSSP's objective is to strengthen devolved social services for a more equitable, efficient, effective, and sustainable delivery of social services in line with the Punjab Local Government Ordinance 2001. Government functionaries are desired to revisit their policies in order to improve performance and ensure sustainability of outcomes as sustainability and smooth running of PDSSP is not possible without training, proper supervision, strengthening of internal controls and awareness of the community. Furthermore, third party evaluation was necessary to assess sustainability (as per page -29 appendix-1 of the program document i.e. Report and Recommendations of the President Asian Development Bank to the Board of Directors), but no such evaluation was carried out. Sustainability of the Program was questionable due to following reasons,

- Sufficient improvement was not observed in re-aligning inter-government relations to support devolved social services.
- Visible improvement was not observed in promoting public–private partnership and strengthening of public accountability mechanisms.
- Progress / achievements of the Program were nominal.

6.8 Overall Assessment

For evaluation of the objectives of the program, the overall assessment is necessary for improvement and removal of deficiencies.

6.8.1 Relevance and Need of the Program

The PDSSP is an essential Program and relevant to the priorities of government of the Punjab that is working hard for attainment of MDGs. However, the lack of coordination among parallel programs has resulted into inefficient use of resources. With the help of focused approach and efforts, the program could have been a tremendous success in achieving the MDGs.

6.8.2 Efficiency

The goals of the program could not be achieved efficiently due to poor planning, inefficient execution and monitoring and lack of coordination among the management of parallel programs. Moreover, funds were not utilized in timely and judicious manner.

6.8.3 Economy

Available funds were not utilized timely and economically that resulted into cost over run. In addition to this, efforts were not made to save government from losses as already pointed out through different audit observations.

6.8.4 Effectiveness

The effectiveness of the expenditure incurred under PDSSP was slightly witnessed as the resources were utilized on purchase of drugs and medicines, machinery and equipment that were not relevant to MNCH related activities. Furthermore, efforts were not made to fill the vacant posts, training / capacity building of relevant staff etc. As a result, objectives of the program could not be

achieved. However, the program could have been more effective if the activities were planned in the professional way and executed accordingly.

6.8.5 Time Over-Run

Planned activities of PDSSP were divided in three trenches for successful implementation and timely completion of the program. Completion date of the Program was expected to be w.e.f 31.03.2005 to 31.03.2008; however the program is still in progress.

6.8.6 Performance Rating of the Program

Unsatisfactory

6.8.7 Risk Rating of the Program

High

7. CONCLUSION

According to business dictionary, there are seven stages (also called project life cycle) through which practically every major project goes through: (1) **Identification:** Stage where one project idea out of several alternatives is chosen and defined. (2) **Preparation:** defined idea is carefully developed to the appraisal stage. (3) **Appraisal:** every aspect of the project idea is subject to systematic and comprehensive evaluation, and a project plan is prepared. (4) **Presentation:** detailed plan is submitted for approval and financing to the appropriate entities. (5) **Implementation:** with necessary approvals and financing in place, the project plan is implemented. (6) **Monitoring:** at every stage the progress of the project is assessed against the plan. (7) **Evaluation:** upon completion the project is reassessed in terms of its efficiency and performance. If we measure the performance of PDSSP against the above mentioned stages, we can see that this program did not go through first four phases. As the management of PHSRP told that ADB had shown interest to provide funding in health sector. Health Department conceived this program to fulfill the requirements of loan. There was no appraisal on behalf of Health Department. The program was implemented in haste without any detailed planning and was an experiment by health department. Even though the experiment failed, but department has learnt a lot of lessons from it. It has generated a thought process in the management of Health Department. Lessons learnt will improve the results of upcoming programs of Health Department.

Lessons learnt:

- i. The projects / programs may not be implemented in haste and without preparation and approval of detailed utilization plans.
- ii. Related Government functionaries should be educated about details of the projects / programs and their role, responsibilities and accountability mechanism.
- iii. Management of parallel programs should be coordinated properly.
- iv. Commitment of the concerned authorities / staff is essential for successful implementation of the programs. Environment of Control Self Assessment (CSA) may be developed at each level of the management.
- v. Integrated planning only can produce desired and sustainable results.

- vi. Merit based selection and capacity building of staff is crucial for implementation of a plan.
- vii. Sustainability and smooth running of PDSSP is not possible without training, proper supervision, strengthening of internal controls and awareness of the community.

ACKNOWLEDGEMENT

We wish to express our appreciation to the Management {Executive District Officer (Health) and District Officer Health (HQ)} and staff of the office of Executive District Officer (Health) of District Government Bahawalpur for the assistance and cooperation extended to the auditors during this assignment.

ANNEX

Annex – A
[Para 1.3.3]

Key Health Indicators and Targets

Performance indicators and targets	2001-02	2007-08	Target 2014-15
Infant Mortality Rate (IMR) per 1,000 live births	82	65	40
Child Mortality Rate per 1,000 live births	103	75	50
Child < 5 year under weight for age (%)	38	30	25
Children fully immunized 12-23 months (%)	57	80	85
Maternal Mortality Ratio (MMR) per 100,000 live births			140
Total Fertility Rate	4.2	4	3.6
Proportion of deliveries conducted by trained health professionals	24	40	60
Contraceptive prevalence rate (%)	27.6	50	60
Proportion of children 12-23 months immunized in rural areas increases from 51 % to 65 %	-	51.2	Above 80
Family planning services for married women 15–49 years increases from 15 % to 20 %	-	66.3	-
Total fertility rate falls from 4.66 to 4.0	-	3.53	-
Proportion of antenatal care increases from 40 % to 50 %	-	64 %	-
Increase in Bed-occupancy Rate by 20 % from base line	-	-	-
Increase in Per-capita utilization of health facilities by 20 % from base line	-	-	-
Decrease in absenteeism rates for doctors by 20 %	-	-	-

Source: as per page -29 appendix-1 and page No.40 of Appendix-2 of the program document i.e. Report and Recommendations of the President Asian Development Bank to the Board of Directors

Annex – B
[Para 1.6]

Summary of Financial Results

(Amount in Rupees)

Sr. No.	Account Head	Budget Allocation	Expenditure	Budget not Utilized	Percentage of Budget not Utilized
First Trench					
Financial Year 2006-07					
1	A-09601 Purchase of Machinery & Equipments	27,075,000	6,997,600	20,077,400	74.2%
2	A-09701 Purchase of Furniture and Fixture	4,507,000	4,108,515	398,485	8.8%
	Sub-Total	31,582,000	11,106,115	20,475,885	64.8%
Financial Year 2007-08					
1	A-09601 Purchase of Machinery & Equipments	20,077,400	-	20,077,400	100.0%
2	A-09701 Purchase of Furniture and Fixture	398,485	-	398,485	100.0%
	Sub-Total	20,475,885	-	20,475,885	100.0%
Financial Year 2008-09					
1	A-09601 Purchase of Machinery & Equipments	12,440,000	3,042,300	9,397,700	75.5%
2	A-09701 Purchase of Furniture and Fixture	485,000	434,412	50,588	10.4%
3	A-03927 Purchase of Medicine	4,393,000	1,576,274	2,816,726	64.1%
	Sub-Total	17,318,000	5,052,986	12,265,014	70.8%
Financial Year 2009-10					
1	A-09601 Purchase of Machinery & Equipments	9,397,700	884,000	8,513,700	90.6%
2	A-09701 Purchase of Furniture and Fixture	50,588	-	50,588	100.0%
3	A-03927 Purchase of Medicine	2,816,726	2,234,650	582,076	20.7%
	Sub-Total	12,265,014	3,118,650	9,146,364	74.6%
Financial Year 2010-11					
1	A-09601 Purchase of Machinery & Equipments	8,513,700	8,317,800	195,900	2.3%
2	A-09701 Purchase of Furniture and Fixture	50,588	-	50,588	100.0%
3	A-03927 Purchase of Medicine	582,076	-	582,076	100.0%
	Sub-Total	9,146,364	8,317,800	828,564	9.1%
Financial Year 2011-12					
1	A-09601 Purchase of	828,564	720,000	108,564	13.1%

Sr. No.	Account Head	Budget Allocation	Expenditure	Budget not Utilized	Percentage of Budget not Utilized
	Machinery & Equipments				
2	A-03918 NGO Share	3,158,000	0	3,158,000	100.0%
	Sub - Total	3,986,564	720,000	3,266,564	81.9%
Financial Year 2012-13					
1	A-09601 Purchase of Machinery & Equipments	108,564	0	108,564	100.0%
2	A-03918 NGO Share	3,158,000	0	3,158,000	100.0%
	Sub - Total	3,266,564	0	3,266,564	100.0%
Financial Year 2013-14					
1	A-09601 Purchase of Machinery & Equipments	108,564	0	108,564	100.0%
2	A-03918 NGO Share	3,158,000	0	3,158,000	100.0%
	Sub - Total	3,266,564	0	3,266,564	100.0%
Second Trench					
Financial Year 2010-11					
1	A-09601 Purchase of Machinery & Equipments	3,370,000	-	3,370,000	100.0%
2	A-09701 Purchase of Furniture and Fixture	11,769,000	3,917,000	7,852,000	66.7%
3	A-03927 Purchase of Medicine	576,000	-	576,000	100.0%
	Sub-Total	15,715,000	3,917,000	11,798,000	75.1%
Financial Year 2011-12					
1	A-09501 Purchase of Transport	3,370,000	0	3,370,000	100.0%
2	A-09601 Purchase of Machinery & Equipments	7,852,000	3,302,000	4,550,000	57.9%
3	A-09701 Purchase of Furniture and Fixture	576,000	0	576,000	100.0%
4	A-03927 Purchase of Medicine	7,070,000	0	7,070,000	100.0%
5	A-09203 Purchase of Computerization of Drug Sale License	4,011,000	0	4,011,000	100.0%
6	A-03807 POL of Generators	5,000,000	0	5,000,000	100.0%
7	A-03918 NGO Share	3,533,000	0	3,533,000	100.0%
	Sub - Total	31,412,000	3,302,000	28,110,000	89.5%
Financial Year 2012-13					
1	A-09501 Purchase of Transport	3,370,000	0	3,370,000	100.0%
2	A-09601 Purchase of Machinery & Equipments	4,550,000	0	4,550,000	100.0%
3	A-09701 Purchase of	576,000	493,900	82,100	14.3%

Sr. No.	Account Head	Budget Allocation	Expenditure	Budget not Utilized	Percentage of Budget not Utilized
	Furniture and Fixture				
4	A-03927 Purchase of Medicine	7,070,000	4,677,000	2,393,000	33.8%
5	A-09203 Purchase of Computerization of Drug Sale License	4,011,000	0	4,011,000	100.0%
6	A-03807 POL of Generators	5,000,000	0	5,000,000	100.0%
7	A-03918 NGO Share	3,533,000	0	3,533,000	100.0%
	Sub - Total	28,110,000	5,170,900	22,939,100	81.6%
Financial Year 2013-14					
1	A-09501 Purchase of Transport	5,500,000	0	5,500,000	100.0%
2	A-09601 Purchase of Machinery & Equipments	4,720,000	0	4,720,000	100.0%
3	A-09701 Purchase of Furniture and Fixture	82,100	0	82,100	100.0%
4	A-03927 Purchase of Medicine	2,393,000	2,346,000	47,000	2.0%
5	A-09203 Purchase of Computerization of Drug Sale License	4,011,000	1,470,517	2,540,483	63.3%
6	A-13101 Repair of Machinery and Equipments	2,700,000	0	2,700,000	100.0%
7	A-03918 NGO Share	3,533,000	0	3,533,000	100.0%
	Sub - Total	22,939,100	3,816,517	19,122,583	83.4%

Expenditure of Relevant A/C Head Vs Total Expenditure

Account Head	Total Expenditure	% of Total Expenditure
A-09601 Purchase of Machinery & Equipments	23,263,700	52.25 %
A-09203 Purchase of Computerization of Drug Sale License	1,470,517	3.30 %
A-09701 Purchase of Furniture and Fixture	8,953,827	20.11 %
A-03927 Purchase of Medicine	10,833,924	24.33 %
Total	44,521,968	100 %

Expenditure Incurred Vs Available Budget

Account Head	Total Budget	Total Expenditure	% of Budget Utilized
A-09601 Purchase of Machinery & Equipments	27,983,700	23,263,700	83 %
A-09203 Purchase of Computerization of Drug Sale License	5,500,000	1,470,517	37 %
A-09701 Purchase of Furniture and Fixture	4,011,000	8,953,827	99 %
A-03927 Purchase of Medicine	9,035,927	10,833,924	99 %
Total		44,521,968	

Annex – C
[Para 6.1.5]

Bed Occupancy Ratio in THQ Hospitals

Year	THQ-APE (92 Beds)		THQ – HSP (40 Beds)		THQ – KPT (60 Beds)		THQ – Yazman (40 Beds)	
	No. of Indoor Patients	Ratio (%)	No. of Indoor Patients	Ratio (%)	No. of Indoor Patients	Ratio (%)	No. of Indoor Patients	Ratio (%)
2010	5,779	17.2	7,709	52.8	8,785.0	40.1	4,297	29.4
2011	6,174	18.4	9,489	65.0	5,039.0	23.0	4,787	32.8
2012	9,384	27.9	9,437	64.6	5,150.0	23.5	5,140	35.2
2013	16,001	47.7	11,197	76.7	4,771.0	21.8	5,050	34.6
2014	14,792	44.1	13,175	90.2	5,137.0	23.5	5,549	38.0

Bed Occupancy Ratio in RHCs

Year	RHC Chani Goth		RHC Mubarak Pur		RHC Uch Sharif		RHC Dera Bakha		RHC Head Rajkan	
	No. of Indoor Patients	Ratio (%)	No. of Indoor Patients	Ratio (%)	No. of Indoor Patients	Ratio (%)	No. of Indoor Patients	Ratio (%)	No. of Indoor Patients	Ratio (%)
2010	1,008	13.8	2,387	32.7	2,575.0	35.3	1,130	15.5	2,487	34.1
2011	2,391	32.8	1,882	25.8	2,946.0	40.4	779	10.7	1,855	25.4
2012	2,311	31.7	3,455	47.3	4,724.0	64.7	5,102	69.9	3,203	43.9
2013	3,130	42.9	3,365	46.1	3,413.0	46.8	2,604	35.7	4,702	64.4
2014	2,994	41.0	2,490	34.1	3,171.0	43.4	3,747	51.3	1,855	25.4

Year	RHC Khanqah Sharif		RHC Lal Suhanra		RHC Choona Wala		RHC Qaim Pur		RHC Khutri Banglow	
	No. of Indoor Patients	Ratio (%)	No. of Indoor Patients	Ratio (%)	No. of Indoor Patients	Ratio (%)	No. of Indoor Patients	Ratio (%)	No. of Indoor Patients	Ratio (%)
2010	2,167	29.7	2,322	31.8	1,870	25.6	1,702	23.3	492	6.7
2011	1,874	25.7	2,783	38.1	2,412	33.0	1,942	26.6	887	12.2
2012	2,916	39.9	3,334	45.7	2,785	38.2	2,383	32.6	1,245	17.1
2013	2,466	33.8	2,450	33.6	2,249	30.8	2,699	37.0	1,621	22.2
2014	2,940	40.3	2,371	32.5	2,591	35.5	3,003	41.1	1,295	17.7

Annex – D
[Para 6.1.7]

**Non Performing / Non Incurring Expenditure on Activities relevant to Goals
and Objectives of PDSSP (MDGs)**

THQ Hospital Ahmad Pur

Sr. No.	Sr. No. of List	Name of Equipment	Standard	Available	Gap	Unit cost	Total cost
1	1.	CTG (cardiac Topography)	1	-	1	285,000	285,000
2	2.	Fetal Doppler	3	-	3	10,000	30,000
3	3.	Diagnostic Laparoscope	1	-	1	1,200,000	1,200,000
4	4.	Bulb Sucker	20	-	20	45	900
5	5.	Baby Warmer	3	-	3	850,000	2,550,000
6	7.	Fetal Stethoscope	4	-	4	1,500	6,000
7	8.	Delivery Table	2	-	2	17,500	35,000
8	14.	Lanes Tissue Holding Forceps	2	-	2	400	800
9	16.	Polypectomy Forceps	2	-	2	750	1,500
10	18.	Uterine Elevator	1	-	1	150	150
11	21.	Suction Curette	2	-	2	95	190
12	22.	Infant Resuscitation Trolley	1	-	1	95,000	95,000
13	23.	Mother Resuscitation Trolley	1	-	1	110,000	110,000
14	25.	Breast Pump (electronic)	1	-	1	250,000	250,000
15	5.	Hysterectomy Clamps (straight)	8	-	8	150	1,200
16	7.	Uterine Sound	2	-	2	90	180
17	19.	Bladder Sound	2	-	2	1,500	3,000
		DELIVERY SETS			-		-
18	6.	Sims Speculum Single Blade	20	-	20	275	5,500
19	7.	Sims Speculum Double Blade	20	-	20	250	5,000
20	10.	Straight Clamps (cord)	30	-	30	175	5,250
21	11.	Vacuum Extractor Pump	1	-	1	19,000	19,000

Sr. No.	Sr. No. of List	Name of Equipment	Standard	Available	Gap	Unit cost	Total cost
CAESERIAN SECTION					-		-
22	8.	Obstetric Outlet Forceps (pair)	6	-	6	900	5,400
MNCH RELATED RADIOLOGY EQUIPMENTS					-		-
23	3.	Color Doppler	-	-	-	-	-
24	4.	Lead Screen For X-Ray Unit	1	-	1	30,000	30,000
25	5.	0.5 MN lead Apron, Lead Gloves,	1	-	1	100,000	100,000
26		Goggles & Thyroid and Gonadal Sheets	1	-	1		-
27	6.	Safe Light	1	-	1	5,000	5,000
28	10.	X-ray Films Hangers all sizes	4	-	4	4,000	16,000
29	1.	Pediatric Ventilator	2	-	2	1,200,000	2,400,000
30	3.	Photo Therapy Unit	1	-	1	22,000	22,000
31	4.	Over Head Radiant Warmer	1	-	1	910,000	910,000
32	8.	Billirubinometer	1	-	1	36,000	36,000
33	9.	Exchange Blood Transfusion Set	1	-	1	2,000	2,000
34	10.	Nasal Probe Paeds Size	2	-	2	7,000	14,000
ANESTHESIA/ICU					-		-
35	2.	Ventilators	1	-	1	525,000	525,000
36	7.	Tracheostomy Tube (Adult & Peads)	2	-	2	1,000	2,000
37	9.	Double Cut tourniquet (for regional block)	1	-	1	320	320
38	11.	Ambo bags Peads	2	-	2	3,000	6,000
39	12.	Red Rubber nasal Tubes All sizes without cut	4	-	4	1,000	4,000
BLOOD BANK					-		-
40	3.	Cell Separated	1	-	1	5,225,000	5,225,000
41	4.	Freezer for fresh frozen Plasma	1	-	1	1,150,000	1,150,000
42	5.	Blood Bag Shaker	1	-	1	10,000	10,000
43	8.	Micro Pipette	6	-	6	8,000	48,000
44	9.	Blood Grouping Tiles	3	-	3	3,000	9,000

Sr. No.	Sr. No. of List	Name of Equipment	Standard	Available	Gap	Unit cost	Total cost
45	10.	Plasma Extractor	1	-	1	1,000,000	1,000,000
46	11.	Platelets Aggregator	1	-	1	1,000,000	1,000,000
47	12.	Blood Thawing Bath	1	-	1	3,000	3,000
GYNAE & LABOUR ROOM RELATED LABORATORY EQUIPMENTS					-		-
48	1.	Glucometer	2	-	2	2,500	5,000

17,131,390

THQ Khairpur

Sr. No.	Sr. No. of List	Name of Equipment	MSDS standards	Khairpur Tamewali (B)	Gaps	unit cost	Total cost
1	1	CTG (cardiac Topography)	1	0	1	285,000	285,000
2	2	Fetal Doppler	2	0	2	10,000	20,000
3	3	Diagnostic Laparoscope	1	0	1	1,200,000	1,200,000
4	5	Baby Warmer	2	0	2	850,000	1,700,000
5	7	Fetal Stethoscope	3	0	3	1,500	4,500
6	13	Volselum Forceps	4	0	4	235	940
7	15	Vaginal retractors	4	0	4	350	1,400
8	16	Polypectomy Forceps	2	0	2	750	1,500
9	18	Uterine Elevator	1	0	1	150	150
10	21	Suction Curette	1	0	1	95	95
11	22	Infant Resuscitation Trolley	1	0	1	95,000	95,000
12	23	Mother Resuscitation Trolley	1	0	1	110,000	110,000
13	24	Cardiac Monitor	1	0	1	500,000	500,000
14	25	Breast Pump (electronic)	1	0	1	250,000	250,000
VAGINAL HYSTERECTOMY SET							
15	5	Hysterectomy Clamps (straight)	8	0	8	150	1,200
16	7	Uterine Sound	2	0	2	90	180
17	14	Single Blade Sims Speculum	4	0	4	275	1,100
18	19	Bladder Sound	2	0	2	1,500	3,000

Sr. No.	Sr. No. of List	Name of Equipment	Standard	Available	Gap	Unit cost	Total cost
DELIVERY SETS							
19	6	Sims Speculum Single Blade	12	0	12	275	3,300
20	10	Straight Clamps (cord)	20	0	20	175	3,500
21	11	Vacuum Extractor Pump	1	0	1	19,000	19,000
CAESERIAN SECTION							
22	5	Myoma Scissors Straight 7"	4	0	4	150	600
23	7	Green Armtage Forceps 8"	16	0	16	300	4,800
MNCH RELATED RADIOLOGY EQUIPMENTS							
24	3	Color Doppler	0	0	0	-	-
25	5	0.5 MN lead Apron, Lead Gloves,	1	0	1	100,000	100,000
26	9	X-ray Films Illuminator	2	0	2	4,000	8,000
27	10	X-ray Films Hangers all sizes	4	0	4	4,000	16,000
MNCH RELATED PEDIATRICS EQUIPMENTS							
28	1	Pediatric Ventilator	1	0	1	1,200,000	1,200,000
29	2	Incubator	1	0	1	1,500,000	1,500,000
30	3	Photo Therapy Unit	1	0	1	22,000	22,000
31	4	Over Head Radiant Warmer	1	0	1	910,000	910,000
32	8	Billiubino-meter	1	0	1	36,000	36,000
33	9	Exchange Blood Transfusion Set	1	0	1	2,000	2,000
34	10	Nasal Probe Paeds Size	2	0	2	7,000	14,000
ANESTHESIA/ICU							
35	2	Ventilators	1	0	1	525,000	525,000
36	5	Defibrillator	1	0	1	500,000	500,000
37	10	Ambo bags Peads	2	0	2	3,000	6,000
38	11	Red Rubber nasal Tubes All sizes without cut	4	0	4	1,000	4,000
BLOOD BANK							
39	1	Blood Storage Cabinet (100 Bag Capacity)	1	0	1	812,000	812,000
40	2	Packed Cell Machine	1	0	1	600,000	600,000

Sr. No.	Sr. No. of List	Name of Equipment	Standard	Available	Gap	Unit cost	Total cost
41	3	Cell Separator	1	0	1	5,225,000	5,225,000
42	4	Freezer for fresh frozen Plasma	1	0	1	1,150,000	1,150,000
43	5	Blood Bag Shaker	1	0	1	10,000	10,000
44	6	RH View Box	2	0	2	1,000	2,000
45	7	Water bath	2	0	2	3,000	6,000
46	8	Micro Pipette	4	0	4	8,000	32,000
47	9	Blood Grouping Tiles	3	0	3	3,000	9,000
48	10	Plasma Extractor	1	0	1	1,000,000	1,000,000
49	11	Platelets Aggregator	1	0	1	1,000,000	1,000,000
50	12	Blood Thawing Bath	1		1	3,000	3,000
51	13	Microscopes	1	4	-3	-	-
GYNAE & LABOUR ROOM RELATED LABORATORY EQUIPMENTS							
52	1	Glucometer	2	0	2	2,500	5,000
			Grand Total				18,902,265

THQ Hasilpur

Sr. No.	Sr. No. of List	Name of Equipment	MSDS Standards	Hasilpur	Gaps	Unit cost	Total cost
1	1.	CTG (cardiac Topography)	1	-	1	285,000	285,000
2	2.	Fetal Doppler	2	-	2	10,000	20,000
3	3.	Diagnostic Laparoscope	1	-	1	1,200,000	1,200,000
4	4.	Bulb Sucker	5	-	5	45	225
5	5.	Baby Warmer	2	-	2	850,000	1,700,000
6	16.	Polypectomy Forceps	2	-	2	750	1,500
7	18.	Uterine Elevator	1	-	1	150	150
8	21.	Suction Curette	1	-	1	95	95
9	22.	Infant Resuscitation Trolley	1	-	1	95,000	95,000
10	23.	Mother Resuscitation Trolley	1	-	1	110,000	110,000
11	25.	Breast Pump (electronic)	1	-	1	250,000	250,000

Sr. No.	Sr. No. of List	Name of Equipment	Standard	Available	Gap	Unit cost	Total cost
VAGINAL HYSTERECTOMY SET					-	-	-
12	3.	Dissective Scissors (curved 7")	2	-	2	150	300
13	5.	Hysterectomy Clamps (straight)	8	-	8	150	1,200
14	10.	Artery Forceps (straight 6")	16	-	16	110	1,760
15	14.	Single Blade Sims Speculum	4	-	4	275	1,100
16	17.	Volselum Forceps	4	-	4	250	1,000
17	19.	Bladder Sound	2	-	2	1,500	3,000
DELIVERY SETS					-	-	-
18	1.	Episiotomy Scissors	6	-	6	125	750
19	5.	Toothed Tissue Forceps 8"	6	-	6	100	600
20	6.	Sims Speculum Single Blade	12	-	12	275	3,300
21	11.	Vacuum Extractor Pump	1	-	1	19,000	19,000
CAESERIAN SECTION					-	-	-
22	2.	Artery Forceps Straight 6"	16	-	16	125	2,000
23	5.	Myoma Scissors Straight 7"	4	-	4	150	600
24	7.	Green Armtage Forceps 8"	16	-	16	300	4,800
MNCH RELATED RADIOLOGY EQUIPMENTS					-	-	-
25	3.	Color Doppler	-	-	-	-	-
26	9.	X-ray Films Illuminator	2	-	2	4,000	8,000
MNCH RELATED PEDIATRICS EQUIPMENTS					-	-	-
27	3.	Photo Therapy Unit	1	-	1	22,000	22,000
28	4.	Over Head Radiant Warmer	1	-	1	910,000	910,000
29	8.	Billiubino-meter	1	-	1	36,000	36,000
30	9.	Exchange Blood Transfusion Set	1	-	1	2,000	2,000
31	10.	Nasal Probe Paeds Size	1	-	1	7,000	7,000
ANESTHESIA/ICU					-	-	-
32	2.	Ventilators	1	-	1	525,000	525,000
33	3.	Nebulizer	1	-	1	165,000	165,000

Sr. No.	Sr. No. of List	Name of Equipment	Standard	Available	Gap	Unit cost	Total cost
34	5.	Defibrillator	1	-	1	500,000	500,000
35	7.	Tracheostomy Tube (Adult & Peads)	1	-	1	1,000	1,000
36	12.	Red Rubber nasal Tubes All sizes without cut	4	-	4	1,000	4,000
BLOOD BANK					-	-	-
37	2.	Packed Cell Machine	1	-	1	600,000	600,000
38	3.	Cell Separator	1	-	1	5,225,000	5,225,000
39	4.	Freezer for fresh Frozen Plasma	1	-	1	1,150,000	1,150,000
40	5.	Blood Bag Shaker	1	-	1	10,000	10,000
41	6.	RH View Box	1	-	1	1,000	1,000
42	8.	Micro Pipette	4	-	4	8,000	32,000
43	9.	Blood Grouping Tiles	3	-	3	3,000	9,000
44	10.	Plasma Extractor	1	-	1	1,000,000	1,000,000
45	11.	Platelets Aggregator	1	-	1	1,000,000	1,000,000
46	12.	Blood Thawing Bath	1	-	1	3,000	3,000
47	13.	Microscopes	1	-	1	115,000	115,000
			Grand Total				15,026,380

THQH Yazman

	Sr. No.	Name of Equipment	MSDS standard (B)	Available	GAP	Unit cost	Total cost
1	3	Diagnostic Laparoscope	1	0	1	1200000	1,200,000
2	4	Bulb Sucker	10	0	10	45	450
3	5	Baby Warmer	2	0	2	850000	1,700,000
4	7	Fetal Stethoscope	3	0	3	1500	4,500
5	23	Mother Resuscitation Trolley	1	0	1	110000	110,000
6	25	Breast Pump (electronic)	1	0	1	250000	250,000
7	1	Toothed Tissue Forceps 8"	2	0	2	55	110

Sr. No.	Sr. No. of List	Name of Equipment	Standard	Available	Gap	Unit cost	Total cost
					0	0	-
8	11	Vacuum Extractor Pump	1	0	1	19000	19,000
	MNCH RELATED RADIOLOGY EQUIPMENTS				0	0	-
9	3	Color Doppler	0	0	0	0	-
10		Goggles & Thyroid and Gonadal Sheets	0	0	0	0	-
	MNCH RELATED PEDIATRICS EQUIPMENTS				0	0	-
11	1	Pediatric Ventilator	1	0	1	1200000	1,200,000
12	3	Photo Therapy Unit	1	0	1	22000	22,000
13	4	Over Head Radiant Warmer	1	0	1	910000	910,000
14	5	Infant Length Measuring Scale	2	0	2	5000	10,000
15	8	Billiubino-meter	1	0	1	36000	36,000
16	9	Exchange Blood Transfusion Set	1	0	1	2000	2,000
17	10	Nasal Probe Paeds Size	2	0	2	7000	14,000
	ANESTHESIA/ICU				0	0	-
18	7	Tracheostomy Tube (Adult & Peads)	2	0	2	1000	2,000
19	9	Double Cut tourniquet (for r regional block)	1	0	1	320	320
20	12	Red Rubber nasal Tubes All sizes without cut	4	0	4	1000	4,000
							-
21	1	Blood Storage Cabinet (100 Bag Capacity)	1	0	1	812000	812,000
22	2	Packed Cell Machine	1	0	1	600000	600,000
23	3	Cell Separator	1	0	1	5225000	5,225,000
24	4	Freezer for fresh Frozen Plasma	1	0	1	1150000	1,150,000
25	6	RH View Box	2	0	2	1000	2,000
26	7	Water bath	2	0	2	3000	6,000
27	8	Micro Pipette	4	0	4	8000	32,000

Sr. No.	Sr. No. of List	Name of Equipment	Standard	Available	Gap	Unit cost	Total cost
28	9	Blood Grouping Tiles	3	0	3	3000	9,000
29	10	Plasma Extractor	1	0	1	1000000	1,000,000
30	11	Platelets Aggregator	1	0	1	1000000	1,000,000
31	12	Blood Thawing Bath	1	0	1	3000	3,000

15,323,380

THQ Hospital Ahmed Pur East	17,131,390
THQ Hospital Khairpur Tamewali	18,902,265
THQ Hospital Hasilpur	15,026,380
THQ Hospital Yazman	15,323,380
Total	66,383,415

Annex – E
[Para 6.2.1]

Non Utilization of Funds

Year	Budget Allocation / Funds Re-authorized	Expenditure Incurred	Funds Not Utilized	Percentage of Funds Not Utilized
First Trench				
2006-07	31,582,000	11,106,115	20,475,885	64.8%
2007-08	20,475,885	-	20,475,885	100.0%
2008-09	17,318,000	5,052,986	12,265,014	70.8%
2009-10	12,265,014	3,118,650	9,146,364	74.6%
2010-11	9,146,364	8,317,800	828,564	9.1%
2011-12	3,986,564	720,000	3,266,564	81.9%
2012-13	3,266,564	-	3,266,564	100.0%
2013-14	3,266,564	-	3,266,564	100.0%
Total (First Trench)	31,582,000	28,315,551	3,266,564	11.5 %
Second Trench				
2010-11	15,715,000	3,917,000	11,798,000	75.1%
2011-12	31,412,000	3,302,000	28,110,000	89.5%
2012-13	28,110,000	5,170,900	22,939,100	81.6%
2013-14	22,939,100	3,816,517	19,122,583	83.4%
Total (Second Trench)	35,329,000	16,206,417	19,122,583	54.12 %
Grand Total	66,911,000	44,521,968	22,389,147	33.4 %

Annex – F
[Para 6.2.4]

Inefficient and Slow Procurement and Payment Process

Date of Advertisement: 24.02.009, 17.08.09 and 13.03.10

Date of Bid Opening: 07.03.2009, 25.08.09, 25.03.10

Sr. No.	Description of Machinery	Date of Issuance of Purchase Order	Date of Stock Entry (Main Store)	Invoice No./ Date	Cheque No./ date	Name of Supplier	Time Used for Procurement (Date of Bid Opening – Date of Stock)	Time Used for Making Payment (Date of Cheque – Date of Stock)	Amount
1	X-Ray Plant	25.04.09	25.06.10	681/ 03.08.09	1507685/ 07.01.11	M/S Mediequips	15 months 18 days (473 days)	6 months 12 days (192 days)	5,445,800
2	Surgical Instruments	28.06.10	13.07.10	73010/ 13.07.10	1511127/ 22.03.11	M/S Surgi Equipments	04 months (120 days)	8 months 09 days (249 days)	625,000
3	Ultrasound Machine	28.06.10	03.08.10	02/ 02.08.10	1624293/ 17.05.11	M/S Bio Tech	04 months 20 days (140 days)	07 months 14 days (224 days)	1,249,000
4	Fowler Beds	28.06.10	28.07.10	4740/ 26.07.10	1625483/ 07.06.11	M/S Noorani Surgical (Pvt) Ltd	04 months 15 days (135 days)	10 months 09 days (309 days)	2,043,000
5	Infant Resuscitator	18.12.09	30.04.10	0104/ 29.04.10	1625287/ 04.06.11	M/S Vertex Enterprises	08 months 13 days (253 days)	13 months 04 days (394 days)	1,798,000
Total									11,160,800

Annex – G
[Para 6.2.5]

Expenditure without Budget Provision

Cheque No. / Date	Supplier	Item	Inv. No. / Date	Amount	A/C Head Used	A/C Head to have been Used
756906/ 30.06.09	Mirza Niaz Muhammad & Sons	Steam Sterilizer (04 No. x Rs 182,000)	1596/ 04.06.09	728,000	A-09601 Purchase of Machinery & Equipments	A-09404 Medical Equipments
		Hospital Beds (70 x Rs 12,600)		882,000	A-09601 Purchase of Machinery & Equipments	A-09701 P.O. Furniture and Fixture
		Mattress (80 x Rs 3780)		302,400	A-09601 Purchase of Machinery & Equipments	A-09701 P.O. Furniture and Fixture
756906/ 30.06.09	Surgi Equipments	Ambo Bags Adult (26 x Rs 3800)	22709/ 04.06.09	98,800	A-09601 Purchase of Machinery & Equipments	A-09404 Medical Equipments
		Major Surgery Set (3 x Rs 49,500)		148,500	A-09601 Purchase of Machinery & Equipments	A-09404 Medical Equipments
756906/ 30.06.09	Crystal Health Care	Mobile Succession Pump (01 x Rs 95000)	12111/ 30.05.09	95,000	A-09601 Purchase of Machinery & Equipments	A-09404 Medical Equipments
		Stethoscope (70 x Rs 160)		11,200	A-09601 Purchase of Machinery & Equipments	A-09404 Medical Equipments
756906/ 30.06.09	Vertex Enterprises	B.P Apparatus (96 x Rs 3400)	130/ 28.05.09	326,400	A-09601 Purchase of Machinery & Equipments	A-09404 Medical Equipments
756906/ 30.06.09	Qazafi Surgical	Wheel Chairs (04 x Rs 7500)	921/ 17.06.09	30,000	A-09601 Purchase of Machinery & Equipments	A-09701 P.O. Furniture and Fixture
		Fowler Beds (10 x Rs 17000)		170,000	A-09601 Purchase of Machinery & Equipments	A-09701 P.O. Furniture and Fixture
756996/ 30.06.09	Lahore Hospital Supplies	Photometer (01 x Rs 250000)	211/ ...	250,000	A-09601 Purchase of Machinery & Equipments	A-09404 Medical Equipments
Total				3,042,300		