



**PERFORMANCE AUDIT REPORT
ON**

**INITIATIVES TAKEN BY THE GOVERNMENT OF KHYBER
PAKHTUNKHWA IN HEALTH SECTOR
FOR THE FINANCIAL YEARS 2017-22**

HEALTH DEPARTMENT

AUDIT YEAR 2022-23

AUDITOR-GENERAL OF PAKISTAN

SERVING THE NATION BY PROMOTING ACCOUNTABILITY, TRANSPARENCY AND GOOD
GOVERNANCE IN THE MANAGEMENT AND USE OF PUBLIC RESOURCES

FOR THE CITIZENS OF PAKISTAN

PREFACE

The Auditor-General of Pakistan conducts audit under Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with the Sections 8 & 12 of the Auditor-General's (Functions, Powers and Terms & Conditions of Service) Ordinance 2001. The performance audit of the "Initiatives taken by the Government of Khyber Pakhtunkhwa in Health Sector" was carried out accordingly.

The Directorate-General Audit Khyber Pakhtunkhwa conducted Performance audit of the Initiatives taken by the Government of Khyber Pakhtunkhwa in Health Sector for the period 2017-22, during April 2023 with a view to report significant findings to stakeholders. Audit examined the economy, efficiency and effectiveness of the "Initiatives taken by the Government of Khyber Pakhtunkhwa in health sector". Audit also assessed, on a test check basis, whether the management complied with applicable laws, rules and regulations. The Audit Report suggest specific action that, if taken, will help the management realize the objectives of the programs.

The department was requested for convening of DAC meeting. However, DAC meeting was only convened on Revamping of Non-Teaching DHQ Hospitals across KP and DAC meeting on Social Health Protection Initiatives Program was not convened till the finalization of this report.

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

Islamabad:
Dated:

(Muhammad Ajmal Gondal)
Auditor-General of Pakistan

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Developmental Program
CAP	College of American Pathologists
CCU	Cardiac Care Unit
CMIS	Central Management Information System
CPAP	Continuous Positive Air Pressure
CTG	Cardiotocography
DAC	Departmental Accounts Committee
DHQ	District Headquarter
ECG	Electrocardiogram
EMOs	Emergency Medical Officers
HCC	Health Care Commission
HMIS	Hospital Management Information System
ICT	Information and Communication Technology
ICU	Intensive Care Unit
IDAP	Infrastructure Development Authority of Punjab
INTOSAI	International Organization for Supreme Audit Institutions
KFW	Kreditanstalt fur Wiederaufbau
KP	Khyber Pakhtunkhwa
KPPRA	Khyber Pakhtunkhwa Public Procurement Regulatory Authority
MEP	Mechanical, Electrical and Plumbing
MHSDP	Minimum Health Services Delivery Package
MTI	Medical Teaching Institute
NADRA	National Database and Registration Authority
NKBH	Naseer ullah Khan Babar Hospital
NMAs	Newly Merged Areas
OT	Operation Theatre
PDWP	Provincial Development Working Party
PMIU	Project Management Implementation Unit
PSR	Premium Stabilization Reserve
QMS	Que Management System
SBD	Standard Bidding Documents
SLIC	State life Insurance Corporation
SSP	Sehat Sahulat Program
SHPI	Social Health Protection Program

EXECUTIVE SUMMARY

The Directorate General Audit Khyber Pakhtunkhwa conducted performance audit of the “Initiatives taken by the Government of Khyber Pakhtunkhwa in Health Sector” for the Financial Years 2017-18 to 2021-22 in April 2023. The main objectives of the audit were to assess whether the Projects, entrusted with the implementation of the initiatives had achieved its objectives economically, efficiently and effectively. The audit was conducted in accordance with the INTOSAI Auditing Standards.

The Government of Khyber Pakhtunkhwa initiated various programs to improve the health facilities in the province. These include Sehat Sahulat Program, revamping of non-teaching DHQ hospitals, Reforms in primary healthcare, digitalization of healthcare etc. This performance audit was conducted for two major initiatives of the government i-e Revamping of Non-teaching DHQ hospitals and Sehat Sahulat Program. These two projects were selected due to its importance.

Key Audit Findings:

- Hospital management information system and Queue Management System has not been implemented in 19 District headquarters hospitals, leading to inadequate and unreliable data and increased patient wait times.
- There is a failure to execute necessary infrastructure improvements and equipment installations in DHQ hospitals, adversely affecting service delivery.
- The overlapping initiation of multiple revamping schemes has prevented the finalization of several key healthcare initiatives.
- There is a critical lack of strengthened human resources in clinical and non-clinical areas, resulting in inadequate staffing.
- Instances of unauthorized payments include a mobilization advance of Rs 1,072.932 million, raising concerns about financial governance.
- An unutilized fund amounting to Rs 1,602.613 million indicates poor financial management and inefficiencies in project execution.
- The absence of a robust data management system undermines the quality of care provided under the Sehat Card Plus Programme.

Recommendations:

- Install and operationalize the Hospital Management Information System and the Queue Management System in all DHQ hospitals.
- Develop a plan for necessary infrastructure improvements and equipment installations and initiate the necessary infrastructure development activities
- Prioritize and coordinate revamping schemes for timely finalization.
- Strengthen staffing in clinical and non-clinical areas as required in the PC-I.
- Implement strict oversight to prevent unauthorized payments.
- Review fund usage to ensure balanced utilization of resources and to minimize unutilized amounts.

- Develop a robust data management system in for Sehat Sahulat Plus Programme for better healthcare quality.

1. INTRODUCTION

The Government of Khyber Pakhtunkhwa has launched several health initiatives from 2018 to 2022. Some of the key initiatives are:

- 1.1. **Sehat Sahulat Program:** The Sehat Sahulat Program is a health insurance scheme aimed at providing free medical treatment to families living below the poverty line. The program covers all major diseases, including cancer, and provides up to one million in medical coverage.
- 1.2. **Reforms in Primary Healthcare:** The Government of Khyber Pakhtunkhwa has launched a comprehensive reform program to improve primary healthcare services in the province. The program includes the provision of basic health units, establishment of new hospitals, and training of healthcare professionals. To improve governance and accountability in the public sector, autonomy was granted to eight teaching hospitals in the province. Autonomous and fully empowered boards with members from private sector are in place. District Health Plans were prepared along with provision of budget for all 25 districts to provide Minimum Health Services Delivery Package (MHSDP) under Integrated Health Project. Twenty-three stabilization centers were also established at DHQ hospitals along with provision of nutritional supplements under this project.
- 1.3. **Digitalization of Healthcare Services:** The government has launched several digital health initiatives, including the establishment of a telemedicine network and the development of a mobile app that provides healthcare information and allows patients to book appointments with doctors.
- 1.4. **Improving Maternal and Child Health:** The government has launched several programs aimed at improving maternal and child health, including the provision of free maternal and child health services, the establishment of new birthing centers, and the training of midwives and other healthcare professionals.
- 1.5. **Expansion of Healthcare Infrastructure:** The government has invested in the expansion of healthcare infrastructure, including the construction of new hospitals and the renovation of existing ones. The government has also provided funding for the purchase of new medical equipment and the recruitment of healthcare professionals.

These are some of the key initiatives launched by the Government of Khyber Pakhtunkhwa in the health sector during the period of 2018 to 2022. These initiatives are

aimed at improving access to healthcare services, improving healthcare outcomes, and reducing the rate and occurrence of disease in the province.

The Government of Khyber Pakhtunkhwa Social Health Protection Initiative (Sehat Sahulat Program) can rightly be termed a flagship programme of KP Government. It was an ambitious initiative that caters to a vast majority of underprivileged population and is a step towards Universal Health Coverage. Under this scheme government of KP paid health insurance premiums for 69% of the entire population of the province. Keeping in view the importance of investment in health for economic development, the Government of Khyber Pakhtunkhwa increased the budget of health sector from PKR 30.3 billion in 2012-13 to Rs.118.6 billion in 2021-22, which is about 391 % increase in allocation of funds to Health Sector. Moreover, allocation to Health Sector covers 10.6 % of the total budget. Resultantly improved health of the needy and poor population of Khyber Pakhtunkhwa at their door steps, not only in Government Health Institutions but also in Private Health Institutions feasible to the patients. Treatment of Costly Chronic Diseases could easily be availed through Sehat Sahulat Program.

Health Sector has always remained a pivotal sector for the government due to direct impact on the masses. In this connection, the Government of KP has developed Health Policy 2018-2025 in order to implement its reform initiatives.

1.2 Main objectives of the projects

As a reform initiatives, different projects were implemented by the Government of Khyber Pakhtunkhwa with the following prime objectives:

- The Sehat Sahulat Program aims to address the health care needs of the poorest segments of the society and promote universal health coverage in Pakistan.
- The revamping of non-teaching hospitals, across Khyber Pakhtunkhwa, aims to improve healthcare services, accessibility of healthcare services to the people of the province, improve the management and administration of hospitals, Capacity building of healthcare workers in non-teaching Hospitals to enhance their skills and knowledge

2. AUDIT OBJECTIVES

Performance audit of the health initiatives taken by the Government of Khyber Pakhtunkhwa was conducted for the following objectives:

- To examine all programmes, projects, schemes undertaken by the health department and DGHS in the province and NMAs as part of the health reforms initiatives during last 05 years

- To evaluate whether the health programs, projects, and schemes implemented have resulted in cost savings or cost-effectiveness.
- To assess whether allocation of required inputs i.e. human, financial and others resources have been adequately done and economically acquired.
- To evaluate whether the health programs, projects, and schemes implemented have been executed efficiently.
- To determine whether the health initiatives implemented by the government have been able to meet their objectives within the given timelines.
- To assess whether the problem areas/ schemes/initiatives have been rightly identified to address the deficiencies in health sector
- To ensure whether all the procurement, contract management and recruitment process has been made in compliance with the government rules
- To assess whether the health service delivery is aligned with the best practices
- To assess the impact of health policies on the masses.

3. AUDIT SCOPE AND METHODOLOGY

3.1 Scope:

The audit's objective was to evaluate the effectiveness and efficiency of the Health Initiatives taken by the Government of Khyber Pakhtunkhwa. The scope of the audit was limited to two projects: the Sehat Sahulat Program for Khyber Pakhtunkhwa and the Revamping of Non-Teaching Hospitals across KP. The expenditure data of financial years 2020-21 to 2022-23 will be audited.

3.2 Methodology:

The audit was conducted in accordance with INTOSAI guidelines and the Performance Audit Manual of the Auditor General of Pakistan. The principal methods used for the collection of data and evidence were examination of relevant documents and records, physical verification, and discussions with officials and officers of the organization. The findings of the audit were substantiated by analyzing PC-I of different phases and projects, actual budgetary provisions, actual work done on the ground, and other relevant records and files of the department.

4. AUDIT FINDINGS AND RECOMMENDATIONS

4.1 Organization and Management

4.1.1 Lack of Strengthening of Human Resources on Clinical and Non-Clinical Sides of Hospitals

According to the approved PC-I, Clause 6.9.2 Component-2 “Human Resource Strengthening” Human Resource is the most important component in any well-functioning system. It is felt that most of the hospitals are under staffed with regards to qualified Medical Human Resource. Resultantly the quality of health service delivery and hospital processes has dwindled over the year. The department of health is of the opinion that the human resource of hospital needs to be strengthened both on Clinical and non-clinical sides.

During Performance Audit of the Initiatives taken by the Government of Khyber Pakhtunkhwa in Health Sector for the financial year 2017-18 to 2021-22, it was observed from the accounts record of the project titled “Revamping of Non-Teaching DHQ Hospital in KPK” that PMIU failed to strengthened Human Resource activity planned in the PC-I both on Clinical and non-Clinical sides.

The Health Department had planned to add new posts in the District Headquarter hospitals in the following 06 cadres. i-e (1) Specialists, (2) Emergency medical officers (3) Physiotherapists (4) Nurses (5) Pharmacists (6) Allied health professional

However, the project management only engaged Emergency Medical Officers in six District Headquarter hospitals in Phase-I, while the remaining 19 DHQ hospitals of Phase II, III & IV were left out.

Similarly, non-clinical human resources were also not engaged as planned. The project had also aimed to strengthen hospital leadership by engaging an effective 2nd tier of management to support the Medical Superintendent. However, this activity was not carried out in any of the DHQ hospitals. The project management only engaged non-clinical staff in six DHQ hospitals of Phase-I, and the rest were planned to be engaged in Phase-II, III & IV for 19 DHQ hospitals but were left outstanding. These services include (1) Procurement & logistic officer (2) Admin & HR officer (3) IT & Statistical officer (4) Finance & Audit officer (5) Assistant admin officer, as a result the objectives of Strengthening Human Resources in Hospitals to provide the best health facilities was not achieved.

The lapse occurred due to failure of the management to prioritize the recruitment and training of professionals who are experts in their respective fields, which resulted in a shortage of skilled clinical and non-clinical staff.

When pointed out in March 2023, the department replied that in some cases the positions have been advertised and the process of recruitment was initiated, but the then secretary stopped the recruitment process. The posts of many clinical and non-clinical cadres are still lying vacant.

In the DAC meeting held on 01-02-2024 it was discussed that the activities were not completed due to several reasons including lack of funds. The para was decided to stand as the department didn't justified the reasons for not carrying the project activities.

Audit recommends that the management may prioritize the recruitment of skilled clinical and non-clinical staff and provide them with the necessary training to improve their skills and knowledge. Furthermore, the management should establish a system to monitor the performance of staff to ensure that they provide quality healthcare services to the public.

4.1.2 Dis-proportionate engagement of Janitorial and security services without hospital requirements creating liability of Rs - 824.00 million

According to approved PC-I, Clause 6.10.5 Component-5 "Outsourcing of Services" the Department of Health is of the opinion that the allied services in our hospitals are in poor shape and they need employing out of the box solution. The Department of Health is of the opinion that it should outsource the allied clinical and non-clinical and instead focus on

quality of hospital services. Therefore, the health department decided to outsource the major clinical and non-clinical services under this program. The menu of non-clinical services that may be outsourced in the hospital comprising four services, outsourcing of Janitorial services, security and parking services, Mechanical, Electrical, Plumbing & Generator (MEPG) services and laundry services.

During Performance Audit of the Initiatives taken by the Government of Khyber Pakhtunkhwa in Health Sector for the financial year 2017-18 to 2021-22, it was observed that there were four activities which was required for outsourcing wherein only two Janitorial and Security services were outsourced for Phase-I,II,III and IV while the rest two MEP and laundry services were not outsourced for any phase.

In each of 32 Hospital of Phase-I, II, III and IV a large number of Janitorial and security staff was engaged without need assessment. In DHQ Batagram having covered area of 150000 sq feet 13 Janitorial Staff and in DHQ Kohistan of same square feet 52 Janitorial Staff was engaged in addition to regular Janitorial staff. Similarly, Naseerullah Khan Babar Memorial Hospital Peshawar has 384160 square feet and the number of security staff was 25 and for square feet of 197000 of DHQ Abbottabad 26 security personnel were engaged in addition to regular security staff. Public exchequer was overburdened through payment from ADP of outsourced Janitorial and Security Staff and regular staff from regular budget at a time.

As a result of simultaneous starting of outsourcing of Janitorial and Security Services in all DHQ Hospitals of Phase-I, II, III and IV without need assessment created a liability of Rs 824.00 million was created. Secretary Health suspended both outsourced services in February, 2023. Now the hospital condition is very bad as neither the project management could carry on the outsourced services nor the regular staff taking interest in their duties.

Audit held that activity was required on pilot basis as approved in the PC-I but was executed in the entire Province simultaneously and without need assessment resulted creation of liability and ultimately suspension of services.

The suspension of services has not only affected hospital cleanliness but also caused likelihood of spreading of various diseases and security risks also increased.

The lapse occurred due to ill planning of the project management.

When pointed out in March 2023, the department replied that the janitorial staff was engaged as per the survey and consultation with the MS of the Hospitals. However, no documentary support was provided to audit for verification.

In the DAC meeting held on 01.02.2024, it was decided to stand the para because no justification was produced for executing the contract.

Audit recommends that both outsourced services should have been rationalized and staff may be engaged as per hospital requirement.

4.1.3 Lack of Robust Data Management System in Khyber Pakhtunkhwa's Sehat Card Plus Programme

According to Clause 3 of the Contract agreement between the Health Department and State Life Insurance Corporation of Pakistan, The Health Department shall establish a third-party Central Management Information System (CMIS) through NADRA.

During Performance Audit of Initiatives Taken by the Government of Khyber Pakhtunkhwa in Health Sector for the financial year 2017-18 to 2021-22, it was observed from the accounts record of the “Sehat Card Plus Programme” that an agreement between the Health Department of Khyber Pakhtunkhwa and NADRA for the establishment of a Central Management Information System (CMIS) was signed on 01.03.2022, according to which NADRA will install CMIS for the Sehat Sahulat Programme, which was not installed. The management has partial access to the data and relies on the data provided by NADRA and SLIC. It was also observed that mostly the provision of data was delayed by weeks. Audit held that without an independent CMIS, timely, accurate, and reliable data cannot be accessed.

The lapse occurred due the lack of a robust data management system which resulted in inaccurate and incomplete patient data that could compromise the quality of healthcare services.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No. Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends that the program management should prioritize the establishment of its data center to reduce over-reliance on NADRA and SLIC for data. A robust data management system should be put in place to ensure the accuracy and completeness of patient data. The program management should also ensure that they have full-time access to real data to reduce delays in data processing and retrieving.

4.2 Financial Management

4.2.1 Non Utilization of funds resulting in non-achievement of objectives Rs - 1,602.613 million

According to the reconciliation statement duly approved by Director Finance, Revamping of Non-Teaching DHQ's of Khyber Pakhtunkhwa of the Phase-I, funds amounting to Rs. 2,071 million were available for utilization of different activities.

During Performance Audit of Initiatives Taken by the Government of Khyber Pakhtunkhwa in Health Sector for the financial year 2017-18 to 2021-22, it was noticed in the accounts record of the project titled "Revamping of Non-Teaching DHQ Hospital in KPK" that funds amounting to Rs. 2,071.159 million were released for different activities of the project. On analysis of the data it was observed that out of the total funds released the project utilized funds amounting to Rs 468.546 million leaving a balance of Rs. 1,602.613 million. The major chunk released funds were utilized for procurement of equipment's and hiring of janitorial and security services. Detail is given below

Description	Rs. In million
Total funds available for phase-I	2,071.159
Expenditure during 2021-22	429.529
Expenditure during 2022-23	39.017
Balance	1,602.613

Audit held that sufficient funds were available for execution of essential project activities including electrical works, strengthening of management cadre of hospitals, improvement of hospital environment, MEPG services, anesthesia management system, pathology services and procurement of non-bio medical equipment etc. however, but these essential activities were not executed.

The lapse occurred due to weak financial management and non-establishment of PMIU.

Non-utilization of funds resulted in non-execution of essential project activities.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends corrective measures.

4.2.2 Unjustified Fund Retention and Utilization of Receipts Creating Disparity among Professionals and threat to the sustainability of the project

According to the Health Department Notification No.E&A (Health)/3-76/2019 Dated 1st January 2020, the fund retention and utilization formula for the distribution/utilization of funds generated through Health Insurance of the Sehat Sahulat Program in all the public sector hospitals after deducting expenditure incurred upon medication and investigation.

- A) 25 % for improvement in the quality of services including minor repairs and maintenance of the health facility.
- B) 20 % for consumables.
- C) 30 % for doctors providing services to the patients.
- D) 15 % for the Nursing and Paramedical Staff involved in providing services to insured patients and
- E) 10 % for the administration/management staff including auxiliary staff.

During Performance Audit of Initiatives Taken by the Government of Khyber Pakhtunkhwa in Health Sector for the financial year 2017-18 to 2021-22, it was observed from the accounts record of the “Sehat Card Plus Programme” that a considerable sum of Rs. 19,766,410,285 was paid by the State Life Insurance Corporation to various government hospitals (Detail in annexure A). Out of this amount, Rs. 8,894,884,628 was allocated to be retained by the hospitals as a 45% share for minor repairs and consumables, as per the criteria given by the Health Department. The remaining Rs. 10,871,525,657/- was allocated to be distributed among the doctors, anesthetists, pathologists, radiologists, medical officers, nursing and paramedical staff, and administrative/management staff of government hospitals

Audit is of the view that the distribution of the 55% share among the hospital staff is unjustified. The treatment was provided during the staff's duty time, and they receive significant salaries for their services. The notification of the Health Department is not supported by any rule or law. This distribution formula on one hand create disparity among professionals and on the other hand threatens the stability of the project as major portion of the claims is paid to employees as additional benefit for the already paid services they provide. Currently, major public utility services sectors such as MTI Hospitals and universities are facing severe financial crunches. The lack of a balanced distribution of resources has placed undue pressure on the institutions, leading to an unsustainable financial burden.

The lapse occurred due to ill planning of the department which resulted in unnecessary financial burden on the government.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends that the share of distribution be rationalized, with a maximum share allocated to hospitals and a nominal share for doctors and other staff.

4.2.3 Non Recovery of 25% share from public hospital amounting to Rs. - 274.798 million

According to Health Department Notification No. PO-IV/H/6-7/SHPI/2016 dated 16.05.2016, The Chief Minister, Khyber Pakhtunkhwa is pleased to approve the following distribution mechanism for the insurance fund generated by public hospitals empaneled for implementation of ADP scheme titled "Social Health Protection Initiative for Khyber Pakhtunkhwa (KfW Assisted) ADP No 422/110614.

- I. The insurance fund reimbursed to the public sector hospitals empaneled for the project shall be apportioned to the retained amount and deposited at a ratio of 75:25
- II. The 75% of insurance funds retained by the empaneled hospitals shall be expended as per the breakup mentioned in the Health Notification
- III. The remaining 25% of the income be deposited in a separate Health Insurance fund account to be maintained at the provincial level for future extension of the scheme to other districts.

During the performance audit of initiatives taken by the Government of Khyber Pakhtunkhwa in the Health Sector for the financial year 2017-18 to 2021-22, it was observed from the accounts records of the "Sehat Card Plus Programme" that a sum of Rs. 1,141.053 million was paid to public sector hospitals as their claims for the treatment of patients under the Sehat Card Plus Programme until 31st December 2019. The formula for the utilization of funds was revised on 1st January 2020, and a 25% share for a separate Health Insurance Fund account was excluded. As per the formula provided in the Health Department notification

dated 16th May 2016, the government hospitals were required to deduct 25% of the total claims, i.e., Rs. 285.263 million, and deposit the same into a separate Health Insurance Fund account. However, the bank statement of the Health Insurance Fund account revealed only Rs. 10.465 million, resulting in a non-recovery of Rs. 274.798 million from public sector hospitals.

The lapse occurred due to weak financial management.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends that the government take immediate corrective measures to recover the non-deducted amount from public sector hospitals and fixing responsibility on the administration for the financial mis-management.

4.2.4 Less adjustment of Premium Stabilization Reserve (PSR) Rs. 1,169.297 million and its Non-calculation for the FY 2021-22

According to para 4.12 of the agreement between Health Department and SLIC, A Premium Stabilization Reserve (PSR) shall be established to protect the programme from adverse claims deviation. The PSR shall be funded by the programme under writing profits/losses. At the time of settlement, 85% of the PSR shall be returned to the health department in the form of experienced refund. As per annexure VIII of the contract PSR will be calculated within 90 days of the end of each year. however, it will be settled after the end of the contract period.

During performance audit of initiatives taken by the Government of Khyber Pakhtunkhwa in Health sector for the FY 2017-18 to 2021-22, it was noticed that an amount of Rs. 3,501,987,028 of the previous balance of PSR calculated up to January 2021 was adjusted in the 3rd quarter payment financial year 2022. Upon comparison of the amount adjusted in the installment and actual PSR calculated for the period of July 2019 to Feb 2021, it was observed that PSR amounting to Rs. 1,169.296 million was less adjusted. Detail is given below.

The PSR calculated for the period July 2019 to February 2021	Rs. 2,334.573 million
Total PSR adjusted in the 3 rd quarter of 2022 for the same period	Rs. 1,165.277 million
Difference	Rs. 1,169.296 million

Moreover, the PSR was not calculated and reported by SLIC for the financial year 2021-22 till the date of audit. Without calculation of PSR, it is not possible to authenticate the accuracy of the premium to be paid now and in future. Due to non-calculation of the PSR, the provincial Government has to pay all the premium due without adjusting the balance of the PSR previous year. Due to financial constraints the provincial government is lacking behind in payment of the premium due.

Non-calculation of PSR for the FY 2021-22 and its less adjustment for the period 2019-21 (till Feb) resulted in overpayment of the premium for the FY 2022-23.

The lapse occurred due to non-observance of rules.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends calculation of the PSR and adjusting the same in the next premium.

4.2.5 Unjustified retention of reserve fund by SLIC Rs. - 282.310

According to clause 5 of the agreement between the Health Department and State Life Insurance Corporation, a reserve fund shall be maintained and paid to the organization at the rate of 40 per family per year. The reserve fund shall be utilized as per the approved policy of the reserve fund authorization committee.

During performance audit of initiatives taken by the Government of Khyber Pakhtunkhwa in Health sector for the FY 2017-18 to 2021-22, it was noticed that an amount of Rs. 282,310,602 was the balance of un-utilized reserve fund available with the SLIC. Detail is summarized below.

Period	Balance of unutilized reserve fund (Rs. In million)
Jan 2017 to June 2019	163.249
Nov 2020 to June 2021	119.061
Total	282.311

(Note: the figures of reserve fund from July 2021 till date was not provided to audit)

On detail scrutiny of the record it was observed that the said balance was neither included in the PSR formula nor adjusted in the next year's reserve fund but were lying with the SLIC. Audit held that the reserve fund is purely the property of health department and is paid to SLIC in other than the premium paid. Any unused balance should have been returned/adjusted in the annual premium by SLIC.

Non-adjustment of the reserve fund resulted in over payment.

The lapse occurred due weak financial management.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends recovery/adjustment of the reserve fund after considering time value of money.

4.2.6 Un-authorized retention of 25% share deposited by public hospitals Rs. - 10.465 million

Para 26 of GFR Vol I provide that it is the duty of the controlling officer to see that sums due to Govt are regularly and promptly assessed realized and credited into Govt treasury.

During performance audit of initiatives taken by the Government of Khyber Pakhtunkhwa in Health sector for the FY 2017-18 to 2021-22, it was observed that 25% share out of payment made to public hospitals by SLIC was retained in the bank by the management of Social Health Protection Initiative (SHPI) Peshawar. A separate consolidated bank account was opened for the 25% realized funds in the public hospital. The criteria/mechanism of funds generation and utilization was notified in 2016, wherein it was notified that 25% share shall be credited by public hospital in each payment made by SLIC. Funds to the extent of Rs 10,465,105/- have been retained in the bank account despite the fact that the criteria/mechanism of the said funds has been revised and the amount lying in the bank account should have been credited to the treasury but retained by the SHPI till date i.e. May 2023 which is un-authorized.

The lapse occurred due to weak internal controls.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends that the amount should immediately be transferred in to government treasury.

4.3 Procurement and Contract Management

4.3.1 Irregular/unjustified award of contract to M/S AL-Hars security services

According to para 6.11.3.2 of PC-I of the project Revamping of the Non-teaching DHQ hospitals, the procurement committee shall be responsible for ensuring that all procurements under the project are performed in full compliance to KPPRA rules. The procurement committee will be responsible for approving the bidding document and financial & operation model for the general & bio-medical equipment, goods & services, within the general framework approved by the Provincial Development Working Party and Project Steering Committee.

During Performance Audit of the Initiatives taken by the Government of Khyber Pakhtunkhwa in Health Sector for the financial year 2017-18 to 2021-22, it was observed that security services of the first phase were outsourced to M/S Al-Hars security services. On scrutiny of the record, it was observed that the said firm was technically disqualified for not having the required experience. The firm was declared non-responsive vide 3rd minutes of meeting regarding finalization of technical bid evaluation report for security services for revamping of non-teaching DHQ Hospitals in Khyber Pakhtunkhwa for phase-II onwards and was not considered for further evaluation. The minimum marks required for technical qualification was 70, whereas M/S Al-Hars Security Services obtained 56 marks, declared non-responsive. Audit held that despite being technically not sound, the firm was still awarded the contract of Phase-I, which is held irregular and unjustified.

The lapse occurred due to extending undue favor to the vendor and non-observance of rules.

Irregular award of contract resulted in violation of rules.

When pointed out in March 2023, the department replied that criteria for the both the procurements were different, which is incorrect, because the same contractor applied for the same work i-e outsourcing of the security. Moreover, the claim of the department is not supported by any documentary evidence.

In the DAC meeting held on 01-02-2024, it was decided that the department may provide both the approved SBPs from the competent forum, which was not provided till finalization of this report.

Audit recommends investigating the matter and fixing responsibility and recovery of the contract amount.

4.3.2 Irregular purchase of janitorial consumable items from choice suppliers. Rs - 198.041 million

According to rule 6(1) of the Khyber Pakhtunkhwa Public Procurement Regulatory Authority, 2014; the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs. 100,000/-

During Performance Audit of the Initiatives taken by the Government of Khyber Pakhtunkhwa in the Health Sector for the financial year 2017-18 to 2021-22, it was noticed that the janitorial services were outsourced to different companies. On scrutiny of the bills it was observed that the janitorial consumable items were procured from MS Console Enterprises at a total cost of Rs. 198.041 million. However, the said consumable items were neither separately advertised nor mentioned in the main advertisement/SBDs of janitorial services.

Due to non-observance of rules and non-procurement through fair competition, the procurement might have been made at higher prices.

The lapse occurred due to violation of KPPRA rules.

When pointed out in March 2023, the department replied that the procurement committee advertised for the procurement of consumables twice, however, no one participated. The said advertisement was neither available on record nor produced by the department in support of their reply.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated

26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

In the DAC meeting held on 01-02-2024 it was decided that the department may provide minutes of the purchase committee, which was not provided till finalization of this report.

Audit recommends inquiring the matter and fixing responsibility.

4.3.3 Delay in Establishment of the Command and Control Center due to non-provision of contracted services by NADRA

As per Clause 4.4 of the Contract Agreement between Health Department and NADRA, the second party shall establish a centralized Emergency Command and Control Center in Health Department in the location given defined by the 1st party i.e. Health Department.

During Performance Audit of Initiatives Taken by the Government of Khyber Pakhtunkhwa in Health Sector for the financial year 2017-18 to 2021-22, it was observed from the accounts record of the “Sehat Card Plus Programme” that NADRA was required to establish a centralized Emergency Command and Control Center in the Health Department. The contract had a provision of Rs 88,040,400, which was to be paid to NADRA for the establishment of the Command and Control Center. NADRA procured all relevant items and delivered them to the management of Sehat Sahulat Program. However, audit noted that till the date of the audit, i-e May 2023, no payment was made to NADRA in this regard.

Furthermore, audit observed that all the procurement items were lying idle, with some of them under open sky. This has resulted in the equipment losing its warranty. This is a serious concern as it may affect the functionality of the Command and Control Center once it is established.

According to Clause 2.1 of the agreement, the period of the agreement was to be three years, effective from the 23rd of October 2020. The agreement was set to expire in October 2023, and NADRA was bound to provide three years of support and maintenance as per the agreement, as it had included these charges in the financials of the contract. However, due to the non-establishment of the Command and Control Center by the Health Department, the said services were not availed.

The lapse occurred due to the lack of action on the part of the Health Department to fulfill its obligations under the agreement which resulted in expiry of the warranty and deterioration of equipment due to lying in the open atmosphere, leading to further financial losses to the Health Department and the government.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till the finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends that the Health Department should take immediate action to establish the Command and Control Center and pay the due amount to NADRA. Additionally, the management should take necessary steps to ensure the procurement items are kept in a safe environment to prevent further damage.

4.3.4 Non provision of Agreed additional services by State Life Insurance Corporation

According to Annexure VIII of the contract agreement made between Government of Khyber Pakhtunkhwa and State Life Insurance Corporation of Pakistan on 20th August 2019, the later will provide additional services including burial charges @ Rs 10,000, wage compensation @ Rs 250, Tertiary Transportation @ Rs 2,000, Maternity Transportation @ Rs 1,000 and one OPD voucher.

During performance audit of initiatives taken by the Government of Khyber Pakhtunkhwa in Health sector for the FY 2017-18 to 2021-22, it was observed that Social Health Protection Initiative program was started in four district of Khyber Pakhtunkhwa on pilot basis in 16th December, 2015. The data of enrolled families were taken from the BISP PMT scoring of 16.17 or less, covering 21% of the poor families of Khyber Pakhtunkhwa. The household sized was capped to 7 members and the annual financial coverage was Rs 25000/- per person per year on a cashless basis. In August, 2016, the program was extended in population, financial and services coverage. It was extended to all districts of Khyber Pakhtunkhwa. The PMT score for eligibility was raised to 24.5 marking 51% of the population eligible for the program. Limited tertiary health services were introduced along with wage replacement, transportation for maternity and tertiary care, burial allowance and on time follow up OPD (Out Patient Department) voucher. The size of household was increased to 8 persons. The financial coverage was increased to Rs 30,000/- per person annually and RS 300,000/- per household per annum was provided for newly introduced tertiary care. The PMT score for eligibility was increased from 24.5 to 32.5 covering 69% of the population eligible under the program. However, the definition of enrolled unit changed from household to family. A family was entitled to Rs 240,000/- for inpatient secondary care and Rs 300,000/- for inpatient tertiary care. In February, 2021 it expended coverage to all resident of Khyber Pakhtunkhwa and financial coverage has been increased to Rs 1,000,000/- per family.

Since its commencement the contract of services was awarded to State Life Insurance Corporation. The SLIC always won the bid on the ground that additional services would be provided to the patient. In 2016, three insurance companies were technically qualified the bid including SLIC and the financial proposal of SLIC was higher than other qualified insurance companies but contract was awarded to SLIC on the ground that SLIC offered additional services to the poor patients. However, at that time after winning the bid the additional services were not provided despite that contract was again awarded to SLIC however again additional benefits/services were not provided by SLIC as agreed in the contract agreement. Additional services of the program was Rs 250/- per day for three days as wage loss, Rs 1000/- in maternity transportation, Rs 2000/- for transportation and Rs 10,000/- funeral in case of death.

Audit held that stoppage of additional services is not only violation of the contract agreement but also depriving the poor patient from a service delivery for which government has paid premium. The exact amount could not work out due to non-provision of additional services details by the SHPI management.

The lapse occurred due to violation of the contract agreement.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends that SLIC management may be informed to provide agreed health facilities to fulfill the objective of the program.

4.4 Asset Management

4.4.1 Loss of assets due to defective contract agreement Rs. - 27.361 million

According to para 23 of GFR Vol-I, every Government officer will personally be responsible for any loss to Government either through his own willful fault or negligence or any of his subordinate.

During performance audit of initiatives taken by the Government of Khyber Pakhtunkhwa in Health sector for the FY 2017-18 to 2021-22, it was observed that an amount

of Rs 27,361,472/- was released for the Organization Development (OD Fund) to the State Life Insurance Corporation (SLIC) without submission of costed Plan. The released amount was incurred on the purchase of physical assets, advertisement and awareness campaign. OD amount was released from KFW funds whereas a huge amount has also been issued for OD funds earlier and during the current financial year.

The Contract entered into with State Life Insurance Company is silent over the claim of ownership of Physical Assets like vehicles, computers, laptops and other office equipment after completion of the Project. There is no clause in the contract agreement about the ownership of the physical assets; however, it was stated that due to non insertion of ownership clause in the agreement the assets would be left under the ownership of SLIC after completion of the Project.

The loss was occurred due to lack of due diligence, while entering in to contract with the Insurance Company.

The matter is reported for investigation and fixing responsibility against the person (s) at fault.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends revision of the contract agreement.

4.5 Sustainability

4.5.1 Non execution of Infrastructure improvement in the DHQ Hospitals Rs. - 2400 million

According to approved PC-I of the Project, the Department of Health considers that the organization of hospital facilities is not optimal which badly hampers the smooth patient flow from entry to exit, causes delays, make patient run from one place to other. The structures are old and some of them are in non-functional state, owing to lack of proper maintenance and environmental factors. Under this program, the department plans to modify these structures to patient friendly places, as far as possible in the given resources. It is

understood that the existing buildings have their limitations and they can only be modified to not more than certain degree without comprising the structure safety. The department intends to undertake this modification component to the extent possible.

During Performance Audit of the Initiatives taken by the Government of Khyber Pakhtunkhwa in Health Sector for the financial year 2017-18 to 2021-22, it was observed from the accounts record of the project titled “Revamping of Non-Teaching DHQ Hospital in KPK” that the Annual Development Program (ADP) allocated Rs 1200.00 million each for civil infrastructure revamp in Phase I and II of the PC-I, with an additional allocation of Rs 60.00 million for consultancy. The main focus of the civil infrastructure revamp was the repair and renovation of existing hospital infrastructure, with particular emphasis on sewerage, internal electrification, roof and floor skating, and external façade.

The PC-I was divided into four phases, and detailed cost estimates were prepared for Phase I and II. The Infrastructure Development Authority of Punjab (IDAP) was hired for the execution of the work, and an advance payment of Rs 1072.938 was made to them in June 2022. However, as of April 2023, no work has been executed despite the payment.

The submission of detailed costs for Phase III and IV was delayed as they were de-prioritized. Moreover, the work of phase-I and Phase-II has not been initiated till the date of audit.

The PMIU failed in its first objective i.e infrastructure development of DHQs and the case is still lying pending.

The lapse occurred due to mismanagement by the project authorities which deprived the general public from the prospective benefits of the projects.

When pointed out in March 2023, the department replied that the civil work has not been commenced so far due to many reasons including delay in the provision of actual designs of the existing hospitals by C & W KP to IDAP, availability of funds, non-transfer of 25 % advance payment to IDAP etc. Now the issue has been taken up with IDAP. In response IDAP agreed for initiation of work in only one DHQ Hospital.

In the DAC meeting held on 01-02-2024, it was decided that the para stands as the Work on infrastructure have not been started yet.

4.5.2 Simultaneous Commencement of Revamping Schemes/Phases resulting in failure and stoppage of health services.

According to clause 6.9 of the PC-I of the project Revamping of Non-teaching DHQ hospitals in Khyber Pakhtunkhwa, the department of health, in view of the scarcity of

resources and the novelty of idea, intends to take up these hospitals in three (3) phases. It was planned to roll out the project initially in 6 hospitals. However, the department thinks that it is possible, owing to scarcity of resources and available budgetary allocation, all components may not be executed simultaneously in all hospitals. hence a few hospitals were selected on pilot basis so few components will be attempted in few hospitals on pilot basis.

During Performance Audit of the Initiatives taken by the Government of Khyber Pakhtunkhwa in Health Sector for the financial year 2017-18 to 2021-22, the accounts record of the project titled “Revamping of Non-Teaching DHQ Hospital in KPK” revealed critical shortcomings in the implementation of the project. The health department's plan to execute revamping in six DHQ hospitals on a pilot basis was approved, and a PC-I was prepared accordingly. However, without having the necessary expertise and experience, three more PC-Is were approved for the remaining DHQ hospitals in the province.

The simultaneous initiation of Phase-I, II, III & IV within one year from 12/2020 to 12/2021 resulted in failure and stoppage of services in the hospitals. Till date, no activity, except for procurement of equipment, has been completed, and infrastructure development has been untouched. HMIS was not operationalized, services were outsourced for a short while, and now stopped due to insufficient budget.

The audit found that quality service delivery and delivery via hiring on additional posts activity were not carried out, and even the activities planned in the first PC-I were not completed. The failure occurred due to starting revamping simultaneously in all DHQ hospitals of Khyber Pakhtunkhwa.

There were eight components in the revamping of Non-Teaching DHQ Hospital, wherein procurement of equipment was the only component that was completed. The remaining components were either given little or no attention. The scheme required implementation on a pilot basis in some districts, and after its success, it should have been spread to the remaining districts. However, government resources were wasted due to the faulty implementation of the project.

The lapse occurred due to inadequate planning, poor execution, and lack of monitoring which resulted in wastage of government resources.

When pointed out in March 2023, the department submitted a detailed reply regarding justification of simultaneous commencement of the PC-Is, however, the reply didn't address the main objection of the para.

In the DAC meeting held on 01-02-2024, it was discussed that the actual position may be explained before the PAC.

Audit recommends a thorough review of the project implementation process to identify the root causes of the faulty implementation.

4.5.3 Non-outsourcing of clinical services

According to approved PC-I, the department of health is of the opinion that the allied services in our hospitals are in poor shape and they need employing out of the box solution. The department of health is of the opinion that it should divest the allied clinical and non-clinical services to 3rd parties and instead should focus on quality of hospital services. Therefore, health department decided to outsource the major clinical and non-clinical services under this program. The initial menu of clinical services to be outsourced comprising 2 services i.e. pathology services and CT scan.

During Performance Audit of the Initiatives taken by the Government of Khyber Pakhtunkhwa in Health Sector for the financial year 2017-18 to 2021-22, it was observed that in the approved PC-I, there was a plan of outsourcing clinical services i.e. pathology services and CT scan. The reason behind outsourcing of pathology services was its neglecting owing to multiple reasons like non functionality of equipment, shortage of staff, unavailability of consumables and reagents in DHQ hospitals. The turn-around time for provision of reports is very high and sometimes the consultants don't tend to fully rely on them due to loose controls and poor system. The private sector, on the contrary has become very robust and them exists such labs in all private sector which are Collage of American Pathologists (CAP) certified. However, the project management failed to outsource pathology service despite its importance and key component of health service delivery chain.

Similarly, CT scan services are another important area in the current diagnostic regime. Despite its importance, there is not a single CT scan machine in DHQ hospital of Khyber Pakhtunkhwa due to its prohibitive initial cost and exorbitant yearly maintenance. However, the project management did not outsource CT scan services in any hospital and deprived the patients from basic health facility despite its importance in the current diagnostic regime

The project management did not take interest in the achievement of project objectives, despite taking handsome pay packages and other incentive from the project.

The lapse occurred due to weak internal controls.

In the DAC meeting held on 01-02-2024 it was decided that the department may provide record for the justification of non-outsourcing of clinical services, which was not provided till finalization of this report.

Audit recommends that proper corrective measures be taken for the lapse and preventive measures for future smooth project management be ensured.

4.5.4 Unjustified and Un-rationalized empanelment of the Hospitals across the Province

According to para 4.7.3 of the contract agreement between Health Department and State Life Insurance Corporation, each tehsil shall subject to availability and confirmation to empanelment standards, have at least one public or private sector hospital on the panel.

During performance audit of initiatives taken by the Government of Khyber Pakhtunkhwa in Health sector for the FY 2017-18 to 2021-22, it was observed it was noticed in the list of the empaneled hospitals that some of the districts were favored in the number of enlisted hospitals while some of the under-developed districts were not considered for empanelment of hospitals. After analysis of the data audit observed the following

- For the families of 1,683 million of 3 districts i-e Peshawar, Swat and Malakand, 69 hospitals were empaneled, averaging one hospital for 24,022 families. But for the same number of families of Charsada, Mansehra, Lakki Marwat, Khyber and Mohmand, only 14 hospitals were empaneled, with an average of one hospital for 339,632 families.
- No hospital was empaneled in Tor Ghar, Kurram, North Waziristan, South Waziristan and Orakzai with total population of 791,078 families (8.2% of the total families of KP)
- For 662,921 families of Swat 25 (including 22 private) hospitals were empaneled, while for the combine population of mardan and mansehra, which is double than Swat, only 16 hospitals were empaneled. (Detail working is attached)

According to para 4.5.2 of the first year report on Sehat Card Plus there was a huge inter-district movement for hospital admissions. More than 70% of the patients of Upper Dir, Tor Ghar, Kohistan, Hangu and Charsada got out of district treatment. More than 60 % of the patients of Bannu and Kohat also got their treatment in other district. Peshawar, Abbottabad and Swat received most of the patients form other districts. (Detail in annexure B)

Audit held that the due to unfair empanelment of the hospitals millions the patients of underdeveloped districts had to travel to other districts for treatment. Moreover, health department kept the districts with fever medical facilities deprived. Instead the hospitals in those districts should have been provided the necessary resources for patient care.

The lapse occurred due extending undue favor to some of the districts.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter

No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends the following proportionate empanelment should be assured. And funds allocated for infrastructure and equipment should be diverted to the under-privileged districts.

4.5.5 Non-Payment of Premiums and reserve fund for Sehat Card Plus Programme Rs - 18,632.466 million

According to Clause 3.1.1 of the Contract Agreement made in August 2020 between Health Department and State Life Insurance Corporation of Pakistan, the Health Department Shall pay to the organization (State Life Insurance Corporation of Pakistan) Rs 2849/- per Family per year as premium (reduced to Rs 2818.5 vide clause ix of the Supplemental Agreement to phase-IV 100% Coverage made in March 2022) and Rs 40/- per family per year as reserve fund.

During Performance Audit of the Initiatives taken by the Government of Khyber Pakhtunkhwa in Health Sector for the financial year 2017-18 to 2021-22, it was observed from the accounts record of the “Sehat Card Plus Programme” that an increase in the average number of registered families from 4.6 million in 2020-21 to 9.6 million in 2022-23. The premium due to the State Life Insurance Corporation of Pakistan was Rs. 62,655.362 million, out of which Rs. 44,215.483 million was paid for the three years, leaving a balance of Rs. 18,439.887 million unpaid. Moreover, reserve fund amounting to Rs 1,835.460 million was required to be paid to State Life Insurance Corporation of Pakistan during 2020-23. Out of the total amount, an amount of Rs 1,642.881 million was paid, leaving a balance of Rs 192.579 million unpaid. The payment of the reserve fund is essential, as any cost of services exceeding the limit specified for secondary and tertiary care, i.e., Rs 80,000 per family member and Rs. 800,000 per family per annum, respectively, shall be paid from the reserve fund subject to the approval of the Reserve Fund Committee.

The non-payment of premium and reserve fund to the State Life Insurance Corporation poses a serious threat to the continuity of the Sehat Card Plus Programme, which has a significant impact on the delivery of healthcare services to needy and poor people. The programme has been instrumental in providing free medical treatment to the underprivileged, and any disruption in its operations can have far-reaching consequences. Due to this nonpayment, State Life had suspended Sehat Card Plus Programme on 23.04.2023 for a few days.

The inability to pay the premium amount on time may result in the suspension or termination of the program

The lapse occurred due to budgetary constraints and administrative inefficiencies of the Health Department.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by a reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends that adequate budgetary and accounting procedures be put in place to constrain such lapse. In the current scenario the administration responsible for budget and resource allocation be held responsible for reinforcement of successful program management.

4.5.6 Non-implementation of Supplemental Clinical Services

According to approved PC-I, there are number of vertical programs and other special initiative, which have direct impact on the quality of service delivery in a hospital. Health department plans to supplement its clinical services by special clinics.

During Performance Audit of the Initiatives taken by the Government of Khyber Pakhtunkhwa in Health Sector for the financial year 2017-18 to 2021-22, it was observed from the accounts record of the project titled “Revamping of Non-Teaching DHQ Hospitals in KPK” that an important component of supplementing clinical services was not implemented or established by the Project Management & Implementation Unit (PMIU). The PMIU had planned to establish several supplementing clinical services as part of this activity, including Non-communicable disease clinic, Hepatitis cum HIV clinics, TB Clinics, Establishment of Mortuaries, Establishment of Burn Unit, Establishment of ICU/CCU, Establishment of Physiotherapy center, Health center and Nutrition clinics, and Establishment of Day Care Centre. However, none of these services were executed. This non-implementation of planned services indicates a lack of proper planning and implementation by the PMIU and raises concerns about the effective utilization of the allocated funds.

The lapse occurred due to non-observance of PC-I in letter & spirit which deprived the patient from prospective health facilities.

When pointed out in March 2023, the department replied that request has been sent to the finance department for provision of funds for initiation of this project.

In the DAC meeting held on 01-02-2024, it was decided that the department may provide record for non-implementation of the supplemental Clinical Services. However, no record was provided to audit till compilation of this report.

Audit recommends that the Project Management & Implementation Unit should take immediate action to establish the supplementing clinical services as planned in the PC-I.

4.5.7 Lack of reconstruction and renovation of specialized units in District Headquarter hospitals

According to para 23 of GFR Vol-I, every Government officer will personally be responsible for any loss to Government either through his own willful fault or negligence or any of his subordinate.

During Performance Audit of the Initiatives taken by the Government of Khyber Pakhtunkhwa in Health Sector for the financial year 2017-18 to 2021-22, it was observed that millions of rupees were incurred on the purchase of equipment for units neither reconstructed nor renovated. Health Department planned to establish the following specialized units in each and every DHQ hospital.

Neonatal Nurseries comprising 10 beds	Intensive Care Unit comprising 5 beds	Coronary Care Unit comprising 5 beds
Dialysis Units comprising 10 beds	Burn Unit comprising 2 beds	Prison Wards comparing 2 beds

The Project Management & Implementation Unit failed to establish specialized units in the hospital. Neither these specialized units were constructed nor renovated but equipment costing millions of rupees were purchased for specialized units which is not only irregular but also held wasteful.

Equipment were required upon the provision of specialized units in the DHQ hospital and when there was no reconstruction/renovations there was no needs of equipment.

The lapse occurred due to non-observance of rules/regulations.

When pointed out in March 2023, the department replied that these specialized units were to be established by the Government in terms of infrastructure and human resources and were only to be supported via provision of equipment and some HR from the Project fund.

In the DAC meeting held on 01-02-2024, it was decided that the department may provide revised PC-I, however, no record was provided till finalization of this report.

Audit recommends recovery and fixing responsibility on the person (s) at fault.

4.5.8 Issues with the Sehat Sahulat Program and Fund Retention Formula in the Health Sector in Khyber Pakhtunkhwa

According Clause 9.1 of the Contract Agreement made in August 2020 between Health Department and State Life Insurance Corporation of Pakistan, the Organization shall ensure that Health Insurance Services to the beneficiaries are provided in the empaneled public or private hospital, within a district, of their choice under secondary care services only. Organization reserves the right to refer patients especially the tertiary care treatment, keeping in view the availability of the Health Insurance Services, waiting time and cost-effective service provider in the best interest of the beneficiary and the Programme.

During Performance Audit of Initiatives Taken by the Government of Khyber Pakhtunkhwa in Health Sector for the financial year 2017-18 to 2021-22, it was observed from the accounts record of the “Sehat Card Plus Programme” that Annual Report for 2021 of the programme indicates that there were trust issues among patients towards government hospitals, as the majority of patients (69%) were admitted in private hospitals. Additionally, the fund retention and utilization formula for public hospitals, which allowed the doctors and other para-medics to receive 30% and 15% respectively, of the funds generated through the program, was not applicable to private hospitals. This raised the possibility of doctors referring patients to private hospitals where they could receive a higher share of the funds. Moreover, private hospitals were found to make prompt payment to doctors for their share, while the payment to doctors in public hospitals was usually delayed for months.

Furthermore, audit found that there were concerns about the accuracy and transparency of claims made by hospitals. On a test basis, data from one government and one private hospital in District Swabi were evaluated. It was found that the number of patients admitted in Bacha Khan Medical Complex was double than that of Sardar Khan Hospital, while the claims made by Bacha Khan were less than half of the claims made by Sardar Khan. However, there was no evaluation of the claims from a third party or from the Health Department itself, which raises concerns about the accuracy and transparency of the claims. It is also worth mentioning here that total beds available in enlisted public sector hospitals were more than 14,000 while total beds available in the enlisted private hospitals/centers were 7000-8000 beds. However, the admission ratio in private hospitals were more than public sector hospitals.

Rs. in million

Hospital Name	Hospital District	Admissions	Claimed Amount
Bacha Khan Medical Complex	Swabi	29,911	338.260

Sardar Khan Hospital	Swabi	14,999	882.741
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It is crucial for the government to address these issues and make public institutes financially stable and self-sufficient. This includes ensuring that these institutes generate their own revenue, and that there is transparency and accountability in the use. As hospitals in the health sector are gradually moving towards autonomy, it is essential to address these issues to ensure that the public has trust in government-run health institutions and that they receive high-quality healthcare services.

The lapse occurred due to lack of quality and assurance measures in the programme.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends that the government should consider implementing measures to improve patient trust in public hospitals. This could include improving the quality of care provided in public hospitals, enhancing the physical infrastructure of these hospitals, and increasing the availability of medical equipment and supplies. Additionally, the fund retention and utilization formula should be revised to ensure that private hospitals are held to the same standards as public hospitals.

4.6 Compliance Paras

4.6.1 Un-authorized appointment of Emergency Medical Officers on negotiable pay package

According to rule 2 (IV) of the Khyber Pakhtunkhwa policy regulating appointment to posts in the Development Projects Act 2018, Special Pay Package as determined by the administrative department shall be included in the PC-I with full justification for such positions which are (a) either specialized in nature, (b) Unique in terms of qualification, experience and availability of such services in market are either scarce or monopolized and (c) highly paid. In the instant case BPS system shall not apply. Furthermore, approval of such positions shall be granted by the committee headed by the Additional Chief Secretary, Planning & Development, Khyber Pakhtunkhwa.

During Performance Audit of the Initiatives taken by the Government of Khyber Pakhtunkhwa in Health Sector for the financial year 2017-18 to 2021-22, it was observed that Emergency Medical Officers were engaged in 6 DHQ Hospital of Phase-I only on negotiable pay package by the Secretary Health Khyber Pakhtunkhwa. Secretary is competent to appoint BPS-17 where their salaries are fixed. In the instant case the Emergency Medical Officer has been appointed on negotiable pay package and it was the competency of Additional Chief Secretary. The recruited Emergency Medical Officers have not been paid since their recruitment due to their illegal appointment by the Secretary Health.

Audit held that the project management has not appointed EMOs of Phase-II, III & IV and appointment has been made for Phase-I only which was against the project policy.

The lapse occurred due to non-observance of rules which resulted in stoppage of salary of the newly appointed Medical Officers, and may lead to discontinuation of their services and hinder the achievement of the objectives of the project.

In the DAC meeting held on 01.02.2024, it was decided to stand the para will stand till approval from the competent forum.

Audit recommends that the appointment may be regularized from the competent authority and remaining posts of EMOs of phase-II, III and IV may be engaged on for smooth benefits realization.

4.6.2 Irregular/unjustified payment to hospitals not found enlisted on the Panel Health Care commission Rs. 1,028.536 Million

According to clause 3.4 of the agreement made between Health Department and the chairman state life insurance corporation, the Health Department shall provide the list of healthcare providers registered with the Health Care Commission and empanelment criteria for the assessment of the hospitals. Only those healthcare providers who are registered with the healthcare commission shall be considered for empanelment under the programme. The health department reserves the right to review the empaneled hospitals and recommends their findings to the steering committee accordingly. The steering committee shall grant final approval of the recommended hospitals for empanelment as the health care provider.

During the performance audit of initiatives taken by the Government of Khyber Pakhtunkhwa in the Health sector for the financial year 2017-18 to 2021-22, it was noticed that registration with the Healthcare Commission (HCC) was the basic criterion for empanelment of hospitals. For verification, hospitals in 10 districts were initially randomly checked on the official website of the Healthcare Commission. It was observed that out of 48 enlisted hospitals, 17 were not found registered with the Healthcare Commission. For further confirmation, the list of registered hospitals, which according to the agreement the health department should provide to SLIC for empanelment, was not produced to the audit to re-

verify the non-registration of the empaneled hospitals. Moreover, other data about the empaneled hospitals, including the number of beds, major facilities available, and health categories, was also not available with the department. An amount of Rs. 1,028.537 million was paid only to Anwar Hospital and Kings International Hospital Swat, whose registration was not found on the official website of the HCC. Payments made to other empaneled hospitals were not provided to the audit. The audit held that the payments were unauthorized and irregular. (Detail of hospitals in annexure C)

The lapse occurred due to weak management controls and non-compliance to contract agreement.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends authentication of complete record of the empaneled hospitals.

4.6.3 Non recovery of income tax from insurance health premium amounting to Rs 2,161.328 million

According to section 152 (1AA) of the tax rates issued by FBR in June 2021, tax will be deducted from Non-resident on any payment of insurance premium or re-insurance to a non-resident person. According to Accountant General Khyber Pakhtunkhwa letter No-PR-09/2022-23/1115-19 dated 15-11-2022 and FBR clarification regarding withholding tax from health insurance premium to State Life Insurance Corporation, 8% income tax shall be deducted from health insurance premium.

During performance audit of initiatives taken by the Government of Khyber Pakhtunkhwa in Health sector for the FY 2017-18 to 2021-22, it was observed that payment of Rs 27,016,602,718/- was made to State Life Insurance Corporation however income tax @ 8% amounting to Rs 2,161,328,217/- was not deducted from the claims paid to SLIC.

The FBR clarification is clear and deduction should have been made from the payments made to State Life Corporation which was not done.

Non deduction of income tax is not only violation of income tax Ordinance but adversely affected that ways and means of consolidate funds.

The lapse occurred due to non-observance of income tax Ordinance.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends recovery of income tax.

4.6.4 Loss to government on account of office rent - Rs. - 2.530 million

According to Housing Officer PDA Headquarter Hayatabad, letter No-3-9-19/2096 dated 26-08-2022, addressed to Director SHPI, the competent authority has been pleased to rent out space at PDA commercial complex, Block-A Phase-V Hayatabad for a period of 3 years at the monthly rent of Rs 60/- per sft. The space shall be used for office use only. Please execute a rent agreement within one week. Moreover, there is an appropriate space available at Worker Welfare Board Building Phase-V Hayatabad which is quite viable for public access letter No-Health/SHPI/302 dated 21/12/2022.

During performance audit of initiatives taken by the Government of Khyber Pakhtunkhwa in Health sector for the FY 2017-18 to 2021-22, it was observed that presently SHPI is working in a rented building at University Town at a rent of Rs 230,000/- PM despite that PDA has offered sufficient space for an office building with nominal rent in the letter quoted above. Moreover, there was sufficient space also available at the Worker Welfare Board at Hayatabad which was also ignored by the SHPI management to save public money as the current office rent is a burden on the public exchequer and on the very higher side.

It is also worth mentioning that Addl: Assistant Commissioner in letter No Nil dated 16-09-2022 also served notice to SHPI for closure of commercial activities/function in residential premises at University Town, however despite payment of a huge amount of rent per month, neither space offered by PDA was taken nor space at worker welfare board.

Audit held that a handsome amount in the shape of rent could be saved if SHPI management shifts the office to the PDA building offered space at nominal charges or

Worker Welfare Board but non-shifting of the office to the available suitable offered space has no justification and putting the government in to a loss.

The lapse occurred due to weak internal controls and financial mis-management.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends investigating the matter and fixing responsibility on the person (s) at fault.

4.6.5 Irregular payment to suspended hospitals

According to clause 3.4 of the agreement made between health department and chairman state life insurance corporation, the health department shall provide the list of healthcare providers registered with the Health Care Commission and empanelment criteria for the assessment of the hospitals. Only those healthcare providers who are registered with the healthcare commission shall be considered for empanelment under the programme. The health department reserve the right to review the empaneled hospitals and recommends their findings to the steering committee accordingly. The steering committee shall grant final approval of the recommended hospitals for empanelment as the health care provider.

During performance audit of initiatives taken by the Government of Khyber Pakhtunkhwa in Health sector for the FY 2017-18 to 2021-22, it was noticed that the services of 55 number of hospitals were suspended by the department, being not fit on the criteria of empanelment set by the Health Department. On detail analysis of the data of suspended hospitals it was observed that most of the hospitals were suspended due to lacking the basic facilities which were necessary for the empanelment of these hospitals. services of 48 previously empaneled hospitals were suspended due to scoring less than the threshold marks set by the health department. Suspension of the previously empaneled hospitals raises question of the initial evaluation of the hospitals and approval thereon.

The lapse occurred due to extending undue favor to the hospital in the initial empanelment.

When pointed out in March 2023, no reply was furnished. The observations were then communicated to CEO Social Health Protection Initiatives Program vide Letter No.Health/Corr/FAAR/2022-23/1589 Dated 10.01.2024 followed by reminder Dated 26.02.2024 to furnish replies on the observations. However, no reply was furnished till finalization of this report.

The department was requested to hold DAC meeting vide letter dated 15.06.2023 followed by reminders dated 10.01.2024, 26.02.2024 and 04.07.2024, however, DAC was not held till finalization of this report.

Audit recommends investigating the matter and fixing responsibility.

5 CONCLUSION

The performance audit conducted by the Directorate General Audit Khyber Pakhtunkhwa on the health initiatives taken by the Government of Khyber Pakhtunkhwa for the period of 2017-18 to 2022-23 has identified significant shortcomings and deficiencies in the implementation of key projects. These deficiencies have resulted in ineffective and inefficient utilization of resources, inadequate service delivery, and failure to achieve the objectives of the initiatives.

The audit findings reveal several critical issues in the health sector, including non-operationalization of essential systems and services, lack of infrastructure improvement and equipment installation, simultaneous commencement of projects, insufficient human resource strengthening, non-establishment of supplemental clinical services, unauthorized and unjustified payments, poor need assessment in procurement, non-utilization of funds, irregular appointments, delays in establishing crucial centers, non-payment of premiums and reserve funds, unjustified fund retention and utilization, issues with the Sehat Sahulat Program and fund retention formula, irregular empanelment of hospitals, inadequate adjustment of premium stabilization reserve, and unauthorized retention of shares by public hospitals.

These findings highlight systemic weaknesses, lack of transparency, and inadequate monitoring and oversight in the implementation of health initiatives. The deficiencies identified in the audit undermine the effectiveness and efficiency of the projects, leading to compromised healthcare services and disparities among professionals.

To address these issues and improve the health sector in Khyber Pakhtunkhwa, a set of comprehensive recommendations have been provided. These recommendations include ensuring operationalization of essential systems, prioritizing infrastructure improvements and equipment installation, implementing projects in a sequential and organized manner, strengthening human resources through proper recruitment and capacity-building, establishing supplemental clinical services, investigating and rectifying

unauthorized/unjustified payments, establishing a project management unit for effective oversight, conducting thorough need assessments for procurement, taking necessary measures to achieve project objectives, prioritizing reconstruction and renovation of specialized units, reviewing and rectifying outsourcing and procurement practices, ensuring proper utilization of funds, addressing irregular appointments, expediting the establishment of crucial centers, ensuring timely payment of premiums and reserve funds, reviewing fund retention and utilization practices, investigating and rectifying unjustified payments, recovering shares from public hospitals, establishing a robust data management system, reviewing and rectifying irregular payments and empanelment procedures, adjusting the premium stabilization reserve adequately, and rectifying unauthorized retention of shares.

Implementing recommendations will contribute to enhancing the efficiency, transparency, and effectiveness of health initiatives in Khyber Pakhtunkhwa. It is crucial for the government to take immediate action on these findings and recommendations to ensure the provision of quality healthcare services and equitable distribution of resources to the people of the province.

6 RECOMMENDATIONS

On the basis of the audit findings, numerous recommendations are given. These suggestions may add value to the issues rose in audit and may act as remedial measures for the problems of departments. They may improve the quality of deliverables and improving the efficiency and affectivity of the organization. These suggestions may also guide and put the department on right track towards achieving its targets and achieving economic efficiency. Some of the most important recommendations are given below:

- A full fledged Project management implementation unit of the project revamping of non-teaching DHQs needs to be established on priority basis and all the posts including audit and accounts staff of PMIU of the revamping project must be filled immediately for proper functioning of the project.
- Que management system needs to be operationalized in all the remaining DHQs
- Key activities including improvement of infrastructure needs to completed in all DHQs for installation of all the equipment.
- Besides other activities of the project clinical and nonclinical human resource also need to be strengthened
- Supplementary clinical services need to be established.
- The remaining components of the project should be implemented for getting full benefit from the already implemented activities.
- Responsibility must be fixed on the persons in fault for ill planning and implementation of the project.
- The Command and Control Center provided by NADRA for the support and Maintenance Services should be established immediately for SSP.

- Premium of the SSP needs to be paid timely nor un-interrupted service of the programme.
- The reserve fund and PSR needs to be calculated and adjusted annually to efficiently utilize the funds.
- A Robust Data Management System needs to be established for Quality Healthcare Services in Khyber Pakhtunkhwa's Sehat Card Plus Programme
- The empanelment of the hospitals and payment made to them by SLIC needs to be checked at the PMU level.
- The empanelment of hospitals needs to be done in all the districts of Khyber Pakhtunkhwa at the ratio of population and the quality of existing facilities so that all the citizens of Khyber Pakhtunkhwa may avail the facility on equity basis.

ACKNOWLEDGMENT

The audit team appreciates the management and staff of the projects for extending cooperation and support during the course of this audit.

4.2.2 Unjustified fund retention and utilization of receipts creating disparity among professionals

(Amount in Rs.)

Sehat Card Plus - Hospital Wise Admissions and Cost Nov 2020 till March 2023			
Hospital Name	Hospital District	Admissions	Claimed Amount
LRH	Peshawar	78,876	2,743,800,415
MM COMP MARDAN	Mardan	56,882	838,247,288
RMI	Peshawar	47,377	1,593,848,867
AYUB HOSPITAL	Abbottabad	47,345	767,213,299
HMC	Peshawar	46,769	1,943,808,401
KTH	Peshawar	46,639	992,446,030
IKD	Peshawar	39,544	413,634,057
IRNUM	Peshawar	36,481	1,263,573,322
MMC GENERAL	Peshawar	35,346	1,719,245,085
BACHA KHAN MEDICAL	Swabi	29,911	338,260,424
DHQ D.I.KHAN	D.I.Khan	26,357	214,417,820
PIC Peshawar	Peshawar	25,779	2,967,805,481
DHQ HARIPUR	Haripur	24,774	169,896,331
DHQ CHITRAL	Chitral	21,803	189,265,382
QAZI HUSSAIN AHMAD	Nowshera	18,441	270,253,277
KING ABDULLAH	Mansehra	18,028	230,956,084
DHQ BATKHELA	Malakand	17,661	212,107,175
DHQ MARDAN	Mardan	17,602	187,119,219
DHQ KOHAT	Kohat	15,939	172,744,805
DHQ CHARSAJDA	Charsajda	12,938	153,775,119
FAUJI FOUNDATION	Peshawar	12,171	1,778,835,450
SAIDU TEACHING	Swat	11,607	388,125,356
SAIDU TRAUMA	Swat	10,540	217,031,598
Total			19,766,410,285

4.5.4 Unjustified and Un-rationalized empanelment of the Hospitals across the Province

S No	District	No of Registered Families	% age of families per district with respect to total families of KP	No of Hospitals	Families per Hospital
1	Chitral	131,044	1.37%	5	26,209
2	Upper Dir	268,921	2.82%	3	89,640
3	Lower Dir	360,708	3.78%	11	32,792
4	Malakand	198,427	2.08%	9	22,047
5	Swat	662,921	6.94%	25	26,517
6	Shangla	219,182	2.29%	6	36,530
7	Kohistan	94,112	0.99%	2	47,056
8	Batagram	162,441	1.70%	6	27,074
9	Mansehra	560,073	5.86%	4	140,018
10	Tor Ghar	37,604	0.39%	0	-
11	Abbottabad	463,215	4.85%	10	46,322
12	Haripur	336,882	3.53%	4	84,221
13	Buner	243,936	2.55%	7	34,848
14	Swabi	485,379	5.08%	10	48,538
15	Mardan	664,904	6.96%	12	55,409
16	Nowshera	378,299	3.96%	7	54,043
17	Charsada	454,431	4.76%	5	90,886
18	Peshawar	822,600	8.61%	35	23,503
19	Kohat	270,851	2.84%	5	54,170
20	Hangu	143,278	1.50%	4	35,820
21	Karak	215,862	2.26%	4	53,966
22	Bannu	312,775	3.27%	5	62,555
23	Lakki Marwat	216,940	2.27%	2	108,470
24	DI Khan	368,740	3.86%	7	52,677
25	Tank	89,803	0.94%	1	89,803
26	Bajaur	300,154	3.14%	5	60,031
27	Khyber	292,834	3.07%	2	146,417
28	Kurram	183,704	1.92%	0	-
29	Mohmand	173,882	1.82%	1	173,882
30	North Waristan	232,074	2.43%	0	-
31	Orakzai	111,175	1.16%	0	-
32	South Waziristan	226,521	2.37%	0	-

ANNEXURES**Annexure C****4.6.2 Irregular/Unjustified payment to hospitals not found enlisted on the Panel of Health Care Commission Rs. 1,028.536 Million**

S No	District	Name of the Hospital	Address	Amount paid
1	Chitral	Boni Medical Centre	Boni Chitral	Not Known
2	Chitral	Rural Health Centre	Mastuj Chitral	Not Known
3	Dir Lower	Jasmine Hospital	Dir Lower	Not Known
4	Swat	Anwar Hospital	Tawheed Chowk, Opposite Swat Serena Hotel	381,833,517
5	Swat	Kings International Hospitals	Opposite PIA office Faizabad	646,703,390
6	Swat	Upper Swat General Hospital	Near Government THQ Khwazakela	Not Known
7	Swat	Javed Medical Centre	Swat	Not Known
8	Swat	South City Dilaram Memorial Jhospital	Swat	Not Known
9	Swat	Imdad Medical Centre	Swat	Not Known
10	Swat	Sihat Hospital Swat	Sheen Bagh Kuza Durnshkhela Swat	Not Known
11	Shangla	Shangla Medical Complex	Near DHQ Alpuri	Not Known
12	Battagram	Faizan Medical Complex	Main Shahrae Karakuram	Not Known
13	Battagram	Fida General Hospitals	Battagram	Not Known
14	Battagram	Zain General and Surgical Hospital	Near Tablighi Markaz main Shahrae Resham Battagram	Not Known
15	Battagram	Al-Rahim Surgical Hospital Battagram	Opposite Al-Bukhri Institute of technology	Not Known
16	Mansehra	Mansehra Medical Complex	Mansehra	Not Known
17	Mansehra	Naseem Surgical Centre	Mansehra	Not Known

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