PERFORMANCE AUDIT REPORT
ON
HEALTH FACILITIES IN
PAKISTAN RAILWAYS

AUDIT YEAR 2022-23

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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

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PREFACE

The Auditor-General of Pakistan conducts audit under Articles 169 and 170 of Constitution of the Islamic Republic of Pakistan 1973, read with Sections 7-15 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001. The Performance Audit of Health Facilities in Pakistan Railways was carried out accordingly.

The Director General Audit Railways, Lahore conducted Performance Audit of Health Facilities in Pakistan Railways in 2022-23 for the financial years 2017-18 to 2021-22 with a view to report significant findings to stakeholders.

The focus of audit primarily remained on the effectiveness of the activities carried out under the medical department of Pakistan Railways followed by efficiency and economy aspects thereof. In addition, audit also assessed, on test check basis, whether the management complied with applicable laws, rules and regulations applicable on medical department of Pakistan Railways. Compliance related issues identified during the course of audit have been incorporated in the respective Regularity Audit Report. The title of such findings are listed in **Annexure-1** of this report for reference. The Performance Audit Report contains actionable recommendations aimed at improving the intended objectives of the medical department of Pakistan Railways related to provision of better health facilities to railway employees and all such upcoming initiatives.

The Audit Report is submitted to the President of Pakistan in pursuance of Article 171 of Constitution of the Islamic Republic of Pakistan for causing it to be laid before the Parliament.

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Islamabad **(Muhammad Ajmal Gondal)**
Dated: 12 SEP 2025 **Auditor-General of Pakistan**

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Abbreviations and Acronyms

AFIP	Armed Forces Institute of Pathology
CCP	Chief Controller of Purchase
CCU	Curative Care Unit
CEO	Chief Executive Officer
CMH	Combined Military Hospital
CM & HO	Chief Medical & Health Officer
COVID-19	Corona Virus Disease of 2019
COVIM	COVID-19 Vaccine Inventory Management System
CT Scan	Computerized Tomography Scan
CWA	Child Welfare Association
CWC	Child Welfare Centers
DAC	Departmental Accounts Committee
DHQ	District Headquarters Hospital
DMO	Divisional Medical Officer
DS	Divisional Superintendent
FA&CAO	Financial Advisor and Chief Accounts Officer
FPSC	Federal Public Service Commission
FY	Financial Year
GM/WSI	General Manager, Welfare and Special Initiatives
HQ	Headquarter
ICU	Intensive Care Unit
IIMCT	Islamic International Medical College Trust
IPD	Indoor Patient Department
ISSAIs	International Standards of Supreme Audit Institutions
KPIs	Key Performance Indicators
KYC	Karachi
LC	Letter of Credit
LHR	Lahore
MBBS	Bachelor of Medicine, Bachelor of Surgery
MGPR	Mughalpura
MO	Medical Officer
MOR	Ministry of Railways

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MoU	Memorandum of Understanding
MRI	Magnetic Resonance Imaging
MS	Medical Superintendent
M&S	Manufacturing and Services
MUL	Multan
NICU	Neonatal Intensive Care Unit
NLC	National Logistic Cell
OEM	Original Equipment Manufacturer
OPD	Out Patient Department
PAM	Performance Audit Manual
PMDC	Pakistan Medical and Dental Council
PO	Principal Officer
POL	Petrol, Oil and Lubricant
PPP	Public Private Partnership
PPRA	Public Procurement Regulatory Authority
PR	Pakistan Railways
PRCH	Pakistan Railway Cairns Hospital, Lahore
PRHR	Pakistan Railway Hospital Rawalpindi
PSC	Peshawar
PVT	Periodic Visual Test
QTA	Quetta
RAILCOP	Railway Constructions Pakistan Limited
SDG	Sustainable Development Goals
SMO	Senior Medical Officer
SOPs	Standard Operating Procedures
SUK	Sukkur
TB	Tuberculosis

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EXECUTIVE SUMMARY

The Director General Audit Railways, Lahore conducted Performance Audit of Healthcare Facilities in Pakistan Railways during Audit Year 2022-23. The prime objectives of the audit were to evaluate the role of Pakistan Railways' medical department in providing healthcare services effectively and to assess its performance with reference to economy, efficiency, environment and equity.

The medical department of Pakistan Railways was established to provide efficient, timely and cost-effective health care facilities to the serving/retired employees, their dependents and travelling passengers. Pakistan Railways has total eight hospitals, 46 dispensaries and 25 child welfare centers. The railway hospital Rawalpindi is being managed under Public Private Partnership (PPP) model with Islamic International Medical College Trust (IIMCT) since 1998; whereas, all other hospitals are under the administrative control of Pakistan Railways.

Table-1: Healthcare units in Pakistan Railways

Total hospitals	No. of dispensaries	No. of child welfare centers	Hospital managed by PR	Hospital managed on PPP model
08	46	25	07	01

Source: PR Year Book 2022-23

Pakistan Railways medical department has faced severe shortage of doctors, nurses and paramedical staff as 292 (53.9%) employees were working against the sanctioned strength of 542 personnel.

The Employee-related expenditure was the major contributor to the overall expenditure of the medical department, accounting for 74% of its total operating expenditure. The average annual expenditure of the medical department was Rs 615.15 million.

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Figure-1: Bifurcation of medical department expenses

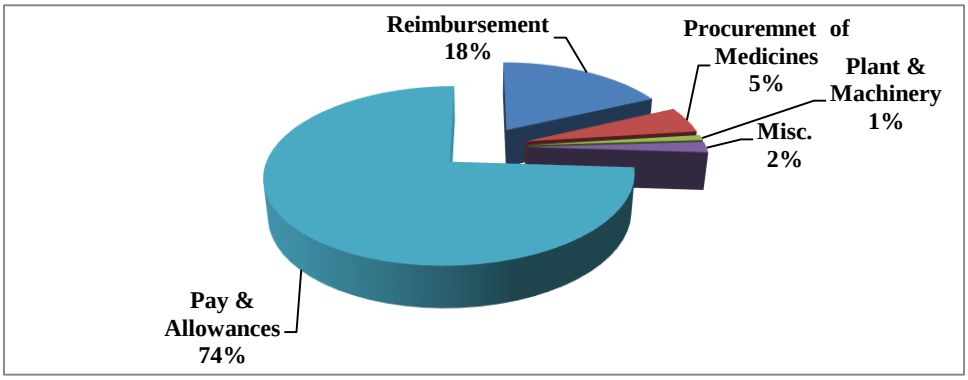


Table-2: Medical department expenses (2017-18 to 2021-22)

(Rs in million)

FY	Pay & Allowances	Reimbursement	Procurement of Medicines	Plant & Machinery	Misc.	Total
2017-18	442.76	99.62	33.52	9.08	11.95	596.91
2018-19	464.68	119.39	40.36	2.35	18.21	644.99
2019-20	477.94	92.88	25.78	1.79	13.24	611.64
2020-21	454.34	133.21	24.35	0.32	13.52	625.74
2021-22	433.87	116.80	30.76	0.97	14.07	596.47
Total	**2,273.59**	**561.90**	**154.77**	**14.51**	**70.99**	**3,075.75**
Average	**454.71**	**112.37**	**30.95**	**2.90**	**14.19**	**615.15**
Percentage	**74%**	**18%**	**5%**	**1%**	**2%**	**100%**

Source: Final Accounts of PR- FY 2017-18 to FY 2021-22

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Medical facilities have a direct impact on employees' physical and mental health. Employees with good health perform better on the job. To evaluate the facilities of medical care given to PR serving & retired employees and their families, the performance audit of health facilities in Pakistan Railways was carried out. The audit revealed significant weaknesses in patient care standards, resource utilization, financial discipline, and overall service delivery. Irregular and wasteful expenditures were identified alongside chronic underutilization of hospital infrastructure and budgets. Furthermore, the medical department failed to provide adequate health services due to staff shortages, non-functional equipment, and poor management practices. These issues indicate

systemic inefficiencies that undermine the department's ability to deliver effective healthcare to its beneficiaries.

Key Audit Findings

i. Poor management of railway hospitals resulting into closure of in-house medical facilitates due to less budgeting and non-availability of specialist and shortage of paramedical staff.[1]

ii. Inadequate utilization of available health infrastructure and medical personnel.[2]

iii. Utilization of PR resources by provincial government without any agreement.[3]

iv. Non-utilization of funds for procurement of medicine and machinery/equipment – Rs 45.93 million.[4]

v. Poor asset management as machinery/equipment related to Gynae, Eye & Dental were out of order from 2 to 20 years.[5]

vi. Unfavorable addition/deletion of clauses in the agreement between PR & IIMCT resulted in loss – Rs 176.97 million.[6]

vii. Loss to Pakistan Railways due to main focus of IIMCT on private panel clients – Rs 52 million.[7]

viii. Non-resolution of chronic issues faced by railway patients in IIMCT and provision of substandard and unhygienic food to patients in Pakistan railway hospitals.[8]

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[1] Para 2.1.1
[2] Para 2.1.2 & 2.2.8
[3] Para 2.2.9
[4] Para 2.2.10
[5] Para 2.1.3
[6] Para 2.2.13
[7] Para 2.2.14
[8] Para 2.1.5 & 2.3.1

Conclusion

The performance audit of Health Facilities in Pakistan Railways highlights critical operational deficiencies that have adversely affected the delivery of healthcare services. Most of the departments of railway hospitals were non-functional due to non-availability of essential medical equipment and qualified specialists. The medical department of Pakistan Railways failed to achieve its objectives due to several interlinked issues, including out of stock medicines, non-availability & non-functioning of medical equipment, inappropriate planning, shortage of staff and non-existence of health information system.

Recommendations

i. Efforts be made to functionalize the inoperative wards by overcoming the shortage of doctors and staff in order to provide efficient and effective health care facilities.

ii. Financial management be improved to avoid non-utilization of funds.

iii. Strenuous efforts be made for utilization of available machines/equipment.

iv. PR may adopt effective management strategies in the facilities to constantly improve patient flow, save time & resources and improve patient satisfaction.

v. To increase motivation among doctors and staff for better performance, there was need to develop appropriate schemes of service with competitive compensation packages and strategies for career growth.

vi. Contract agreement with IIMCT having unfavorable clauses in the interest of PR be revised.

vii. IIMCT may treat railway patients on priority to avoid increase in reimbursement cases.

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1. INTRODUCTION AND METHODOLOGY

The medical department of Pakistan Railways has to its core the well-being of railway employees and travelling passengers. It achieves this end by ensuring provision of a range of medical services including inpatient care, outpatient care, emergency treatment, and occupational health assessments.

1.1 Background

The main objectives/functions of the medical department of PR,[9] along with its achievements, are briefly discussed below.

i. Providing curative health care

Pakistan Railways medical department delivered commendable curative healthcare services across its network, catering to an average of 134,064 patients from 2016-17 to 2022-23 **(Annexure-2)**. The division wise analysis showed the following: The division wise analysis showed the following:

- **Sukkur**: There was a gradual increase in patients treated over time and reaching a peak by treating 16,162 No. of patients in 2021-22.
- **Quetta:** There was progressive increase in treated patients and treatment was provided to 3,416 No. of patients in 2021-22.
- **Mughalpura:** There was a significant up-word rise in patients visits in 2018-19 when 67,063 patients were treated in 2018-19 as compared to 7958 patients in 2017-18, followed by a gradual decline in later years.
- **Lahore:** There was inconsistent trends in patients' treatment, with a massive rise in 2021-22 when 45,017 patients were treated.
- **Rawalpindi:** There was an average 16520 number of patients treated during the reported period.
- **Karachi & Peshawar:** There was a declining trends in number of patients treated in both Karachi and Peshawar division.

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[9] Medical Manual of Pakistan Railways

ii. Preventive and promoting health care

PR medical department did not launch any campaign to educate railway employees about health, sanitation, hygiene practices and disease prevention measures from 2016-17 to 2022-23.

iii. Provision of health services at the site of train accidents

Total 543 accidents occurred during the period from 2017-18 to 2020-21. Pakistan Railways health department provided medical care to a limited number of passengers and referred most of them to nearby hospitals **(Annexure-3).**

iv. Provision of emergency medical treatment to travelling passengers

Many passengers were unaware of the provision of medical emergency facilities at stations. Nevertheless, the Pakistan Railways medical department provided emergency treatment to 5,041 travelling passengers during the reporting period **(Annexure-2)**.

v. Pre-employment medical examination of candidates

PR medical department undertook pre-employment medical examination of candidates by examining 1,343 potential employees. Data revealed that overall trend was highly inconsistent across different years and divisions **(Annexure-2).**

vi. Periodical medical examination of serving employees

The overall trend showed steady increase in periodical medical examinations of serving railway employees across different years and divisions.

vii. Continuously check the quality of food and drinking water at railway stations

Regular checks on food items were not conducted, which resulted in a compromise on passengers' health and safety.

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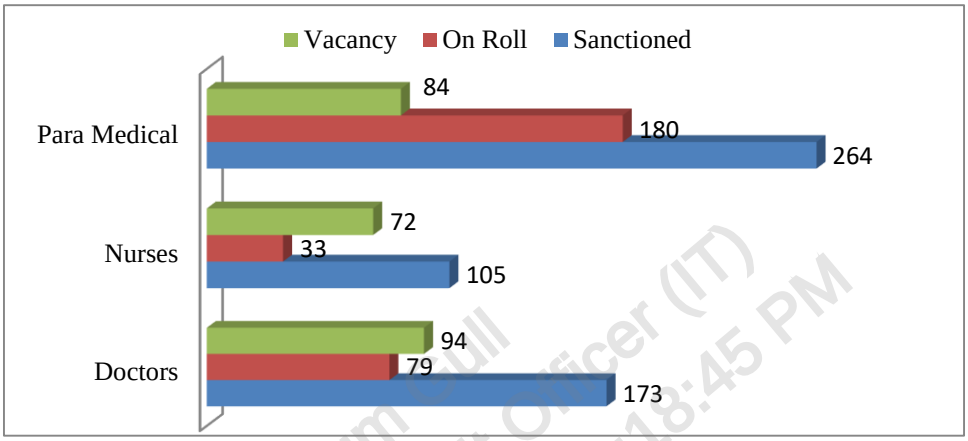
viii. Ensure sanitation at railway colonies and railway stations

Sanitation services in colonies were outsourced to private contractors, while railway stations were maintained by PR employees under the supervision of Divisional Medical Officers across all divisions.

1.1.1 Personnel position of medical department

The medical department of PR has sanctioned strength of 542 personnel. The on roll strength was 292 (53.87%) comprising of 79 doctors, 33 nurses and 180 paramedical staff to serve about 180,989 Pakistan Railways' in-service & retired employees.

Figure-2: Personnel position of medical department



Source: Data received from o/o CM&HO regarding sanctioned strength and on roll position

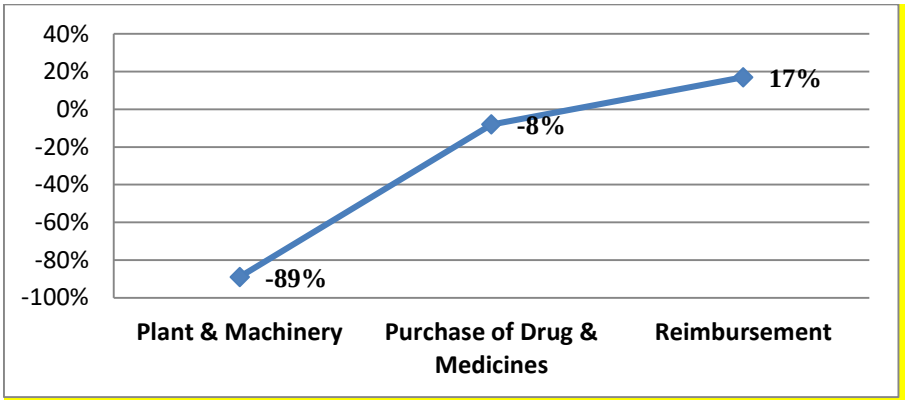
1.1.2 Overview of medical department expenditure trends

During last five years, medical department incurred an expenditure of Rs 615.15 million at an average. Bifurcation of average expenditure revealed that 1% of expenditure was incurred on the purchase of plant & machinery, 5% on purchase of drug & medicines, and 74% related to pay & allowances. This depicts that medical department had not focused on up-gradation of hospitals for provision of modernized medical facilities. During last five years, reimbursements of medical claims with respect to FY 2017-18 increased by 17% (Rs 17.18 million), whereas, expenditure on purchase of plant & machinery and drug & medicine decreased by 89%

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(Rs 8.11 million) and 8% (Rs 2.75 million) respectively. This shows that the focus of railway management was not on enhancement of in house capacity.

Figure-3: Expenditure trend (Base year 2017-18)



Source: Final Accounts of medical department FY 2017-18 to FY 2021-22

1.2 Audit Objectives

The prime objectives of the audit were to:

i. Evaluate the role of Pakistan Railways' medical department in providing health facilities effectively to the serving and ex-railway employees,

ii. Assess the performance of the medical department of Pakistan Railways with reference to economy, efficiency, environment and equity in relation to health facilities,

iii. Examine the recruitment process in the medical department and review their effective utilization,

iv. Analyze the utilization of allocated funds and the effectiveness of budgetary controls.

1.3 Audit Scope and Limitations

i. The performance audit of Health Facilities in Pakistan Railways was conducted during the audit year 2022-23 for the period from 2017-18 to 2021-22.

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ii. The audit coverage encompassed 08 railway hospitals, 46 dispensaries and 25 child welfare centers.

iii. Different locations were visited for the purpose of audit i.e. office of the Chief Medical and Health Officer (CM&HO) at Pakistan Railways Headquarters in Lahore, Divisional Medical Offices, Pakistan Railways hospitals as well as its dispensaries and child welfare centers.

1.4 Audit Methodology

The Performance Audit was conducted as per Audit Guidelines issued by International Organization of Supreme Audit Institutions (INTOSAI). The data/ information was collected from selected auditable locations. Audit methodology included:

i. Application of analytical procedures, inspection, vouching, tracing, confirmation, inquiry, and observation.

ii. Review of related and relevant policies, rules and regulations.

iii. Examination of relevant files and documents.

iv. Comparison of actual results with intended objectives to assess the overall effectiveness and efficiency of medical department of Pakistan Railways.

v. Discussions with management and interviews with patients to gather insights and feedback.

1.5 Key Performance Indicators (KPIs)

Key performance indicators (KPIs) are used by hospitals to track and assess their performance, identifying trends and measuring improvements over time. Audit evaluated the department-wise performance of railway hospitals through a detailed analysis of data, as presented in **Annexure-4**.

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A Hospital efficiency & workforce distribution

1.5.1 Doctor-to-Patient ratio (1:6,272)

The minimum doctor-patient ratio as suggested by the World Health Organization (WHO) for developing nations is 1:1,000.[10] During 2022–23, Pakistan's overall ratio stood at 1:1,300**,** which was below the recommended standard.[11] However, the situation in PR hospitals was even more critical, with a ratio of 1:6,272, meaning only one doctor was available for every 6,272 individuals.[12] This indicates a 527% shortfall from the WHO benchmark. As a result, doctors in PR hospitals are severely overburdened leading to delayed diagnoses, longer treatment wait times, lower patient care quality and creates patients' blockage. This severe human resource crisis poses major challenges to the provision of timely and effective healthcare services. The gap can only be bridged with significant investment in medical staffing, implement efficient patient scheduling systems and integrate telehealth services.

1.5.2. Doctor-to-Nurse ratio (2.39:1)

The World Health Organization (WHO) recommends a doctor to nurse ratio of 1:4 to ensure proper patient monitoring and adequate assistance for doctors.[13] In Pakistan, however, this ratio stood at just 1:0.5,[14] far below the recommended standard. The situation in PR hospitals was similarly concerning, where the ratio was 2.39:1 i.e. each nurse supported approximately 2.39 doctors, which was significantly below the recommended standard. The analysis showed a critical shortage of nursing staff in PR hospitals. This imbalance adversely affects the provision of quality healthcare services, compromises patient monitoring, and increases the risk of treatment mismanagement. Addressing the

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[10] https://www.dawn.com/news/1842473 (published 28.06.2024)

[11] https://pmc.ncbi.nlm.nih.gov/articles/PMC10332330/#:~:text=Similarly%2C%20the%20doctor%2Dto%2D,1:1000%20%5B2%5D.

[12] https://www.dawn.com/news/1842473 (published 28.06.2024)

[13] https://www.walshmedicalmedia.com/open-access/situation-analysis-of-health-care-system-of-pakistan-post-18-amendments-44119.html#43

[14] https://www.pbc.org.pk/wp-content/uploads/Pakistans-Nursing-Workforce-Export-Potential-Challenges-and-Recommendations.pdf

shortage of nursing staff is essential for the delivery of effective, safe, and patient focused healthcare services. This gap can only be filled by substantial investment in nursing staff, improvements in patient scheduling systems and introduction of telehealth services.

1.5.3. Nurse-to-Patient ratio (1:15,014)

According to the Pakistan Nursing Council, the recommended nurse to patient ratio is 1:10 in general areas and 2:1 in specialized areas to ensure effective, timely and safe patient care. However, in PR hospitals, this ratio was 1:15014, indicating a severe shortage of nursing staff within the PR hospitals as one nurse is responsible for over 15,000 patients. The deviation from the standard severely compromises patient safety and quality of care. Such an extreme imbalance made it impossible for nurses to provide even basic nursing assessments, monitoring and interventions. Consequently, critical care patients may not receive timely attention, which is highly alarming for patient safety and overall quality of care. In order to improve healthcare services in PR hospitals, railway management needs to develop and implement policies to align staffing with national standards, increased funding, and undertake comprehensive workforce planning to address the shortage of nurses within the system

B: Hospital resource utilization

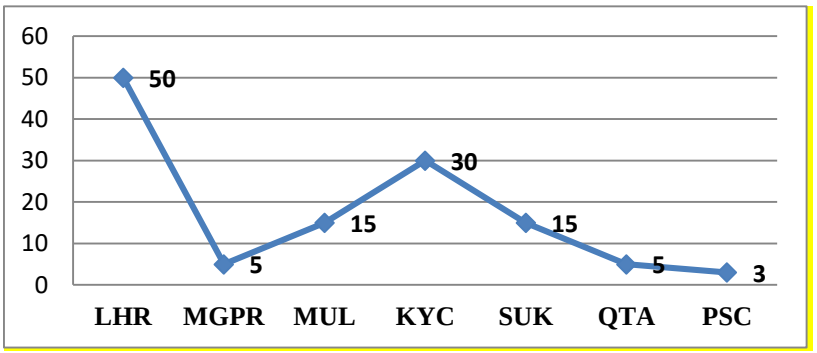
1.5.4. Bed occupancy rate

The bed occupancy rate is a critical indicator of hospital utilization, resource allocation, efficiency assessment and capacity planning. It helps hospital management and policymakers to make informed decisions. Below graph showed that Cairn hospital, Lahore & Hassan hospital, Karachi had better per day bed occupancy rates, reflecting better patient admission trends. In contrast, other divisions showed lower occupancy rates, indicating underutilization of hospital resources. This was primarily attributed to the closure of major wards, inadequate budgetary allocations, shortage of specialist medical staff, and the unavailability of essential medical equipment. Audit recommends that urgent steps be taken to operationalize all departments, establish effective referral systems and

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implement streamlined admission protocols to enhance overall hospital efficiency.

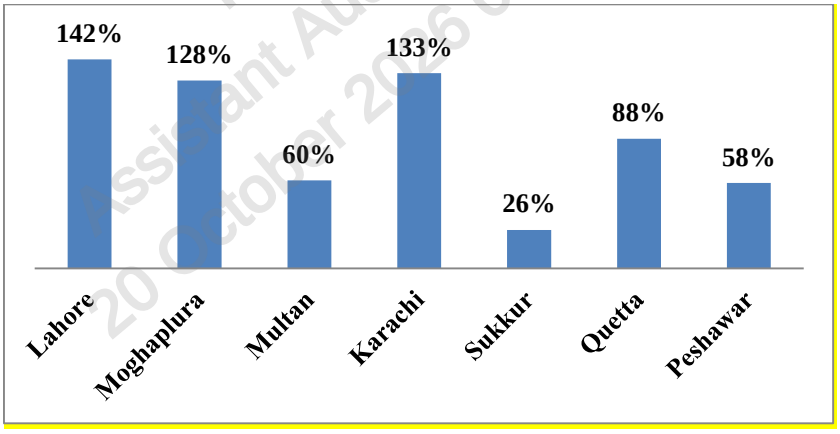
Figure-4: Bed occupancy per day



1.5.5. Outpatient department (OPD) performance

OPD is an important part of the overall hospital operations. It is normally integrated with inpatient services and staffed by consultant physicians and surgeons who also care for inpatients in the wards. Many patients receive outpatient evaluation and treatment before being admitted as inpatients and may return to the outpatient department for follow-up treatment after discharge. The out-patient departments at Lahore & Karachi hospitals were performing well and busiest OPDs over the system while the OPDs at other hospitals were not active due to shortage of doctors, nurses, paramedical staff and medicines. Audit evaluated division wise work load in OPD **(Annexure-4).**

Figure-5: Division wise workload in OPD

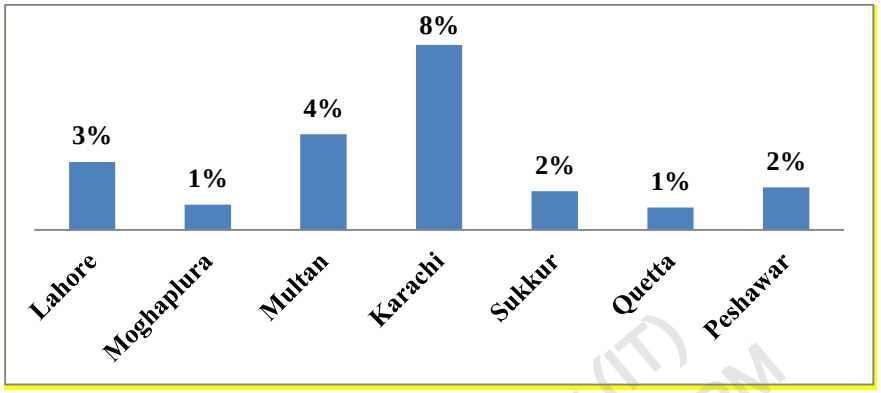


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1.5.6. Indoor patient department (IPD) utilization

IPD care refers to the hospital care for treating patients who require hospitalization due to the severity or complexity of their condition. The IPD at Karachi hospital was more active as compared to other hospitals. The overall percentage of inpatients in all railway hospitals was up to 8% of the total patients visited railway hospitals which showed that PR hospitals were unable to admit railway patients and utilize their indoor facility properly due to closure of different departments **(Annexure-4).**

Figure-6: Division wise workload in IPD



2. Audit Findings

The results of Performance Audit of Health Facilities in Pakistan Railways are presented in the following paragraphs.

2.1 Effectiveness

Effectiveness measures how well objectives are achieved. The audit noted failure to provide adequate and reliable health services to railway serving, retired employees and their dependents. Approximately 665 of hospital beds were unusable due to closed wards, inadequate staff and lack of equipment. Vital medical equipment was either non-functional or unused for years, depriving patients of necessary care.

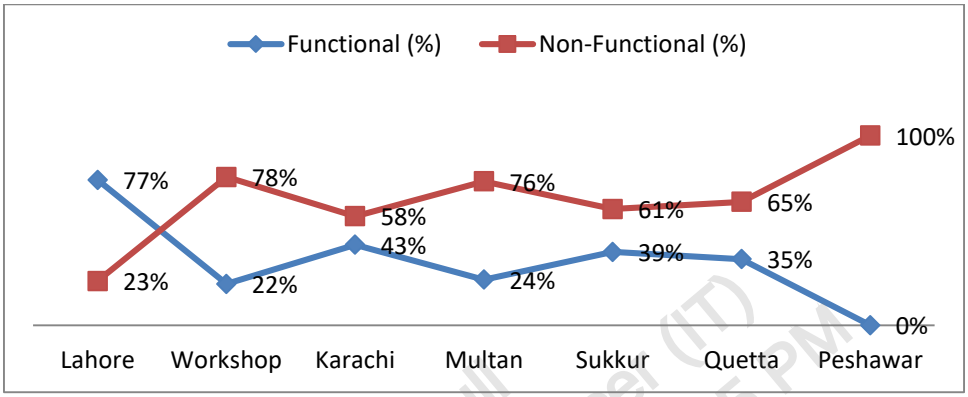
2.1.1 Inability/ failure to provide basic health facilities

According to mission statement of Pakistan Railways medical department, railway medical department is responsible to provide basic health services to employee, their families and departments.

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During the audit, it was observed that Pakistan Railways had bed capacity of 623 across its hospitals, excluding the PR Hospital Rawalpindi. However, the utilization of this capacity was significantly low, with the percentage of non-functional beds ranging from 23% to 100% **(Annexure-5)**. Overall, 66% of the available bed capacity was found non-functional. This was primarily attributed to the closure of major wards, inadequate budgetary allocations, shortage of specialist medical staff, and the unavailability of essential medical equipment, all of which adversely impacted the effectiveness of healthcare service delivery.

Figure-12: Functional & non-functional beds at different PR hospital



Source: PR Hospital data FY 2017-18 to FY 2021-22

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the P.O. (CM&HO) to furnish a revised reply showing a plan for hiring staff nurses within one week. Compliance of DAC directive was awaited.

Audit recommends that necessary arrangements be made on priority to operationalize all departments in order to provide better medical facilities to serving & ex-railway employees and their families.

2.1.2 Deficient human resource to provide basic health facilities

According to mission statement of Pakistan Railways medical department, railway medical department is responsible to provide basic health services to employee, their families and departments.

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During audit, it was observed that seven key specialist positions i.e. Gynecologist, Dentist, Eye Specialist, Medical & Surgical Specialists; Psychologist & Psychiatrist were lying vacant in Pakistan Railways Hospitals since long. Furthermore, there was an acute shortage of Senior Medical Officers (SMOs), Medical Officers (MOs), nurses, and paramedical staff, as only 1,190 personnel (46.47%) were working against the sanctioned strength of 2,223. Specific deficiencies related to key posts of doctors/specialists and departments included:

2.1.2.1 Surgical services

The surgery department treats injuries, diseases, and deformities by the physical removal, repair, or readjustment of organs and tissues, often involving cutting into the body. Audit observed that surgery department was only active at Cairns Hospital Lahore. It indicated that the rest of hospital were not providing tertiary healthcare services to railway serving & retired employees.

2.1.2.2 Ophthalmology services

The ophthalmology department is responsible for eye health care, including medical management and surgical interventions. During the reported period, eye operation facilities were only available in Lahore & Karachi hospitals. Railway management may take a policy decision to establish and operate ophthalmology department in all divisional hospitals in order to avoid delayed vision correction and reduce the risk of preventable blindness.

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2.1.2.3 Gynecological services

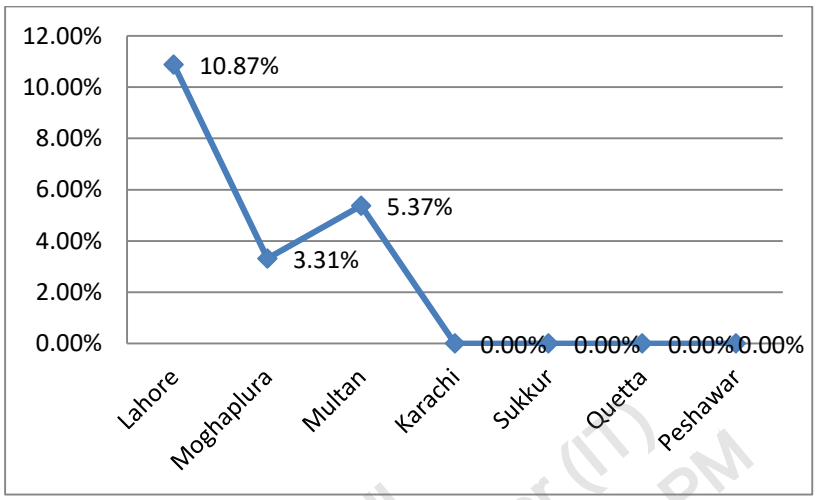
Audit observed that the main focus of medical department was only on two (02) divisions i.e. Karachi and Lahore where gynae facilities were provided. Whereas, remaining five (05) divisions i.e. Multan, Sukkur, Quetta, Workshops & Peshawar were deprived from mother and child care facility only due to non-availability of gynecologists. It was worth mention that these four divisions have fully equipped Gynae wards.

2.1.2.4 Dental department

The dental department focuses on the health of the teeth, gums, and mouth. It encompasses the study, diagnosis, prevention, management,

and treatment of diseases, disorders, and conditions affecting the oral cavity. Audit observed that out of seven divisional hospitals, only Lahore & Multan hospital have dentists. The availability of dentists for remaining five divisions was not ensured despite availability of fully equipped OPD with dental units. Lack of dental services forces patients to seek private care resulting increase in their medical expenditure.

Figure-7: Dental facility provided by the PR Hospital



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2.1.2.5 Psychologist & Psychiatrist

Periodic Visual Test (PVT) was a regular feature in Pakistan Railways especially for operational staff (Drivers, Guards, Station Master, and Yard Masters etc.). PVT comprised of pathological tests along with psychological assessment and time reflex test. Audit observed that medical department of PR had only one Psychologist in Lahore division for psychological assessment. In other divisions due to absence of in-house psychologists, psychological assessments were either outsourced to visiting consultants or referred to CMH/DHQ hospitals, indicating inconsistency and lack of standardized procedures.

2.1.2.6 Medical department

Audit observed that medical department had one post of medical specialist & one post of surgical specialist each in Karachi and Lahore division. whereas these posts were vacant since 2011 & 2015. However,

these posts have remained vacant since 2011 and 2015, respectively. Audit observed lack of substantive efforts by the medical department to fill these long-standing vacancies.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the P.O. (CM&HO) to furnish a revised reply showing a plan for hiring staff nurses within one week. Compliance of DAC directive was still awaited.

Audit recommends that medical department of PR may realize the importance of specialist and filled these seats without further delay to facilitate PR beneficiaries which ultimately reduce the burden of re-imbursement of medical bills.

2.1.3 Poor asset management resulting into provision of substandard health facilities

According to mission statement of Pakistan Railways medical department, railway medical department is responsible to provide basic health services to employee, their families and departments.

During audit, it was observed that according to chapter III of Year Book 2021-22, PR hospitals were equipped with various medical specialties, including Gynecology, Ophthalmology, Dentistry, and had fully functional radiology and pathology laboratories. However, audit observed a quite different picture of mismanagement and underutilization of hospital equipment and resources, as detailed below:

(i) Five (05) machines related to gynecological services were out of order for periods ranging from 2 to 20 years. Additionally, four functional machines could not be utilized for 3 to 7 years due to the unavailability of trained operators. Furthermore, these out of orders machines were neither declared condemn nor repaired/replaced, resulting in non-provision of in-house gynecological services to PR serving/retired employees.

(ii) Five (05) machines related to eye department were out of order in Hassan Hospital, Karachi from 3 to 15 years. These machines were neither declared condemn nor repaired/replaced to facilitate PR serving/retired employees. Furthermore, machinery & equipment related to eye operation

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theater in Cairn Hospital, Lahore were lying idle since four (04) years due to transfer of the eye surgeon's post to Hassan Hospital, Karachi. This reflected a failure to ensure continuity of ophthalmic services in Lahore Division.

(iii) Three (03) dental units at Karachi, Quetta and Peshawar were lying idle from 5 to 10 years due to non-availability of Dental Surgeons. As a result, PR patients had to be out referred for dental treatment, demonstrating ineffective use of available infrastructure.

(iv) Four X-ray machines and one (01) Electrocardiogram (ECG) machine were lying idle at Karachi, Sukkur, Quetta & Multan from 5 to 7 years due to non-availability of lab/x-ray assistant.

This indicated a lack of oversight and resource planning by PR management, leading to underutilization of medical assets and inadequate healthcare services for railway patients **(Annexure-6).**

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the CM&HO to allocate human resources according to the availability of the lab equipment and machines. The out of order machines should immediately be repaired and made functional. The insourcing exercise should be executed on fast-track basis to meet the shortage of health care practitioners to provide state of the art facilities. The whole activity should be projected on time line basis and completed within two months. A compliance report should be shared with the forum on 04.03.2024. Compliance of DAC directives was awaited.

Audit recommends that matter may be inquired at an appropriate level for this negligence. Medical department of PR either get repair these machineries or declared condemn. So that new machinery would be purchased to fill this gap.

2.1.4 Doubtful entries of 812 patients in COVIM regarding Corona vaccination

As per directives of Director General of National Command and Operation Center, Islamabad dated 05.05.2021, Corona Vaccination Centers were established in all hospitals of Pakistan Railways for

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expansion of National Corona Vaccination Drive and to keep updated record of different kinds of vaccines received and administered.

During audit, it was observed that Hassan Hospital, Karachi received a total of 9,717 doses of various COVID-19 vaccines in 2020 for administration to Pakistan Railways employees, their families and private patients. Audit observed that 10191 No. of patients were vaccinated by the hospital management and 194 No. of vaccinations were available as on 06.05.2023. The above figures showed that Hassan Hospital, Karachi entertained 812 patients without vaccination, hence doubtful entries in COVID-19 Vaccine Inventory Management (COVIM). This indicated weak internal controls and ineffective oversight in the management of the vaccination center at Hassan Hospital, Karachi.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the CM&HO that a revised reply be submitted showing difference in vaccine issued and number of certificates from Hassan Hospital Karachi within 15 days. Compliance of DAC directives was awaited.

Audit recommends that matter be probed to fix responsibility for these doubtful vaccination entries and take necessary action against the persons found at fault.

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2.1.5 Non-resolution of repetitive issues faced by Railway patients

Clause-25 of revised and re-revised agreement states that an Inspection Committee comprising of Director Health and Medical Services, FA& CAO/M&S, and Divisional Superintendent, Pakistan Railways, Rawalpindi will be constituted by the 1st party. The committee or any member of committee will inspect the hospital from time to time to see that the institution is functioning smoothly. Any shortcomings/ breach of agreement observed shall be reported to management committee who will notify the 2nd party with a notice period of three months to rectify the shortcomings/breach. The 2nd party shall be bound to do so within the said period.

During audit, it was observed that the last meeting of the Hospital Coordination Committee was held on 29.11.2022 to discuss various

shortcomings and breaches of agreement. No subsequent meetings were convened thereafter. Audit observed that following repetitive issues were discussed in Hospital Coordination Committee meetings but IIMCT failed to take effective measures to resolve these matters.

i. Misuse of medicine in paeds and medical ward

ii. Echocardiography issue

iii. Misuse of MR number of railway entitled patients

iv. OT issue

v. CT scan film issue

vi. Quality and quantity of existing medicines and consumables specially cough syrup, antibiotics, pyodine and sticking plaster etc.

vii. Non availability of medicines of newly added specialties like Urology, Gastroenterology and Cardiac

viii. Non- availability of Eye ointment and eye drops

ix. Sale of released material from hospital building after dismantling wash rooms

x. Consumption of budgeted allocated for PR by IIMCT for purchase of Consumables used in dialysis like cannula, IV set, and Dialyzer fluid

xi. Higher rate charged by Med Ask lab in comparison of rate list of DHQs and AFIP

xii. Out of door ventilators of Paeds NICU

xiii. Non- connectivity of lab with generator electricity

xiv. Non- availability of Bio- Medical engineer

xv. Higher rate of CT scan as compared to Government rate

xvi. Non- availability of Inj. Omnipaque and Dialysis kit for railway patients

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Audit was of the view that non-resolution of these issues and non-submission of compliance report within stipulated time period showed flagrant violation of the agreement and poor performance of IIMCT in providing efficient and effective medical services to patients.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC appreciated the efforts of audit team to identify the gaps in Health Care Services at IIMCT Hospital Rawalpindi and directed the CM&HO to share with the DAC a complete monthly monitoring mechanism/system. The DS and the MS of Rawalpindi Division are directed to comply with this monitoring system and a surprise inspection against the indicators highlighted in the monitoring system should be carried out on monthly basis. The report should be shared with the management of IIMCT and CEO/Sr.GM under intimation to the Ministry of Railways. CM&HO and GM/W&SI should also conduct surprise inspection on quarterly basis against the same monitoring mechanism and the report should be shared with the management of IIMCT and CEO/Sr.GM under intimation to the Ministry of Railways. Compliance of DAC directives was awaited.

Audit recommends that resolution of issues be ensured and compliance of DAC directives be furnished to Audit.

2.1.6 Non-Availability of consultants/ specialists round the clock in IIMCT

Clause-15 of agreement between PR and IIMCT states that in order to provide specialized medical services the 2nd party (IIMCT) will ensure availability of consultants/ specialist round the clock

During audit, it was observed that IIMCT Railway Hospital, Rawalpindi had nineteen (19) different fully equipped departments for providing medical facilitation to railway employees and their dependents. Audit observed that outdoor patients were being attended by the house officers and PGTs. These doctors used letter head form of consultants/specialists and charged consultation fee as per their special rate. On the other hand, all the consultants/specialists were remained busy in delivering lectures to 3rd, 4th and final year students of MBBS and left

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the hospital at 2.00 pm on daily basis. Afterward, indoor patients and emergencies were also handled by the Post graduate trainees and house officers. The main focus of IIMCT was on MBBS classes and short courses including operation theater technician, radiographer & imaging technician, medical laboratory technician, dispenser, midwifery diploma, nursing assistants and dental technicians. Classes of MBBS students and short courses were being conducted in IIMCT Railway Hospital without constructing separate block within railways premises in violation of referred clause of agreement.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the CM&HO to resubmit the reply in the light of issues raised by the audit. The CM&HO should keep in view both the financials and non-financials issues while preparing reply to the audit observations. Compliance of DAC directives was awaited.

Audit recommends that availability of consultants/specialists be ensured round the clock under intimation to Audit.

2.2 Economy & Efficiency

The principles of economy and efficiency are central to sound public sector management. Economy refers to minimizing the cost of resources used without compromising quality, while efficiency focuses on maximizing outputs from available inputs. During audit of the medical department of Pakistan Railways, several instances were identified where these principles were not adequately upheld. The audit revealed avoidable expenditures, underutilization of available infrastructure and equipment, deficiencies in procurement processes, and ineffective deployment of human resources. These shortcomings not only resulted in wastage of public funds but also hindered the timely and effective delivery of healthcare services to railway employees and their families. The significant observations are discussed in the following paras.

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2.2.2 Unauthorized regularization of doctors without observing recruitment rules

According to Sl 133(v); appointment on contract basis, the period of contract shall not be extended beyond two years but in exceptional cases where it is considered necessary to extend such appointments beyond the period of two years, the advice/concurrence of the FPSC may be sought at least six months in advance of expiry of the period of original appointment, and thereafter approval of the competent authority may be sought. It is clarified that the requirement of seeking advice/concurrence of FPSC is applicable only in respect of posts which fall under the purview of FPSC in accordance with Rule 3 of FPSC (Functions) Rules, 1978. Further, according to rule 3 of Federal Public Service Commission (Functions) Rules 1978, the commission shall conduct tests and examinations for recruitment to all posts in connection with the affairs of Federation in basic pay scale 16 and above or equivalent.

During audit, it was observed that nine (09) doctors of CWC were regularized vide notification No.220/631-XXVII (APO-VI) dated 16.03.2012 by Ministry of Railways. This regularization was not in purview of Secretary/ Chairman Railway because medical officer in BPS-17 should have been appointed through Federal Public Services Commission. The doctors were required to qualify test to be conducted by FPSC as in case of 25 No. of assistant engineers who were initially appointed on contract basis had to qualify test held by FPSC for regularization of their services. But in case of doctors who were initially appointed on contract basis for CWC, this procedure could not be followed. Contractual services of these doctors were irregularly regularized by neglecting recruitment rules.

The position explained above indicated non-compliance with regulatory requirements and granting undue favor to the doctors. The irregular regularization reflects poor administrative control and undermines the principles of economy and efficiency in human resource management within Pakistan Railways.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. The DAC

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directed to keep the para pended since the matter is subjudice in the court of law.

Audit recommends that responsibility for irregular regularization of doctors be fixed and services of doctors be managed as per rules.

2.2.3 Irregular provision of railway resources to private doctor – Rs 31.23 million

According to para 807(1) of General Code for Pakistan Railways, every public officer should exercise the same vigilance in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

During audit, it was observed that Dr. Razaq was appointed as dental surgeon on contract basis in Pakistan Railways Hospital Quetta during 1995 without sanctioned post. Audit noticed that the doctor was allowed to attend railway patients at his own clinic and will visit railway hospital once a week. Whereas, PR management irregularly allotted railway bungalow No. 5 in Railway Officers Colony, Colvin Road, Quetta @ Rs.500 per month. Moreover, FA&CAO/PR also raised objection and regretted the 5th extension (01.11.2015 to 31.10.2020) on the ground that there was no policy for hiring services of any person in lieu of house accommodation or any other benefit. This irregular engagement and misuse of railway assets resulted in loss of Rs. 31.23 million to Pakistan Railways on account of accommodation charges and other facilities, thereby violating the principles of economy and efficient resource utilization **(Annexure-7)**.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the P.O. (CM&HO) to submit a revised reply in the light of allotment policy of residential accommodation to private practitioner the timeline is 15 days. Compliance of DAC directives was awaited.

Audit recommends that matter be enquired to fix responsibility for facilitating Dr. Razaq to run a private clinic in railway premises besides recovery of accommodation charges at commercial rates from the person (s) at fault under intimation to audit.

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2.2.4 Loss due to pathological tests at exorbitant rates – Rs 1.36 million

Para 1801 of General Code for Pakistan Railways states that every public officer should exercise the same vigilance in respect of public expenditure and public funds generally as a person of ordinary prudence would exercise in respect of the expenditure and the custody of his own money.

During audit, it was observed that 23 different pathological lab tests were referred to Med Ask lab during the period from July 2021 to June 2022. Med Ask lab charged Rs 1.36 million for performing these tests that was 62% over and above the Government rates. An amount of Rs 0.84 million (Rs 1.363- Rs 0.522) could have been saved if these tests were referred to District Health Quarter, Rawalpindi instead of Med Ask lab. It is worth mentioning that as per clasue-2 of agreement, it was binding on IIMCT to arrange these tests inside railway hospital premises. However, even after a lapse of 25 years, IIMCT failed to establish the required pathological testing facilities. This resulted in continued reliance on an external private laboratory at inflated rates and caused loss of Rs. 1.36 million due to referral of pathological tests to private lab at exorbitant rates. This indicated poor adherence to principles of economy and efficiency in healthcare service delivery **(Annexure-8)**.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the CM&HO to make a rate comparison of the lab from IIMCT and CMH/AFIP. PR should only pay to IIMCT the same charges that are being offered by CMH/AFIP. The comparison report should be submitted after taking course corrective measures with IIMCT within one week. Compliance of DAC directives was awaited.

Audit recommends that in house capacity be enhanced to ensure availability of all tests in laboratory of railway hospital.

2.2.5 Irregular procurement of medicines in violation of PPRA rules

Rule- 9 of PPRA-2004 states that save as otherwise provided and subject to the regulation made by the Authority, with the prior approval of

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the Federal Government, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned.

During audit, it was observed that annual demand of medicines was not complied and medicines were purchased in parts since 2020. Furthermore, medicines were procured from unregistered firms i.e. J.S Enterprise, Sheeba corporation, Popular international, Ali traders etc. It was worth mentioning that the packing of medicines was without mentioning the phrase i.e." Property of Pakistan Railways" and "Not for sale". The above lapses indicated inadequate oversight, non-compliance with procurement rules, and inefficient management of pharmaceutical resources, thereby undermining the principles of economy and efficiency in procurement of medicines.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the CM&HO to follow the SOPs in this regard besides submitting revised reply to Audit addressing all issues that necessitated the adoption of local purchase mechanism instead of pursuing the annual indent preparation mechanism. Compliance of DAC directives was awaited.

Audit recommends that compliance of DAC directives be expedited and procurement be made as per PPRA rules.

2.2.6 Irregular procurement of imported medical machineries due to consignment in favor of facilitator/local supplier – Rs 11.76 million

Para 807 of General Code, every public officer should exercise the same vigilance in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money. Furthermore, according to POO 580 dated 27.01.2016 and POO 582 dated 10.10.2017 Pakistan Railways Headquarter Office Lahore, letter of credit (LC) would be established on manufacturer (OEM), however in special cases it would be established in the name of authorized principal of manufacturer on the recommendation

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of tender committee. In this scenario firm would submit manufacturer compliance certificate along-with shipping documents at the time of LC negotiation to the bank.

During audit, it was observed that PR procured imported medical equipment i.e. Laparoscope, Karl Storz operating Laparoscope Adult and a complete dental units amounting to Rs 11.76 million from local suppliers, M/s Allmed Solution and Zodiac International, in violation of the above rules **(Annexure-9).** The authenticity of expenditure incurred on procurement of medical machineries could not be established as PR had not obtained original quotations/invoices, bill of lading, bill of entry, original certificate of country of origin, manufacturer certificate, warranty certificate and duties paid from the supplier/OEM. This resulted in irregular procurement amounting to Rs. 11.76 million and showed non-compliance with procurement regulations and a lack of due diligence in high-value procurements.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the CM&HO to take up matter with CCP and submit revised reply to audit based on audit observation within one week. Compliance of DAC directives was awaited.

Audit recommends that matter be probed to fix responsibility for the above mentioned lapses under intimation to Audit.

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2.2.7 Unjustified expenditure on account of Local purchase of medicines by Pakistan Railways – Rs 5.99 million

Para 807 (1) of General Code for Pakistan Railways states that every public officer should exercise the same vigilance in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money. Furthermore, Clause-2 of agreement between PR and IIMCT states that 2nd party shall be responsible to provide specialized medical cover, free of cost to all serving/retired employees of Pakistan Railways and their families.

During audit, it was observed that PR procured 31 different medicines for the indoor patients vide PO No. 171/23 and 174/23. Out of total 31 medicines, 17 medicines were existed in Pakistan Railways formulary. However, as per agreement, it was the sole responsibility of IIMCT to ensure free of cost availability of all formulary medicines to railway patients. Instead of procurement of formulary medicines for railway patients, IIMCT excluded 242 No of medicines from formulary prepared for Pakistan Railways to cut its expenditure on purchase of medicines for Railways. Railway management had not taken up the matter with IIMCT management for provision of medicines but itself procuring medicines of formulary on daily basis for patients through local purchases. Thus, expenditure of Rs 5.99 million incurred by Pakistan Railways on account of purchase of medicines was irregular/ unjustified in violation to above mentioned clause.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the CM&HO to resubmit revised reply based on above directives within one week. Compliance of DAC directives was awaited.

Audit recommends that matter may be taken up with IIMCT for exclusion of 242 medicines out of formulary and entire amount incurred on local purchase of medicine be recovered from management of IIMCT.

2.2.8 Loss to PR due to missing dental unit – Rs 2.75 million

Para 1801 of State Railway General Code provides that means should be devised to ensure that every railway servant realizes fully and clearly that he will be held personally responsible for any loss sustained through fraud or negligence on his part.

During audit, it was observed that a complete dental operatory system; model “Friend Easy” and make “Swdent Italy” along with optional accessories (Air compressor, Air motor NSK, Ultra Sonic Scalar and Dental Stoll) was purchased for Hassan Hospital, Karachi vide PO Number Med/T&P/03-D/2016 dated 09.06.2017 for Rs 2.75 million. However, the said unit was not available in hospital. A joint physical inspection was conducted on 06.05.2023 and found that the said dental

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unit was neither received nor installed in hospital premises. Thus, due to non-availability of dental unit PR suffered loss of Rs 2.75 million and the chances of theft could not be rolled out. This showed inefficiency in safeguarding public assets and weak internal controls over the procurement and installation process.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC settled the para subject to provision of documents and evidence to the audit within one week. Compliance of DAC recommendation is awaited.

Audit recommends that matter be probed to fix responsibility for missing dental unit and amount of loss be recovered from the persons found at fault.

2.2.9 Inadequate utilization of health infrastructure

According to mission statement of Pakistan Railways medical department, railway medical department is responsible to provide basic health services to employee, their families and departments.

During audit, it was observed that Pakistan Railways medical department has failed to operate at its maximum capacity to facilitate its beneficiaries mainly due to non-functional departments.

2.2.9.5 Emergency unit

Except Cairn Hospital Lahore, no railway hospital was providing emergency services round the clock. Furthermore, these units were not fully equipped with emergency facilities like injuries, heart attacks etc. to cater the patients coming to the hospital in emergency.

2.2.9.6 Operation theater

PR had one operative operation theater only in Cairn Hospital Lahore. It was worth mentioning that the OT in Hassan Hospital, Karachi was non-operative since 2017 due to non-availability of surgeons & allied staff and non-availability of medical equipment.

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2.2.9.7 Tuberculosis (TB) wards

TB wards over the system had been closed without any justification. Audit further observed that TB ward at Quetta had been converted into residential quarters to facilitate railway employees of civil engineering department.

2.2.9.8 Surgical & Gynae wards

These wards were not functional except Cairn Hospital, Lahore mainly due to non-availability of tertiary health care facilities.

The above position showed inefficient use of financial and physical resources and poor planning in addressing healthcare service delivery gaps.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the PO (CM&HO) to furnish a revised reply showing a comprehensive future plan along with progress of initiatives taken by the management within one week. Compliance of DAC directive was still awaited.

Audit recommends that necessary arrangements be made on priority to operationalize all departments in order to provide better medical facilities to serving & ex-railway employees and their families.

2.2.10 Utilization of PR resources by provincial government without any agreement

According to para 316 of Accounts Code for Pakistan Railways stated that the amounts due to Pakistan Railways for services rendered, supplies made, or for any other reason, are correctly and promptly assessed and recovered as soon as they fall due.

During audit, it was observed that Pakistan Railways had provided hospital accommodation to Provincial Governments without any agreement/ memorandum of understanding (MoU) regarding polio, TB awareness and immunization of infants, to general public. Whereas, facilities of building and utilities like water, gas, and electricity was provided free of cost. This indicated poor performance on the part of

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railway management as PR had failed to enter an agreement with provincial government causing undocumented handing over of PR resources.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the PO (CM&HO) that an agreement be executed between Pakistan Railways and provincial government for providing hospital premises to provincial government. Compliance of DAC directives was awaited.

Audit recommends that matter may be probed and responsibility be fixed for providing hospital premise without memorandum of understanding (MoU). Furthermore, the rental and utility charges may be calculated and recovered from provincial governments for using railway premises under intimation to audit.

2.2.11 Non-utilization of budget allocated for health facilities – Rs 45.93 million

Para 436 of Pakistan Railways General Code states that it shall also be the duty of the administration to see that the allotments made to them are fully expended, in so far as is consistent with economy and the prevention of large expenditure in the last months of the year for the sole purpose of avoiding lapses. They shall be responsible for ensuring that money which is not likely to be needed during the year is promptly surrendered so as to allow its appropriation for other purposes. Moreover, rule 95 of General Financial Rules provides that all anticipated savings should be surrendered to Government immediately they are foreseen but not later than 31st March of each year in any case, unless they are required to meet excesses.

During audit, it was observed that funds of Rs 167.32 million were allocated to the Non-Employees Related Expenses heads of Medical Superintendents / Divisional Medical Officers of PR for the procurement of medicines and plant & machinery for the period from 2017-18 to 2021-22. An expenditure of Rs 121.39 million was incurred on purchase of medicine and plant & machinery.

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Table-4: Summary of non-utilization of budget allocated

(Rs in million)

S.No.	FY	Purchase of Medicines (Rs)	Purchase of Plant & Machinery (Rs)	Total (Rs)
1	2017-18	14.16	0.95	15.11
2	2018-19	4.94	2.02	6.96
3	2019-20	5.38	3.38	10.76
4	2020-21	2.43	2.65	5.08
5	2021-22	7.69	2.33	10.02
Total Savings		**34.60**	**11.33**	**45.93**

Hence, funds of Rs 45.93 million could not be utilized which shows inability of railway management to consume these funds for advancement of hospitals. This depicted poor budgetary controls and negligence on the part of medical department of Pakistan Railways.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the CM&HO that a revised reply be submitted along with reasons for non-provision of cash releases and showing factors contributing towards non utilization of resources. Compliance of DAC directives was awaited.

Audit recommends that financial management controls be strengthened and improved.

2.2.12 Irregular maintenance of private bank accounts – Rs 1.25 million

According to Para 1402 of Pakistan Railways General Code, all money received by or tendered to Government Officers on account of revenues should be deposited in full in the treasury or bank specified by the Ministry of Finance in consultation with the State Bank of Pakistan without any delay.

During audit, it was observed that medical department of PR maintained eight (08) irregular private bank accounts with National Bank of Pakistan without the approval of Finance Division for disbursement of

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salaries to Child Welfare Association staff. At present, an amount of Rs 1.25 million was available in these eight (08) bank accounts in contravention of the rule ibid **(Annexure-10)**. The maintenance and operation of unauthorized bank accounts not only violate financial discipline but also raise concerns regarding transparency and accountability in handling public funds.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the CM&HO to provide record of irregularly maintained Private Bank accounts from concerned DMO within 15 days. Compliance of DAC directives was awaited.

Audit recommends that responsibility be fixed for unauthorized maintenance and non-disclosure of private bank accounts. Reconciliation of cash withdrawals with payment of salaries be made and provided to Audit for examination.

2.2.13 Doubtful sanction of medical bills – Rs 3.55 million

Para 1801 of general Code for Pakistan Railways states that every public officer should exercise the same vigilance in respect of public expenditure and public funds generally as a person of ordinary prudence would exercise in respect of the expenditure and the custody of his own money.

During audit, it was observed that thirteen (13) medical reimbursement claims were approved between 10.12.2018 and 19.01.2021 using doubtful sanctions supposedly issued by the General Manager /W&SI. The authenticity of these sanctions could not be verified, raising serious doubts about the legitimacy of the approvals. This resulted in suspicious re-imbursement of medical bills resulted in loss Rs 3.55 million **(Annexure-11)**. This indicated weak internal controls and non-compliance with the prescribed approval process.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the CM&HO that signatures of medical bills signing authority be got examined by concerned signing officer as well as from forensic lab for

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getting conclusive results in this regard within 15 days. Compliance of DAC directives was awaited.

Audit recommends that compliance of DAC directives be made expeditiously under intimation to Audit.

2.2.14 Loss due to unfavorable addition/alteration in agreement between PR & IIMCT – Rs 176.97 million

According to agreement signed between PR and IIMCT dated 17.08.1998 that the status and standard of Pakistan Railways Hospital Rawalpindi be improved to the level of an excellent Teaching Hospital and in the larger interest of Pakistan Railways and welfare of serving/retired employees along with dependents entirely at its own cost and expense.

During audit, it was observed that PR entered into an agreement with IIMCT on 17.08.1998. The agreement was revised twice on 10.06.2004 and 01.07.2019 respectively. Audit observed that some of the clauses of agreements were deleted, added and altered against the interest of Pakistan Railways and to provide undue favour to IIMCT i.e. increase in reimbursement cases, IIMCT built new structure for MBBS students etc. in violation of agreement. This resulted in an additional financial burden of Rs 176.97 million on Pakistan Railways and showed poor contract management and lack of due diligence in safeguarding public resources **(Annexure-12, 12A & 12B)**.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the CM&HO to make clause wise discussion with Audit and submit comprehensive reply to Audit within one week. Compliance of DAC directives was awaited.

Audit recommends that responsibility be fixed for unfavorable addition/deletion/alteration in agreement. Action be taken against those held responsible besides recovery of amount involved.

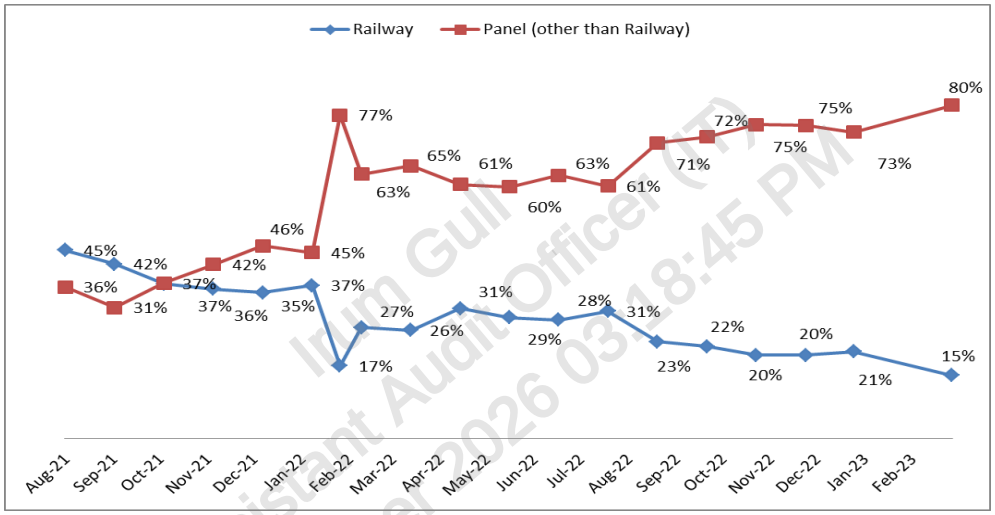
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2.2.15 Loss to Pakistan Railways due to main focus of IIMCT on private panel clients – Rs 52 million

According to Clause-5 of revised & re-revised agreement between IIMCT & PR dated 10.06.2004 and 01.07.2019 respectively, 50% of indoor beds will be reserved for railway employees, their families and dependents.

During audit, it was observed that above referred clause-5 of the agreement could not be implemented in true spirit as the main focus of IIMCT was towards private panel patients rather than railway patients. Audit reviewed last nineteen months' patient data and found that the bed reserve ratio for indoor patients of PR and private patients in August 2021 was 45% and 36% respectively.

Figure-13: PR & Panel patients (Aug-21 to Feb-23)



Source: Monthly patients record of IIMCT

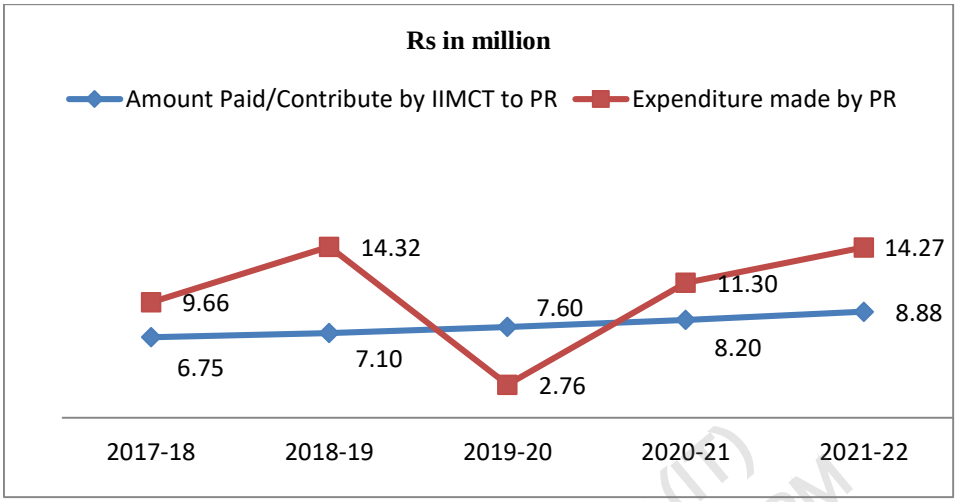
After August 2021, the trend was changed and bed reserve ratio of railway patients had reduced to 15% and private panel patient increased to 80% against the 50% bed reserve ratio for PR patients.

This caused an increase in reimbursement cases from Pakistan Railways revenue fund. Amount of re-imbursement increased from Rs 16.41 to Rs 23.15 million (41% increased) during last five years. Resultantly, PR paid Rs 52 million on account of re-imbursement whereas

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IIMCT paid Rs 38.53 million. The below graphical representation showed that in FY 2017-18, IIMCT incurred Rs 6.75 million and Pakistan Railways Rs 9.66 million on account of re-imbursement of medical bills which increased to Rs 8.88 million and Rs 14.27 million respectively in FY 2021-22.

Figure-14: Re-imbursement by IIMCT & PRH (Rawalpindi) FY 2017-18 to 2021-22



Source: Financial record of PR Hospital (Rawalpindi) & IIMCT

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the CM&HO that revised reply be furnished to Audit showing breakup of No. of employees engaged in last five years within 15 days. Compliance of DAC directives was awaited.

Audit recommends that railway patients should be treated as per agreement. Further, compliance of DAC directives be expedited.

2.2.16 Misrepresentation in IIMCT financial statements audited by EY Ford Rhodes Chartered Accountant – Rs 9.27 million

According to Clause-39 of revised & re-revised agreement between IIMCT & PR, audit of the hospital record (including accounts) shall be conducted in liaison with 2nd party. Furthermore, account reconciliation is the process of comparing general ledger accounts for the

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balance sheet with supporting documents like bank statements, sub-ledgers, and other underlying transaction details. If the ending balances do not match, accountants investigate the cause of the discrepancies and make adjusting entries required to resolve differences from errors or missing transactions.

During audit, while reviewing the audited accounts of IIMCT for FY 2019-20 & 2020-21, audit found the following discrepancies:

i. In audited accounts of FY 2019-20, note No. 36 disclosed that the expenditure incurred on medicines & medical equipment for PR General Hospital for facilitation of both PR & private patients was Rs 13.25 million. But, IIMCT claimed that an amount of Rs 16.46 million had been expensed on purchase of medicine only for PR. There was a difference Rs 3.20 million which was 24% higher than the actual amount reported in audited accounts by EY Ford Rhodes (Chartered Accountants).

ii. Note 36 of audited accounts of IIMCT showed that Rs 5.815 million were paid as building rent to Pakistan Railways. Whereas, rental income of Rs 5.81 million was not paid to PR.

iii. According to note 32.3, under the head restricted fund income[15], IIMCT showed an amount of Rs 0.22 million as income reserved for expenditures in both financial years which could not be utilized for PR patients.

iv. Similarly, illegal subletting was disclosed in note 32.2, as rental income of Rs 0.03 million.

The above state of affairs showed that the management of PR hospital did not reconcile the figures reported in IIMCT audited accounts with the figures reported to PR. This negligence of railway management resulted in un-reconciled amount of Rs 9.27 million**.**

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the CM&HO to resubmit the reply within one week after

[15] A restricted fund is used by a nonprofit entity to store funds that have a limited use

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reconciliation of the audit observations in coordination with FA&CAO/M&S. Compliance of DAC directives was awaited.

Audit recommends that reconciliation of each figure should be carried out with IIMCT. Moreover, position regarding building rent be explained to audit.

2.2.17 Irregular deduction of consultants/specialists shares from budget allocated for Pakistan Railways employees – Rs. 2.68 million

Clause-2 of agreement between PR and IIMCT states that 2nd party shall be responsible to provide specialized medical cover, free of cost to all serving/retired employees of Pakistan Railways and their families including outdoor consultation, laboratory test, and indoor treatment for Dialysis, Cancer therapy, Cardiac surgery, Neurosurgery, Orthopedic implants, CT scan and MRI.

During audit, it was observed that IIMCT added seven (07) new specialties to their existing system. These specialties became functional in August 2021. Audit noticed that IIMCT outsourced in house facility of lithotripsy to Mikas traders and Dialysis facility to Nexus Diagnostic center and remaining were being managed by IIMCT through engagement of private consultants/specialists in railway hospital. Audit further observed that IIMCT management was charging cost from railway patients against these specialties despite the fact that all specialties had been managed by IIMCT. The share of consultants/specialist had also been deducted from the budget allocated for the medical treatment of railway employees and their families. This resulted in irregular deduction of Rs 2.68 million on account of shares of consultants/specialists from budget allocated for the medical treatment of railway employees**.**

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC directed the CM&HO to visit IIMCT hospital facility on 05.01.2024 to ascertain and gather factual position and resubmit the reply of all paras related to IIMCT Rawalpindi within one week. Compliance of DAC directives was awaited.

Audit recommends that reasons be explained for outsourcing the in house facilities to private parties. Budget allocated for railway employees be managed according to the agreement.

2.3 Environment

Audit assessed the environmental management practices of the medical department of Pakistan Railways specifically focusing on food quality, sanitation, and kitchen management. The objective is to determine whether appropriate measures are in place to safeguard public health and the environment.

2.3.2 Provision of substandard and unhygienic food to railway patients in IIMCT

The Hospital Coordination Committee in its meeting held on 03.07.2021 decided that IIMCT will ensure the addition of mutton in daily food schedule for three days through revision of kitchen menu.

During audit, it was observed that food was not served to railway patients in accordance with the revised kitchen menu. As per approved kitchen menu, mutton was to be provided three times a week and milk on a daily basis. However, during the audit team's visits to various wards and interactions with patients, it was revealed that neither mutton nor milk had been provided to the patients as required. Additionally, food was transported in unhygienic pail and served without trays or trolleys, compromising both sanitation and patient dignity. Audit also observed poor cleanliness and sanitation in and around the kitchen area. These conditions indicated that the quality and delivery of food services were compromised and not in compliance with the agreed provisions.

The matter was taken up with the management in June 2023 and discussed in DAC meeting held on 28.12.2023 and 04.01.2024. DAC appreciated the efforts of audit team to identify the gaps in Health Care Services at IIMCT Hospital Rawalpindi and directed the CM&HO to share with the DAC a complete monthly monitoring mechanism/system. The DS and the MS of Rawalpindi Division are directed to comply with this monitoring system and at least once in a month a surprise inspection against the indicators highlighted in the monitoring system should be

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carried out and the report should be shared with the management of IIMCT and CEO/Sr.GM under intimation to the Ministry of Railways. CM&HO and GM/W&SI should also conduct surprise inspection on quarterly basis against the same monitoring mechanism and the report should be shared with the management of IIMCT and CEO/Sr.GM under intimation to the Ministry of Railways. Compliance of DAC directives was awaited.

Audit recommends that resolution of issues be ensured and compliance of DAC directives be furnished to Audit.

3 Audit follow-up

The report was discussed in DAC meetings held on 28.12.2023 and 04.01.2024. In most cases, DAC did not agree with the railway management's responses and directed the PO to submit revised and comprehensive replies addressing all aspect of audit observations. In respect of paras related to IIMCT, DAC directed the CM&HO to share a monthly monitoring system. The DS and MS of Rawalpindi Division were directed to implement this system and conduct at least one monthly surprise inspection, with reports shared with IIMCT management and CEO/Sr. GM, and copied to the Ministry of Railways. DAC allowed one week to two-month time period to railway management to act upon on all directions of DAC and do the needful. However, compliance of DAC directives was awaited.

4 Audit impact assessment

This impact assessment evaluates the implications of the audit findings on Pakistan Railways' Medical Services. The assessment is structured around four key dimensions: Economy, Efficiency, Effectiveness, and Environment.

1. Economy

Impact:

- Financial losses due to irregular procurement, mismanagement of contracts, and unjustified expenditures undermine fiscal discipline.
- Misallocation of funds to unapproved activities and private interests reduced resources available for essential medical services.

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- Failure to adhere to public procurement rules and recruitment procedures exposed the organization to legal and reputational risks.

Expected outcome:

Rectification and recovery of irregular expenses will improve budget utilization and strengthened procurement controls will prevent future losses.

2. Efficiency

Impact:

- Underutilized infrastructure and unspent budgets showed operational inefficiencies, resulting in wasted capacity and leaving potential beneficiaries underserved.
- Ineffective monitoring and unresolved repetitive issues hindered improvements in service delivery.
- Absence of agreements with external users e.g., provincial governments resulted in un-recouped costs and unrecognized use of PR resources.

Expected outcome:

- Better resource utilization and accountability will enhance service delivery.
- Establishing and implementing monitoring and feedback systems will increase responsiveness and operational performance.

3. Effectiveness

Impact:

- Failure to provide adequate health facilities had reduced access to healthcare services for employees and their dependents.
- Longstanding vacancies in critical positions and non-functional equipment directly affected the quality and availability of healthcare services.
- Poor record management and lack of compliance with service agreements had weakened trust in the healthcare system.

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Expected outcome:

- Timely filling of vacancies and repair of equipment will restore healthcare services.
- Ensuring agreed bed ratios and service standards will improve patient satisfaction and healthcare system.

4. Environment

Impact:

- Poor hygiene and substandard food service compromised patient safety and dignity.
- Unhygienic conditions within hospital premises contributed to secondary infections and increasing the burden on the healthcare system.

Expected outcome:

- Enforcing cleanliness standards and improving food quality will enhance patient satisfaction and health outcomes.

5 Conclusion

The performance audit of Health Facilities in Pakistan Railways highlights critical operational deficiencies that have adversely affected the delivery of healthcare services. Most of the departments of railway hospitals were non-functional due to non-availability of essential medical equipment and qualified specialists. The lack of capacity-building programs for doctors and paramedical staff has contributed to a persistent shortage of specialists and resignation of medical officers just after their joining. The medical department of Pakistan Railways failed to achieve its objectives due to several interlinked issues, including out of stock medicines, non-availability & non-functioning of medical equipment, inappropriate planning, shortage of staff and non-existence of health information system. Furthermore, a consistent decline in the procurement of medicines and medical machinery resulted in increased reimbursement of medical bill. There was need to adopt effective management strategies to improve patient flow, save time & resources and improve patient

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satisfaction. Additionally, socioeconomic and cultural factors that can affect demand for the healthcare services should be identified and managed appropriately.

6 Recommendations

Medical department of Pakistan Railways has an extensive purpose build infrastructure. This colossal infrastructure could be utilized if PR adopt Public Private Partnership (PPP) model over the system with the aim:

- To up-grade the hospitals with modern medical equipment and technology
- To hire medical professionals and provide regular development opportunities
- To ensure timely and quality treatment.
- To organize health awareness programs for railway employees and their families.
- The contract agreement with IIMCT may be revised, removing unfavorable clauses that are not in the interest of Pakistan Railways.
- IIMCT may prioritize treatment of railway patients to reduce the financial burden of reimbursement cases.
- Efforts may be made to operationalize inoperative wards by addressing shortages of doctors and staff, ensuring better use of existing infrastructure.
- Strenuous efforts may be made for optimal utilization of available machines and equipment to avoid waste of resources.
- Pakistan Railways may adopt effective management strategies to improve patient flow, save time, and utilize resources efficiently.
- Improve financial management practices to ensure allocated funds are fully and properly utilized.
- Develop appropriate service schemes with competitive compensation and career growth opportunities to enhance motivation and improve staff performance.

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- Foster a patient-centered and professional environment by continuously improving service delivery, patient satisfaction, and staff morale through better management and planning.

By adopting these measures, the health and well-being of employees, their families and the general public would be improved.

7 Acknowledgement

Audit acknowledged the support of the Chief Medical and Health Officer and his staff for their cooperation and assistance in providing the necessary information and record.

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Annexures

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Annexure-1

Statement showing the compliance related issues incorporated in Regularity Audit Report 2023-24

Sr. #	Audit Para #	Title of the Para
1	2.6.3	Loss due to unfavorable addition/alteration in agreement between PR & IIMCT – Rs 157.51 million

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(Annexure-2)

Summary of Patients Statistics in Divisions (2018-2021)

S.N.	Desired Information	Division	2017-18	2018-19	2019-20	2020-21	2021-22
1	Provision of curative health care services to patients	Sukkur	14,376	12,582	14,119	14,805	16,162
		Quetta	2,233	2,636	3,001	3,164	3,416
		Mughalpura	7,958	67,063	53,771	-	50,447
		Lahore	33,204	19,430	19,743	20,527	45,017
		Rawalpindi	17,005	15,558		15,285	18,234
		Karachi	38,436	39,523	33,942	24,591	23,913
		Peshawar	29,820	28,496	25,042	24,592	22,885
Total			**143,032**	**185,288**	**58,984**	**102,964**	**180,074**
2	Emergency Medical Treatment for Traveling Passengers	Sukkur	-	-	-	-	-
		Quetta	402	450	1,665	804	851
		Multan	-	-	-	-	-
		Lahore	-	-	-	-	-
		Rawalpindi	208	219	-	213	229
		Karachi	-	-	-	-	-
		Peshawar	-	-	-	-	-
Total			**610**	**669**	**1,665**	**1,017**	**1,080**
3	Pre-employment medical examination of candidates before joining service	Sukkur	81	17	957	35	53
		Quetta	24	112	24	30	17
		Multan	-		-	-	-
		Lahore	-	-	-	-	-
		Rawalpindi	358	68	-	51	47
		Karachi	-	-	-	-	-
		Peshawar	53	18	35	331	13
Total			**516**	**215**	**35**	**447**	**130**
4	Periodical medical examination of serving employees to continue their jobs related to train safety	Sukkur	990	885	856	815	708
		Quetta	259	199	249	226	219
		Multan	-	-	-	-	-
		Lahore	-	-	1,040	1,067	1,085

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S.N.	Desired Information	Division	2017-18	2018-19	2019-20	2020-21	2021-22
		Rawalpindi	791	639	-	700	608
		Karachi	-	-	-	-	-
		Peshawar	655	623	504	722	683
Total			**2,695**	**2,346**	**2,649**	**3,530**	**3,303**
5	Medical Board and certifications for employees	Sukkur	-	-	-	-	-
		Quetta	2	2	1	2	2
		Multan	-	-	-	-	-
		Lahore	103	138	69	225	86
		Rawalpindi	146	124	-	107	104
		Karachi	-	-	-	-	-
		Peshawar	4	5	4	8	16
Total			**255**	**269**	**74**	**342**	**208**

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(Annexure-3)

Summary of Accidents in Divisions (2018-2021)

YEAR	LHR	MUL	SUK	PSC	RWP	QTA	KYC	TOTAL
2017-18	38	26	32	4	5	2	13	120
2018-19	35	21	41	4	15	4	20	140
2019-20	44	32	25	5	16	2	40	164
2020-21	28	25	22	2	7	10	25	119
TOTAL	**145**	**104**	**120**	**15**	**43**	**18**	**98**	**543**

Source: Special study Report on Train Safety and Accidental Losses in Pakistan Railways Audit year 2021-22

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(Annexure-4)

Division Wise work Load per Year (2021-22)

Description	LHR	MGPR	MUL	KYC	SUK	QTA	PSC
OPD	140560	51841	53775	169196	19634	26060	20657
IPD	2743	420	3510	9615	1180	272	620
Basic Lab Investigations	374088	7732	9000	97960	8050	3085	9252
ECG	4152	975	1150	6250	150	130	150
Ultrasound	4044	490	220	960	75	63	75
X-Ray	10493	830	1840	1456	1350	145	345
Eye Operation	152	-	-	150	-	-	-
Eye Care	-	-	-	74	-	-	-
Gynecology	200	-	-	-	-	-	-
Psychology	800	-	-	-	-	-	-
Surgery	600	-	-	-	-	-	-
Dental	9650	1010	4815	-	-	-	-
Dependent Population (Total 495466)	98744	40475	89621	127134	74524	29484	35484
Doctors	12	6	5	6	4	1	1
Nurses	22	3	3	10	3	1	1
Para Medical Staff	29	6	15	42	12	14	14
Average bed occupancy per day	50	5	15	30	15	5	3

Division Wise work Load per Year (in %age w.r.t. Population)

OPD	142%	128%	60%	133%	26%	88%	58%
IPD	3%	1%	4%	8%	2%	1%	2%
Basic Lab Investigations	379%	19%	10%	77%	11%	10%	26%
ECG	4%	2%	1%	5%	0%	0%	0%
Ultrasound	4%	1%	0%	1%	0%	0%	0%
X-Ray	11%	2%	2%	1%	2%	0%	1%
Eye Operation	0%	0%	0%	0%	0%	0%	0%
Eye Care	0%	0%	0%	0%	0%	0%	0%
Gynecology	0%	0%	0%	0%	0%	0%	0%
Psychology	1%	0%	0%	0%	0%	0%	0%
Surgery	1%	0%	0%	0%	0%	0%	0%
Dental	10%	2%	5%	0%	0%	0%	0%

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Annexure-5
(Para 2.1.1)

Statement of Functional & Non-Functional Bed Capacity

Sr. No.	Hospital in Division	Area (Sq Feet)	Number of Beds	Functional	Non-Functional	Functional (%)	Non-Functional (%)
1	Lahore		210	161	49	77%	23%
2	Workshop	75760	55	12	43	22%	78%
3	Karachi	133200	120	51	69	43%	58%
4	Multan	132775	83	20	63	24%	76%
5	Sukkur	73080	62	24	38	39%	61%
6	Quetta	76218	63	22	41	35%	65%
7	Peshawar		30	0	30	0%	100%
Total			**623**	**290**	**333**	**34%**	**66%**

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Annexure-6
(Para 2.1.3)

Poor asset management resulting into provision of substandard health facilities

Sr. No.	Department	Hospital in Division	Name of Machine/Equipment	Out of Order since	In working but not used since
1	Gynae	Karachi	Incubator	15 years	
			Centrifuge	15 Years	
			Spectronic	20 Years	
			Diathermy	16 Years	
			CTG	2 Years	
		Sukkur	Ultrasound Machine		7 Years
		Quetta	Ultrasound Machine		4 years
		Multan	Ultrasound Machine		4 years
			Anesthesia		3 Years
2	Eye	Karachi	Slit Lamp Examination	5 Years	
			Ophthalmoscope	3 Years	
			Retinoscope	3 Years	
			Phaco	6 Years	
			Lencometer	15 Years	
		Lahore	**29 types of Machine**		4 Years
3	Dental	Karachi	Dental Unit		7 Years
			Dental Unit	20 Years	
		Peshawar	Dental Unit		10 Years
		Quetta	Dental Unit		5 Years
4	Radiology	Karachi	X-Ray Machine portable		7 Years
		Sukkur	X-Ray Machine		5 Years
			ECG	15 Years	
		Quetta	X-Ray Machine		5 Years
			ECG		5 Years
		Multan	X-Ray Plant		5 Years
5	Pathology	Sukkur	Electrolyte Analyzer		7 Years
			Chemistry Analyzer	4 Years	

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(Annexure-7
(Para 2.2.2)

Statement showing unauthorized occupation of Bungalow Number 05

(Amount in Rupees)

Description		**Formula**	**Rent for the year 2019**
Cost of land 28033@2000		A	56,066,000
Cost of building 2445sft @ Rs 250 sft		B	561,250
Store Charges 1/8 of item No. 02		C=1/8 B	70,156
Freight Charges 8 % of item No.03		D= 8% C	5,613
Total		E=C+D	**75,769**
Supervision charges 12.5 %		F= 12.5% E	9,471
Total of item 1+2+4+5		G=A+B+D+F	56,642,334
M &D charges 8 % of item No. 02		H=8% B	44,900
Total capital Cost (6+7)		I=G+H	**56,687,234**
Rent per Annum 7.5 % of item No. o8		J=7.5% I	**4,251,543**
Rent per Month		-	354295.21
2019	4,251,542	2007	1,200,761
2018	3,826,388	2006	1,080,685
Per Annum 10% Decrease		2005	972,616
2017	3,443,749	2004	875,355
2016	3,099,374	2003	787,819
2015	2,789,437	2002	709,037
2014	2,510,493	2001	638,134
2013	2,259,444	2000	574,320
2012	2,033,499	1999	516,888
2011	1,830,149	1998	465,199
2010	1,647,134	1997	418,679
2009	1,482,421	1996	376,812
2008	1,334,179	1995	339,130
			31,385,317
Payment made @ 500 P.M from 1995 to 2019 (500*12*25)			**150,000**
Loss to PR due to unauthorized occupation of bungalow No. 05			**31,235,317**

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Internal Audit
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Annexure-8
(Para 2.2.3)

Statement showing detail of tests referred out to MED ASK

Sr.No	Name of Test	Rate of Med Ask	Rate of DHQ	No. of test conducted	Difference of Rate	Differential Amount 5=4*3	Total Amount Rs
		1	2	3	4=1-2		
1	HCV PCR quantitative	5600	2000	54	3600	194,400	302,400
2	Protein C & S	6160	4400	3	1760	5,280	18,480
3	Serum Ferritin	1536	400	143	1136	162,448	219,648
4	Anit CCP	2640	1500	34	1140	38,760	89,760
5	Anti HAV IgG	1840	500	1	1340	1,340	1,840
6	serum Alpha fetoprotein	2056	1350	16	706	11,296	32,896
7	Serum CA 125	2976	600	31	2376	73,656	92,256
8	CRP	2000	1000	1	1000	1,000	2,000
9	Beta HCG	1350	400	35	950	33,250	47,250
10	HBA 1C	750	600	107	150	16,050	80,250
11	LH	700	400	12	300	3,600	8,400
12	FSH	750	400	19	350	6,650	14,250
13	PSA	800	400	14	400	5,600	11,200
14	Barium Sallow meal	5000	1800	5	3200	16,000	25,000
15	D Dimmer	1530	300	8	1230	9,840	12,240
16	Prolactin level	6300	400	19	5900	112,100	119,700
17	Serum ACTH	2250	1600	1	650	650	2,250
18	Vitamin B12	780	600	28	180	5,040	21,840
19	TTG	1850	1200	49	650	31,850	90,650
20	T3	4050	450	9	3600	32,400	36,450
21	T4	4050	450	10	3600	36,000	40,500
22	Anti HBs	3240	500	3	2740	8,220	9,720
23	HB electrophoresis	1750	1000	48	750	36,000	84,000
Total						**841,430**	**1,362,980**

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Annexure-9
(Para 2.2.5)

Statement of procurement of imported medical machineries

Rs in million

Sr. No.	Purchase Order	Date	Description	Name of Contractor	Amount
1	Med/T&P/05/Pt.I/2017	06.10.17	Laparoscope, Karl Storz operating Laparoscope Adult	Allmed Solution	9.011
2	Med/T&P/03-D/2016	09.06.17	Dental Unit (complete)	Zodiac International	2.752
Total					**11.763**

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Annexure-10
Para 2.2.11

Statement of irregular maintenance of private bank accounts

Sr. No.	Division	Account Title	Account Type	Account Number	Balance Rs	Last Transaction Date
1	HQ, Lahore	Child Welfare Association	Current	4036348100	708,570	22.02.2022
2	Sukkur	Honorary Secretary & Treasurer /DMO	Current	453841517	228,867	16.04.2022
3	Multan	Child Welfare Society	Current	4011125218	182,170	16.02.2022
4	Quetta	Pakistan Railway Child Welfare	Current	4026587755	19,406	18.02.2022
5	Karachi	CWC Child Welfare Pakistan Railways	Current	4100355760	6,879	27.12.2022
6	Lahore	Atlas Khan, Secretary Child Welfare Society	PLS Saving	3039919711	676	08.02.2022
7	Rawalpindi	Child Welfare Society	Current	4039159550	59,336	18.02.2022
8	Peshawar	Child Society	Current	4086484468	47,957	21.02.2022
Total					**1,253,861**	**-**

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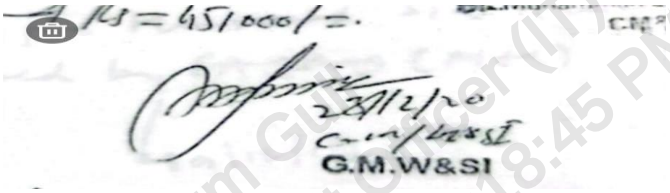
Annexure-11
(Para 2.2.12)

Statement of suspicious sanctioned of medical bills

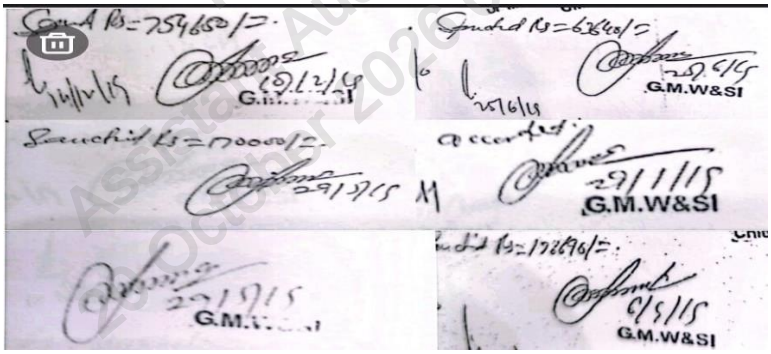
(Rs in million)

Bill No.	Date	Amount
1	23.02.2020	0.45
2	08.01.2019	0.15
3	09.12.2019	0.46
4	28.05.2019	0.17
5	18.02.2019	0.75
6	22.04.2019	0.21
7	29.05.2019	0.24
8	25.06.2019	0.24
9	20.04.2019	0.06
10	06.09.2019	0.18
11	19.11.2020	0.20
12	25.06.2019	0.06
13	07.02.2020	0.39
Total		**3.55**

ORIGINAL



DOUBTFUL (Samples)



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Annexure-12
(Para 2.2.13)

Summary of financial impact due to unfavorable addition/alteration in agreement signed between PR & IIMCT

(Rs in million)

Sr. No.	Clause	Action	Impact		Period	Pointed out by Audit (Rs)
			Non-Financial	Financial		
1	2	Addition	-	Increase in Reimbursement cases	2017-18 to 2021-22	90.470
2	34 & 35	Addition	IIMCT built new structure for MBBS Students of 3rd Year, 4th Year & 5th Year	Approximately collection by IIMCT = Rs 600 million.PR management could get the revenue share of minimum 1%	2017-18 to 2021-22	30.000
3	31	Altered	Pharmacy=1, Cafeteria=2, Parking Stand=1 & Canteen=1	PR handed over these facilities to IIMCT after expiry of contract agreements	2017-18 to 2021-22	20.860
4	29	Altered		Monthly Honorarium Rs 12.99 million & share of Rs 6.47 million to DS Office	2017-18 to 2021-22	19.465
5	16	Addition			2017-18 to 2021-22	9.000
6	38	Addition			2014-15 to 2018-19	7.179
Total						**176.974**

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Sr. No.	Reference Clause	Key Points			
		Original (1998)	**Old Reference Clause**	**Revised (2004)**	**Re-Revised (2019)**
1	2	Free of Cost specialized Medical coverage i..e CT Scan, MRI, MPI Scan etc			Medicine & Consumable = Rs 14.5 million Per annum & Reimbursement =6.7 million per annum
2	34 & 35			Structural addition /improvements would be prior approved from PR	
3	31	Land & building of hospital shall remain the exclusive property of PR	20	However IIMCT can allow utilization of land & building or any part of the said premises for creation of medical ancillary services for the hospital with express approval of DS	
4	29	to provide teaching /demonstration allowance by the IIMCT to the existing hospital staff	22	to provide reasonable compensation/incentive in the shape of monthly honorarium/teaching allowance by the IIMCT to the existing hospital staff (Doctors/ Paramedical)	
5	16	IIMCT required to pay 0.6 million to PR on account of Income accrued from private patients		PR had obligatory payment of electricity bill upto 8000 units and IIMCT would make payment over & above	Share of income from private patients would be adjusted against Sui Gas
6	38			Cost of Utilities including electricity and sui gas bill shall be responsibility of IIMCT	

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Sr. No.	Reference Clause	Key Points			
		Original (1998)	Old Reference Clause	Revised (2004)	Re-Revised (2019)
7	3	Financial limit of Rs 1 million for special procedure			Special Procedure limit increased to 18 million from 4.5 million
8	7				Mobile primary Health care unit

Detail of Amended Clauses with Impact

Sr. No.	Description
1	**Clause-2:** IIMCT was bound to provide free of cost specialized medical coverage to the serving/retired employees of the Pakistan Railways and their dependents. But in re-revised agreement, it was added that IIMCT would provide medicines and consumable to the extent of Rs 14.5 million and re-imbursement up to Rs 6.7 million. **Impact:** During performance audit of health facilities in Pakistan Railways medical facilities in May 2023, it was observed that PR patients were being referred to other hospitals (private & government) for Cancer treatment, CT scan, MRI, MPI scan, Dexa scan, Heart surgery, dialysis and orthopedic implants by the management of IIMCT. For re-imbursement of medical bills, two different modes had been adopted; one was from budget allocated by IIMCT for re-imbursement of medical bills and second from the budget allocation of Pakistan Railways. Collectively, both IIMCT and PR had incurred Rs.90.852 (38.53 & 52.32) million on account of re-imbursement of medical bills since last five years due to non- availability of above mentioned specialties at IIMCT railway hospital, Rawalpindi. This showed that PR had been sharing financial burden of IIMCT. As per agreement, it was sole responsibility of IIMCT to arrange in house specialties for medical treatment of railway patients and their dependents but it could not be happened despite lapse of a period of 25 years. This resulted into incurrence of irregular expenditure of Rs.90.47 million on account of re-imbursement of medical bills in violation of above said clause of agreement.

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Sr. No.	Description
2	**Clause-3:** This provision was added in revised agreement with financial limit of Rs 1.0 million for special procedures & in re-revised agreement Rs 4.5 million to Rs 18 million. **Impact:** Audit observed that re-imbursement on account of special procedure by IIMCT had never been provided up to this limit.
3	**Clause-7:** Added in revised & re-revised agreement that Mobile Primary Health Care Unit may be provided at various railway facilities within Rawalpindi**.** **Impact:** during audit no mobile primary health care unit was found in entire Rawalpindi division
4	**Clause-8:** Added in revised & re-revised agreement that Community Health Units may be established in various railway colonies within Rawalpindi/Islamabad by utilizing the existing Pakistan Railways Child Welfare Centers. **Impact:** Audit noticed that no community health unit was established to utilize child welfare centers. Most of them had been closed. Now, functions of CWC were being performed by respective provincial government at different PR hospitals
5	**Clause-16:** Added in revised agreement dated 10.06.2004 wherein the IIMCT was required to pay Rs 0.6 million to Pakistan Railways on account of income accrued from private patients. Later on, in re-revised agreement, it was mentioned that according to 7th Management Committee Meeting dated 09.06.2008, the share of income from private patients would be adjusted against the payment of Sui gas charges. **Impact:** Audit noticed that payment of all utility charges was the sole responsibility of IIMCT as per agreement dated 17.08.1998 but due to unjustified amendment in the agreement Pakistan Railways was deprived from income share of Rs 9 million (15 year @ Rs 0.6 million) and resulted into recoverable loss.
6	**Clause-18:** Added in revised & re-revised agreement that IIMCT with the approval of railway authorities, may, as its own expenses, provide additional facilities and sophisticated equipment in the hospital but no compensation whatsoever will be claimed. **Impact:** Audit observed that management of IIMCT could not provide additional facilities and sophisticated equipment which resulted into outsourcing of Lab test to MEDASK at higher rates as compared to DHQ. Besides this, special medical

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Sr. No.	Description
	treatment like chemotherapy, CT scan, MRI, Angiography, Echo etc. had also been referred to Private Hospitals.
7	**Clause-22:** Added in revised & re-revised agreement that administrative control of the hospital will be with the IIMCT, however, senior most doctor of PR (General Cadre) shall act as coordinator in order to work as a cohesive team for the smooth functioning of the hospital. **Impact:** Audit observed that medical department of PR had been facing an acute shortage of Doctors and Paramedical Staff. Whereas railway hospital, Rawalpindi had four Doctors, five Dispenser, seven dressers and eight male/ female ward servant in contradiction to this clause. As per agreement only one senior most doctor was required to work as a coordinator to ensure smooth functioning of the hospital. In addition to this, one media maker, one X-ray technician, two ambulance drivers, one nursing orderly, own mali, one cook, one bearer, one chowkidar and two muawan were also working there. Audit also noted that there was no ambulance of PR and two drivers were working there and drawing salaries without any work & justification. It is worth mentioning that it was the responsibility of IIMCT management to provide sufficient human resources but it could not be happened. Audit was of the view that PR management should allocate its own doctors and staff to other hospital facing acute shortage
8	**Clause-29:** This alteration was made in revised & re-revised agreement to provide reasonable compensation/incentive in the shape of monthly honorarium/teaching allowance by the IIMCT to the existing hospital staff (Doctors/Paramedical) possessing suitable qualification and experience equivalent to various posts of teaching institutions and selected by IIMCT to perform duties pertaining to teaching purposes. One third of such honorarium as teaching allowance paid to the railway staff will be deposited in Railway Treasury. **Impact:** Audit noticed that undue favor demanded by PR Hospital management in form of monthly incentive from IIMCT. As per clause-29 monthly honorarium/teaching allowance was only admissible to PR Staff who possessed relevant education for teaching purpose and duly selected by IIMCT. No fix parameter was decided for granting of honorarium at the time of execution of this agreement. Later on, PR staff started to get monthly teaching allowance @ 22% of running basic salary for BPS 17 & above officers and @ 28% to remaining staff without performing any teaching related activities. Audit also noticed that MS PR Hospital, Rawalpindi forwarded her request vide letter No. 17-Med/E/IIMCT/RWP dated 06.12.21 for increment of 10% in existing rate of

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Sr. No.	Description
	teaching allowance with justification of inflationary trend in country. The position explained above indicated that PR Hospital staff had drawn teaching allowance irregularly from IIMCT amounting Rs 19.465 million (**Annexure-12 A)** This amount must be recovered and deposited to Railway Treasury.
9	**Clause-31:** Altered the original clause-20 in revised & re-revised agreement that land and building of the said hospital are and shall remain the exclusive property of PR. IIMCT and PR shall not further assign or sublet the said premises/land of said hospital or any part thereof to any third party. **Impact:** Audit observed that there was one Pharmacy, two cafeterias, a parking stand and one Canteen in the premises of Pakistan Railways Hospital, Rawalpindi. These facilities were outsourced through auction by Divisional Superintendent, Rawalpindi with annual rental income of Rs 4.58 million. Later on, in revised and re-revised agreement, this clause was altered to grant undue favor to IIMCT. Consequently, these facilities were handed over to IIMCT after expiry of these agreements during the period 2017-2019. This decision deprived PR from potential earning of Rs 20.86 million **(Annexure-12 B)**
10	**Clause-34 & 35:** Added in revised & re-revised agreement that any structural additions/improvements on the existing vacant land within the hospital premises or alterations to the existing structure, equipment and utilities of the hospital, whatsoever, in the existing structure of the hospital without express approval of the PR. **Impact:** Audit noticed that management of IIMCT had changed the existing structure of hospital into lecture room for MBBS (3rd year, 4th year, and final year) students and post graduate trainees. In addition to this, IIMCT had constructed two fully equipped lecture halls with capacity of 150 seats each at hospital lawn without getting approval from competent authority and without deciding about fix share of revenue from college income (tuition fee). Audit also noticed that IIMCT had been earning Rs 600 (300 *Rs 2000000) million per annum. Audit is of the view that if PR management had a minimum revenue shares of 1% only, then revenue of Rs.30 million could have been earned during last five years.

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Sr. No.	Description
11	**Clause-38:** Added in revised & re-revised agreement that the cost of utilities including electricity[16] and SUI gas bills shall be the responsibility of IIMCT. **Impact:** Audit noticed that the above clause was replaced with clause-16 in the revised agreement in 2004. Wherein, it was stated Pakistan Railways had obligatory payment of electricity bill up to 8000 units and IIMCT would make payment of units consumed in excess of 8000. Audit was of the view that why was unrealistic fixation of electricity units made? This generated an extra financial burden on PR for the period from 2014-15 to 2018-19 and PR had to make payment due to this faulty clause. This scenario indicated that inclusion of defective clauses in agreement caused a loss of Rs 7.179 million to Pakistan Railways.

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[16] Observation was taken in Special Audit of Medical Facility 2016-17 vide para 4.3.1

Annexure-12 A
(Para 2.2.13)

Summary of IIMCT & PR Expenditure FY 2017-18 to 2021-22

(Rs in million)

Description	Amount Paid/Contribute by IIMCT to PR Rs	Expenditure made by PR Rs
Salaries paid to PRH Employees	-	152.80
Reimbursement	38.53	52.32
Medicine	83.48	4.80
Honorarium	12.99	-
Share	6.47	-
Utilities	-	2.84
Total	**141.48**	**212.77**

Reimbursement = Rs 90.852 million (Both IIMCT & PR)

Honorarium & Share = Rs 19.464 million (By IIMCT)

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Annexure-12 B
(Para 2.2.13)

Statement of loss of potential earning due to handed over sub-letting facility to IIMCT

Sr. No.	Railway Assets	Last Agreement Expired on	Agreement Amount Rs	Annual Increase	Potential Earning (Rs)					
					2017-18	2018-19	2019-20	2020-21	2021-22	Total
1	Pharmacy	30.06.2019	1,854,000	20%			2,224,800	2,669,760	3,203,712	8,098,272
2	Car Parking	03.05.2017	517,000	10%	568,700	625,570	688,127	756,940	832,634	3,471,970
3	Ladies Cafeteria	22.08.2018	490,000	10%		539,000	592,900	652,190	717,409	2,501,499
4	Gents Cafeteria	28.05.2018	507,000	20%		608,400	730,080	876,096	1,051,315	3,265,891
5	Railway Hospital Canteen	28.06.2018	690,000	10%		759,000	834,900	918,390	1,010,229	3,522,519
Total			**4,058,000**		**568,700**	**2,531,970**	**5,070,807**	**5,873,376**	**6,815,299**	**20,860,152**

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