THEMATIC AUDIT REPORT
ON
EFFECTIVENESS OF TERTIARY HOSPITALS AND THEIR ROLE IN IMPROVING THE HEALTHCARE SYSTEM IN BALOCHISTAN
GOVERNMENT OF BALOCHISTAN
AUDIT YEAR 2025-26

AUDITOR-GENERAL OF PAKISTAN

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

FOR THE CITIZENS OF PAKISTAN

PREFACE

The Auditor-General of Pakistan conducts audits in accordance with Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with Sections 10 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001. The Thematic Audit on "Effectiveness of Tertiary Hospitals and their Role in Improving the Healthcare System in Balochistan" was carried out accordingly.

The Directorate General of Audit, Balochistan conducted Thematic Audit with a view to offering an objective analysis and reporting significant findings to the stakeholders. The theme is linked to SDG 3 (Good health and wellbeing) of the Sustainable Development Goals. The Audit Report indicates specific actions that, if taken, will help the management realize the objectives set for tertiary healthcare.

Audit findings indicate the need for adherence to the regularity framework besides instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities.

The Audit Report has been finalized in the light of applicable rules and regulations; no DAC meeting was convened by the department despite repeated requests.

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

Islamabad **(Maqbool Ahmad Gondal)**
Dated: 2026 **Auditor-General of Pakistan**
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ABBREVIATIONS AND ACRONYMS

AMO	Authorized Medical Officer
BHCP	Balochistan Health Card Program
BHICP	Balochistan Human Capital Investment Project
BHU	Basic Health Unit
BMCH	Bolan Medical Complex Hospital
CBC	Complete Blood Count
COSO	Committee of Sponsoring Organization of the Treadway Commission
DGHS	Director General Health Services
DHIS	District Health Information System
DRAP	Drug Regulatory Authority of Pakistan
DTL	Drug Testing Laboratory
FJICD	Fatima Jinnah Institute of Chest Diseases
FY	Financial Year
GDA	Gwadar Development Authority
GoB	Government of Balochistan
HeRAMS	Health Resources and Services Availability Monitoring System
HMIS	Health Management Information System
ICU	Intensive Care Unit
INTOSAI	International Organization of Supreme Audit Institutions
NCDs	Non-communicable Diseases
NHV	National Health Vision
PHIMC	Punjab Health Initiative Management Company
PPP	Public Private Partnership
PSDP	Public Sector Development Program
SDG	Sustainable Development Goals
SKBZ	Sheikh Khalifa Bin Zayyed Hospital
SMBBH	Shaheed Mohtarma Benazir Bhutto Hospital
SPH	Sandeman Provincial Hospital
UNICEF	United Nations Children's Fund
WHO	World Health Organization

EXECUTIVE SUMMARY

The Director General Audit Balochistan, Quetta conducted Thematic Audit on "Effectiveness of Tertiary Hospitals and their Role in Improving the Healthcare System in Balochistan", which was incorporated into the Audit Plan for the Audit Year 2025-26 with the approval of the Auditor-General of Pakistan.

The primary objective of the audit was to evaluate the efficiency and effectiveness of tertiary hospitals in Balochistan and resource utilization in line with national commitments to achieve global targets under SDG-03. The Audit was conducted in accordance with INTOSAI Auditing Standards.

Key Audit Findings:

Key audit findings are as follows:

i. Non-Achievement of Health Policy and SDG 3 Targets
ii. Imbalances in human resource management undermining delivery of tertiary healthcare services
iii. Under-utilization of medical equipment due to unavailability of specialized human resource
iv. Increased cost of referrals to private and out-of-province facilities
v. Non-functional health management information system
vi. Weak financial governance in spending and monitoring of grant
vii. Weak Inventory Management and non-enforcement of Quality Control mechanisms

Recommendations

Audit recommends:

1) Assurance of alignment of health sector allocations and resource utilization in line with Balochistan Health Policy 2018-2030 to achieve global commitments prescribed in the SDGs.
2) Recruitment against the 700 vacant critical posts and implementation of effective human resource planning to ensure uninterrupted specialized services and compliance with SDG Target 3.8 on Universal Health

Coverage.

3) Making the procured medical equipment operational at the earliest by ensuring installation, functionality testing, and maintenance arrangements, alongside immediate recruitment against technical posts to enable effective utilization of resources.
4) Enhancing capacity of the provincial tertiary health care system to enable it to treat all the patients within the system by gradually reducing dependence on private hospitals and out of province facilities.
5) Province-wide rollout of an integrated HMIS across all tertiary hospitals, revival and completion of the stalled project be initiated and full integration of DHIS2 with referral, inventory, and financial modules be ensured for real-time patient tracking, efficient resource allocation, and transparent financial management.
6) Carrying out quarterly expenditure planning to prevent disproportionate year-end spending, and devising a robust grant monitoring mechanism to ensure transparent and effective utilization of public funds.
7) Establishment of functional system-based inventory management and enforcement of regulatory actions to safeguard patients' safety.

1.1 INTRODUCTION

Tertiary hospitals play a central role in the healthcare system of Balochistan by providing specialized diagnostic, curative, and referral services for complex medical conditions. These hospitals incur a significant share of public health expenditure and are expected to reduce reliance on private and out-of-province healthcare facilities. Despite sustained public investment in infrastructure, equipment, and human resources, persistent service delivery gaps continue to be reported in audit and administrative reviews.

Over recent years, the Health Department has expanded hospital facilities, procured high- value medical equipment, and increased staffing levels in major tertiary hospitals. However, these inputs have not consistently translated into functional services, improved patient outcomes, or effective referral systems. The continued spill-over of patients to private hospitals, underutilization of equipment, shortages of specialists, and weak monitoring arrangements indicate systemic weaknesses.

In this context, a thematic audit was conducted to assess whether tertiary hospitals in Balochistan are functioning in accordance with policy objectives and whether governance, resource utilization, and service delivery mechanisms are aligned to support effective tertiary-level care.

1.1.1 Background

Healthcare delivery in Balochistan is shaped by structural, demographic, and geographic factors that distinguish it from other provinces. Balochistan constitutes approximately 44% of Pakistan's total landmass, while accounting for around 6% of the national population[1], resulting in huge inverse population

[1] Pakistan Bureau of Statistics, Population and Area Statistics of Pakistan (https://www.pbs.gov.pk/census)

density. A large proportion of the population resides in remote and underserved districts where secondary healthcare capacity remains constrained, thereby increasing reliance on tertiary hospitals for advanced medical treatment.[2]

Provincial health infrastructure for specialized care is predominantly concentrated in Quetta, where most public sector tertiary hospitals are located[3]. These hospitals are intended to function as provincial referral hubs, providing advanced diagnostic, surgical, and critical care services, as well as supporting secondary and peripheral facilities through referral management. This role is explicitly recognized in national and provincial policy instruments, including the National Health Vision 2016–25[4] and the Balochistan Health Policy 2018–30[5], which emphasize strengthening tertiary care as a cornerstone for improving health outcomes and progress toward Sustainable Development Goal-3 (Good Health and Well- Being[6]).

Health outcome indicators further highlight the importance of effective tertiary healthcare. National surveys such as the Pakistan Demographic and

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[2] Planning & Development Department, Government of Balochistan, Balochistan Development Statistics. https://cdn.bospnd.balochistan.gov.pk/resources/ publications /2024/development-statistics-of-balochistan-2024- 1761160912709.pdf

[3] Planning & Development Department, Government of Balochistan, Balochistan Development Statistics. (https://cdn.bospnd.balochistan.gov.pk/resources/publications/2024/development-statistics-of-balochistan-2024- 1761160912709.pdf)

[4] Ministry of National Health Services, Regulations & Coordination, National Health Vision 2016–2025 (https://phkh.nhsrc.pk/sites/default/files/2020-12/National%20Health%20Vision%20Pakistan%202016-2025.pdf)

[5] Ministry of National Health Services, Regulations & Coordination Well and Healthy Balochistan Health Policy 2018-30 (https://phkh.nhsrc.pk/sites/default/files/2021-05/Health%20Policy%20Balochistan%20WHO%202018- 30.pdf)

[6] United Nations, Sustainable Development Goals – Goal 3 (https://www.un.org/sustainabledevelopment/health)

Health Survey[7] (PDHS) and the Pakistan Social and Living Standards Measurement (PSLM)[8] surveys consistently indicate that Balochistan lags behind national averages in key health indicators, including maternal health outcomes, disease burden, and access to specialized treatment. These conditions underscore the need for functional tertiary hospitals capable of managing complex cases and reducing avoidable referrals to private facilities.

Moreover, policy-envisaged monitoring and evaluation mechanisms, including integrated health information systems and performance dashboards, have not matured as intended. In the absence of reliable performance data, the effectiveness of tertiary hospitals as referral institutions and their contribution to provincial health outcomes cannot be consistently demonstrated. In this context, the thematic audit was undertaken to assess whether tertiary hospitals in Balochistan are effectively fulfilling their intended role and whether public resources allocated to tertiary care are translating into improved service readiness and health outcomes.

2.1 ESTABLISHING THE AUDIT THEME

2.1.2 Reasons for Selection of the Theme

The main reasons for selecting tertiary healthcare for the thematic audit included its direct link to SDG-3, high budgetary allocations, high inverse population density of Balochistan and prevalent inefficiencies in resource utilization.

Tertiary healthcare facilities are directly linked to SDG-3 as referral institutions which calls for interventions such as reducing mortality from non-

[7] National Institute of Population Studies, Pakistan Demographic and Health Survey https://nips.org.pk/publication/pakistan-demographic-health-survey-pdhs-2017-18-main-report

[8] Pakistan Bureau of Statistics, Pakistan Social and Living Standards Measurement Survey (PSLM) (http://nhsrc.pk/dashboards/indicatorselect.php?target=pdhs&years=2024-18)

communicable diseases, and ensuring access to quality essential health services. Besides, these hospitals incur a large share of public expenditure and during the FY 2024-25 Rs. 16,067.16 million was allocated to six tertiary care hospitals and two administrative offices out of total budget of Rs. 60,628.502 million. With substantial budgetary allocations devoted to specialized equipment, human resources, medicines, and infrastructure, it becomes imperative to examine whether these funds translate into measurable health outcomes or remain locked in administrative inefficiencies. Further, the issue of high inverse population density means that a limited number of tertiary facilities concentrated in Quetta must serve patients traveling long distances from remote districts. This not only strains existing infrastructure but also hinders equitable distribution of healthcare facilities. Finally, persistent inefficiencies in resource utilization including underused equipment and shortage of human resource raise concerns about value for money and service delivery.

Public interest considerations and significant Medical Reimbursement expenditure amounting to Rs. 3,310 million and procurements under PSPD amounting to Rs. 3,250.467 million also led to the selection of this theme[9]. The strategic role assigned to tertiary healthcare under the Balochistan Health Policy 2018-30 and the National Health Vision 2016–25 further justified selection of this theme.

2.2.2 Government's objectives specific to the Theme and Audit Objectives

Government Policy and Strategic Objectives Relevant to the Theme

Under the National Health Vision 2016–25 and the Balochistan Health Policy 2018–30 in line with Sustainable Development Goal-3 (Good Health and Well-Being), the Government of Balochistan has articulated the following objectives relevant to tertiary healthcare:

[9] Medical Reimbursement Expenditure for the financial year 2024-25 obtained from SAP Database

- Strengthen tertiary hospitals as effective referral institutions capable of delivering specialized and advanced healthcare services.[10]
- Improve the availability, functionality, and utilization of diagnostic and treatment facilities at tertiary hospitals.
- Ensure optimal deployment and capacity development of specialists, doctors, paramedics, and supporting staff.
- Strengthen procurement, supply chain, and inventory management systems for medicines, equipment, and consumables.
- Establish monitoring, evaluation, and health information systems to track hospital performance and service outcomes.
- Reduce avoidable referrals to private healthcare facilities and improve access to quality public sector healthcare.
- Contribute to improved health outcomes and progress toward Sustainable Development Goal-3 (Good Health and Well-Being).

3.1 AUDIT OBJECTIVES

The objectives of the thematic audit were to:

- Evaluate the efficiency and effectiveness of tertiary hospitals in Balochistan in delivering specialized healthcare services.
- Assess resource allocation and utilization to determine whether funds, medical equipment, and human resources are effectively used for

[10] Ministry of National Health Services, Regulations & Coordination Well and Healthy Balochistan Health Policy 2018-30 (https://phkh.nhsrc.pk/sites/default/files/2021-05/Health%20Policy%20Balochistan%20WHO%202018- 30.pdf)

intended purposes.

- Review the availability and functionality of specialized healthcare services, diagnostic equipment, and facilities in tertiary hospitals.
- Examine the effectiveness of procurement and supply chain management for medicines, medical equipment, and consumables.
- Assess human resource management, deployment, and capacity of doctors, specialists, paramedics, and supporting staff in tertiary hospitals.
- Evaluate hospital performance monitoring systems, patient care quality, and adherence to healthcare standards and protocols.
- Identify governance, financial, and operational weaknesses affecting tertiary healthcare service delivery.
- Assess alignment of tertiary hospital services with the province's healthcare goals and SDG
- targets, particularly SDG 3 – Good Health and Well-being.
- Provide recommendations to enhance the role of tertiary hospitals in strengthening the overall healthcare system in Balochistan.

3.1.2 Scope

The scope of the thematic audit covered the governance, financing, and service delivery arrangements of tertiary healthcare in Balochistan, with a focus on assessing the effectiveness of tertiary hospitals in delivering specialized healthcare services in line with approved policies and objectives.

The audit examined the role and oversight functions of the Health Department, Government of Balochistan, and the Director General Health Services, Balochistan, in relation to policy implementation, resource allocation, monitoring, and coordination affecting tertiary healthcare institutions.

At the service delivery level, the audit covered the following public sector tertiary hospitals:

i. Bolan Medical Complex Hospital (BMCH), Quetta
ii. Sandeman Provincial Hospital (SPH), Quetta
iii. Shaheed Mohtarma Benazir Bhutto Hospital (SMBBH), Quetta
iv. Fatima Jinnah Institute of Chest Diseases (FJICD), Quetta
v. Sheikh Khalifa Bin Zayyed Hospital (SKBZ), Quetta
vi. Helper's Eye Hospital, Quetta

Within the above formations, the audit scope included examination of the following theme- specific areas in line with the approved Terms of Reference (TORs):

i. Governance and stewardship arrangements for tertiary healthcare
ii. Financial management, including budget utilization and Grant-in-Aid
iii. Human resource planning, deployment, attendance, and capacity
iv. Procurement and supply chain management of medicines, equipment, and consumables
v. Utilization and functionality of medical equipment and hospital assets
vi. Delivery of specialized healthcare services and referral functions

The audit covered the financial year 2024–25, with reference to earlier records where necessary to establish context or assess systemic issues.

3.1.3 Limitation

Audit faced limitation of data availability due to the absence of a Health Management Information System (HMIS) and digital recordkeeping within the provincial health department and hospitals. Data on patient volumes, service utilization, equipment functionality, workforce deployment, and financial flows are maintained in fragmented paper-based registers, which are often incomplete, inconsistent, and not standardized across institutions. Further, the DHIS-2 has been implemented in the districts but with limited functions of data entry

regarding patients treated without linking the record/history with the referral mechanism as envisaged in health policy.

3.1.4 Legal and Policy Framework

Health is a provincial subject under Article 142(c) read with Article 144 of the Constitution of the Islamic Republic of Pakistan. Following the Eighteenth Constitutional Amendment, the Government of Balochistan is responsible for policy formulation, financing, regulation, and delivery of public healthcare services, including tertiary care.

At the primary governance level, the Balochistan Rules of Business, 2012 define the allocation of business, roles, and functional responsibilities of the Health Department, including policy oversight, administrative control, and supervision of attached departments and public sector healthcare institutions. The Balochistan Health Policy 2018–30 provides the provincial policy framework for strengthening healthcare delivery, with specific emphasis on tertiary hospitals as referral centers, improvement of service quality, rational use of resources, and alignment with population health needs.

At the national level, the National Health Vision 2016–25, adopted by the provinces, sets the strategic direction for strengthening tertiary healthcare, referral systems, health information systems, essential medicines, and governance arrangements in alignment with Sustainable Development Goal-3 (Good Health and Well-Being). In addition, relevant World Health Organization (WHO) guidelines and standards provide normative guidance on hospital services, patient safety, rational use of medicines, health workforce planning, and quality of care, which inform national and provincial health policies.

Secondary legislation and regulatory instruments applicable to the theme include the Government of Balochistan Grant-in-Aid Rules, 2022, the Balochistan Hospital Waste Management Rules 2020, Fundamental and Supplementary Rules, and health sector service rules and regulations governing sanctioned strength, appointments, postings, attendance, and payment of

salaries. Procurement, inventory, and contract management are regulated through applicable Balochistan Public Procurement Rules, 2014 and government instructions.

The theme is further linked with approved Medium-Term Budgetary Framework (MTBF) targets, performance agreements, and sectoral indicators relating to service delivery, resource utilization, and hospital performance monitoring.

3.1.5 Stakeholders and Governmental Organizations Identified as Directly or Indirectly Involved

The key stakeholders and governmental organizations involved in the delivery, regulation, financing, and oversight of tertiary healthcare services in Balochistan include the Health Department, Government of Balochistan, and the Finance Department, Government of Balochistan.

At the implementation and supervisory level, the Directorate General of Health Services, Balochistan, and public sector tertiary healthcare institutions are involved. Major tertiary hospitals include Sandeman Provincial Hospital, Quetta, Bolan Medical Complex Hospital, Quetta, Shaheed Mohtarma Benazir Bhutto Hospital, Quetta, Fatima Jinnah Institute of Chest Diseases, Quetta, Sheikh Khalifa Bin Zayyed Hospital, Quetta, and Helper's Eye Hospital, Quetta.

Other relevant public sector entities include the Planning and Development Department, Government of Balochistan, the Accountant General, Balochistan, and public medical colleges functioning under the Health Department.

Private sector entities indirectly involved in the theme include private hospitals, diagnostic laboratories, pharmaceutical suppliers, medical equipment vendors, and service providers engaged through procurement, referrals, outsourcing, and medical reimbursement arrangements.

Other key stakeholders include the general public, patients, and communities who rely on public sector tertiary healthcare services in Balochistan as beneficiaries of these services.

3.1.6 Role of Important Organizations

Various organizations are involved in the tertiary health care ecosystem. At the policy and administrative level, the Secretary Health Department performs the central stewardship role and is primarily responsible to ensure alignment of tertiary hospitals with the objectives of the Balochistan Health Policy 2018–30 and the National Health Vision 2016–25. Whereas the role of Directorate General of Health Services (DGHS), Balochistan in relation to tertiary healthcare is limited to system-level coordination, including referral linkages, administration and monitoring of certain Grant-in-Aid releases, and coordination where tertiary institutions are linked with province-wide public health programs and reporting arrangements.

Public sector tertiary hospitals serve as the principal institutions for delivery of specialized healthcare services in the province. These hospitals are mandated to provide advanced diagnostic, medical, surgical, and critical care services and to function as referral centers for patients from secondary and peripheral health facilities. Where applicable, teaching hospitals and public medical colleges attached to tertiary hospitals also perform an academic and training role in addition to patient care.

The Finance Department, Planning and Development Department, and the Accountant General, Balochistan support tertiary healthcare through budgetary allocations, approval and monitoring of development schemes, release and accounting of funds, and enforcement of financial discipline in accordance with applicable laws and rules.

Collectively, these organizations form the institutional framework within which tertiary healthcare services are planned, financed, overseen, and delivered in Balochistan.

3.1.7 Organizations Financials

The activities of public sector organizations involved in the delivery of tertiary healthcare services in Balochistan are primarily financed through government budgetary allocations approved by the Provincial Assembly. Funding is provided under the recurrent budget for salaries, operating expenses, medicines, and routine hospital services, and under the development budget for infrastructure projects, procurement of major medical equipment, and capacity enhancement initiatives.

Budget and Expenditure of Audited Tertiary Healthcare Entities (FY 2024–25)[11]

(Rs. in Million)

S. No.	Audited Entity	Budget Allocation	Expenditure	Development Budget	Development Expenditure	Grant- in-Aid
1	Secretary Health Department	811.283	774.828	0	0	651.57
2	Directorate General Health Services	2,180.080	950.324	4,174.800	3,250.467	696.528
3	Bolan Medical Complex Hospital (BMCH)	4,936.407	4,908.908	0	0	0
4	Sandeman Provincial Hospital (SPH)	4,599.113	4,569.609	0	0	0
5	Shaheed Mohtarma Benazir Bhutto Hospital (SMBBH)	499.097	490.453	0	0	0

[11] Budget and expenditure statements of the department.

S. No.	Audited Entity	Budget Allocation	Expenditure	Development Budget	Development Expenditure	Grant- in-Aid
6	Fatima Jinnah Institute of Chest Diseases (FJICD)	975.372	967.766	0	0	0
7	Sheikh Khalifa Bin Zayyed Hospital (SKBZ)	1,610.173	1,594.045	0	0	0
8	Helper's Eye Hospital	455.635	449.734	0	0	0
G. total		**16,067.16**	**14,705.667**	**4,174.8**	**3,250.467**	**1,348.098**

In addition to budgetary grants, certain hospitals also generate limited self-resources, including receipts from diagnostic services, user charges where applicable, and other hospital- based services, which are credited or utilized in line with government instructions. However, self-generated resources constitute a relatively small portion of total financing and are supplementary to government funding.

Financing of tertiary healthcare is further supported through development assistance, including locally funded schemes and, where applicable, international donor assistance for health sector programs, infrastructure, equipment, and capacity building. Such assistance is routed through approved government mechanisms and reflected in the provincial development portfolio.

Overall, the financial framework for tertiary healthcare services in Balochistan relies predominantly on public funding, supplemented by grants, limited own-source revenues, and development assistance.

4.1 FIELD AUDIT ACTIVITY

4.1.1 Methodology

The thematic audit was conducted using a mixed-methods approach, combining quantitative and qualitative audit methodologies, in accordance with the auditing standards applicable to public sector audits.

The qualitative techniques included desk review of relevant documents including budget and expenditure, procurement documents, payroll data, stock/inventory record, and revenue record.

During the field audit activity, interviews and discussions with key stakeholders, including officials of the Health Department Secretariat, Directorate General of Health Services, hospital administration and staff were conducted. Information obtained through interviews and discussions was correlated with documentary and physical evidence to ensure reliability and sufficiency before forming audit conclusions.

Evidence collected through different methods was triangulated and cross-validated to ensure relevance, reliability, and sufficiency before forming audit conclusions. The combination of document review, field inspection, interviews and data analysis enabled the audit to form a comprehensive view of the effectiveness of tertiary healthcare services in Balochistan.

4.1.2 Audit Analysis

4.1.2.1 Review of Internal Controls

The review of internal controls was carried out with reference to the COSO Internal Control Framework, while integrating the governance, financing, information systems, and monitoring expectations set out in the

National Health Vision (NHV) 2016–25. This integrated approach was adopted to present internal control weaknesses in a manner that is aligned with national policy objectives.

Review of the control environment at the Health Department and hospital levels revealed weak institutional stewardship. Roles, responsibilities, and accountability arrangements were not consistently documented or enforced, and standard operating procedures for key functions were either absent or unevenly applied. This was inconsistent with the NHV's emphasis on strengthened governance and stewardship to ensure effective oversight of healthcare institutions. Weak governance diluted management authority encouraged reliance on individual discretion, and undermined consistency in service delivery across tertiary hospitals.

Largely affected by a weak control environment, formal risk assessment mechanisms in Health Ecosystem were not practically evident. Risks relating to non-functional medical equipment, shortages of specialists, absenteeism, stock-outs of medicines, and service disruptions were not systematically identified or managed/mitigated. This was misaligned with NHV expectations that health systems proactively manage risks affecting continuity and quality of services. The absence of structured risk assessment limited the ability of management to prioritize interventions and align resources with critical service delivery risks. Likewise, monitoring mechanisms were weak and largely informal. Internal audit functions, where existing, were limited in scope and were not used for regular, risk-based reviews of hospital operations, procurement, asset utilization, or service delivery.

Overall, internal controls across the audited entities were not sufficiently mature to support effective implementation of the National Health Vision. Weaknesses across governance, financing controls, information systems, and monitoring arrangements constrained the ability of tertiary healthcare institutions to operate efficiently and deliver reliable services. Strengthening internal controls in alignment with NHV pillars is therefore essential to improving tertiary healthcare effectiveness in Balochistan.

4.1.3 Critical Review

Tertiary healthcare services in Balochistan are mainly concentrated in Quetta, where major referral hospitals have been established to provide specialized diagnostic and treatment services to patients coming from across the province. Given this central role, the performance and capacity of these hospitals were examined in light of the targets outlined in the National Health Vision (2016–2025), and Balochistan Health Policy 2018-30 in line with SDG 3. The national framework emphasizes on universal health coverage, improved quality of care, stronger health systems, governance reforms, and the development of human resources. The Government of Balochistan's Health Policy explicitly stresses on equitable access to tertiary healthcare, institutional strengthening, better referral mechanisms, public–private partnerships, and performance-based management. These national and provincial commitments align with SDG-3. Audit examined how far Balochistan's tertiary healthcare system aligns with these national, provincial and global policy frameworks besides highlighting the legal, structural and governance challenges that continue to hinder their effective implementation.

Healthcare in Balochistan has long been in the spotlight due to persistent challenges in service delivery, quality, accessibility, and financing. Following the Eighteenth Constitutional Amendment, health became a provincial subject under Article 142(c) read with Article 144 of the Constitution of Pakistan, making the Government of Balochistan (GoB) directly responsible for policy formulation, financing, regulation, and delivery of healthcare services. In response, the GoB introduced the Balochistan Health Policy 2018–2030 and the Health Strategy 2018–2025. Besides, the government launched the Balochistan Health Card Programme (BHCP) to provide financial assistance for medical treatment. Despite these initiatives, implementation has been uneven, with budget constraints, inadequate infrastructure, and workforce shortages continuing to undermine progress.

The first factor that undermined various aspects of tertiary health care is a weak and uncoordinated regulatory framework. The Balochistan Health Policy 2018–2030 sets ambitious goals for strengthening tertiary hospitals,

referral systems, and alignment with SDG-3. However, independent reviews highlight several deficiencies including limited scope, weak implementation mechanism, and under-financing. For example, the policy focuses heavily on hospital services but neglects social determinants of health such as nutrition, housing, and education. Similarly, monitoring and evaluation frameworks remain underdeveloped primarily due to non-implementation of HMIS. Moreover, no legislation exists for quackery control and patient safety, while there are many areas where legislation/regulatory framework exists without proper implementation. One such area is medical waste management.

By contrast, Punjab's Health Sector Plan (2018) [12] integrates social determinants of health and has dedicated institutions like the Punjab Health Initiative Management Company (PHIMC) to oversee PPP and insurance schemes. Sindh's PPP-driven health vision also demonstrates stronger institutional innovation. The province has partnered with NGOs and the Indus Hospital & Health Network (IHHN) to outsource hospital management, ensuring free, high-quality care and digital systems. This comparative perspective shows that while Balochistan's policy is ambitious in vision, it remains narrower in scope and weaker in execution compared to other provinces as it does not holistically include associated sectors such as water, sanitation, environment and social welfare.

In pursuance of national and global commitments, six tertiary hospitals have been established by GoB as apex referral institutions in Quetta. These hospitals are typically defined by their capacity to provide specialized care, advanced diagnostics, and teaching functions, with a minimum of 500 beds each and multiple specialty departments[13]. However, with primary and secondary care facilities non-functional and concentration of tertiary care hospitals in Quetta, these have to absorb even the basic cases, leaving them overcrowded and unable to deliver adequate specialized services. Moreover, the influx of patients from neighboring countries such as Afghanistan places additional strain on an already overstretched healthcare system. Additionally, governance of

[12] Punjab Health Sector Plan 2018.
[13] WHO Hospital Classification Guidelines.

these tertiary care hospitals, which is the prime responsibility of Secretary Health and DG Health Services, is also weak as evident from shortages of staff, weak financial phasing and absence of effective monitoring based on reliable data.

As a result of overburdened hospitals and weak governance, WHO's HeRAMS Baseline Report (2021), Pakistan Bureau of Statistics and provincial health department's data reveal stark disparities: Balochistan has only 01 hospital beds per 3,000 population compared to Pakistan's average of 01 per 2,000 patients, 01 doctors per 6,500 patients versus 01 for every 1,000 patients nationally, and 01 nurse per 4,000 compared to 01 per 1000[14]. Primary care coverage remains weak, with many districts reporting less than 50% functional BHUs and RHCs, and WHO confirming that 257 [15] facilities listed in government records did not exist on the ground. This imbalance forces tertiary hospitals in Quetta to absorb cases beyond their capacity, leaving rural populations underserved. These indicators demonstrate Balochistan's slow progress towards SDG target 3.8 (Universal Health Coverage).

These shortcomings were mainly caused by gaps in financing and policy implementation. The World Health Assembly Resolution WHA64.9 on Sustainable Health Financing and Universal Coverage urges member states to ensure affordable universal coverage, collaborate with the private sector, and build institutional capacity. The policy categorically states, "by 2025, general government health expenditure is increased to at least 15% of total general government expenditure." Yet, Balochistan's health expenditure remains far below global benchmarks. During 2024–25, allocation for health care was Rs. 86.305 [16]billion out of Rs. 866.560 billion which is 10% against the target of 15% envisioned in the Balochistan Health Policy. The policy further states to ensure adequate, sustainable, efficient and equitable health financing, and provide financial risk protection to people, especially the poor, underserved and vulnerable. This trend illustrates that the proportional commitment to health is

[14] PBS Data
[15] WHO HeRAMS Baseline Report 2021
[16] Financial Statements of GoB for the FY 2024-25

still less than the set target, which resulted in poor health outcomes, gaps in service delivery, and inability to meet SDG-3 targets.

Insufficient funding is not the only factor hindering healthcare delivery and achievement of SDG-3 targets. Financial management in health sector also remains weak. Hospitals remain dependent on government grants, with limited own-source revenue. Audit scrutiny revealed that user charges have not been revised since 2009, BMCH still uses obsolete MS DOS financial software, discrepancies exist between hospital-reported receipts (Rs. 16.965 million) and Finance Department estimates (Rs. 24.719 million), and rush of expenditure at year-end — e.g., 86% of Secretary Health Department's annual expenditure incurred in June 2025.

These financial management issues essentially lead to operational predicaments. Audit findings revealed weak referral systems and shortages of obstetric specialists in tertiary hospitals, resulting in routine referrals to private facilities. Expenditure on reimbursements of medical charges of tertiary hospital employees alone amounted to Rs. 391.943 million, highlighting lack of capacity of these hospitals. Further, audit findings show reimbursements to private hospitals outside the province totaled Rs. 3,309 million, reflecting the inability of tertiary hospitals to adequately absorb advanced cases.

Lack of capacity of tertiary care hospitals is attributed to, inter-alia, inefficiencies in resource utilization. Audit findings revealed that high-value equipment worth Rs. 440 million including incinerators, cryofuge machines, CBC analyzers, CT scanners, and ophthalmic equipment remained underutilized or non-functional. Lack of trained staff and preventive maintenance planning led to prolonged downtime. Besides, weak inventory management was also evident, with unreliable stock registers involving medicines valued at Rs. 424.801 million. These deficiencies undermine SDG 3.3 (Communicable Diseases), SDG 3.4 (NCDs), and SDG 3.B (Access to Medicines and Technologies). They also compromise SDG 11.6 (Reduce Environmental Impact), as non-functional incinerators prevent safe disposal of medical waste.

One of the most feasible solution for these financial and subsequent operational inefficiencies seems to be Public Private Partnership. Balochistan made an attempt to switch tertiary hospitals to PPP mode, but faced strong resistance from doctors and paramedical staff, who staged province-wide strikes under the Grand Health Alliance. Concerns over privatization, job security, and professional autonomy stalled the initiative. In contrast, Punjab institutionalized PPP through PHIMC and successfully rolled out projects in BHUs and large hospitals. Sindh has also demonstrated strong PPP performance, supported by the World Bank and partnerships with the Indus Hospital & Health Network (IHHN). In Balochistan, a landmark example is the GDA Pak-China Friendship Hospital in Gwadar, which was formally handed over to Indus Hospital Karachi by the Government of Balochistan [17]. Since then, the hospital has introduced a fully digital, paperless system: patients check in at the main counter, doctors access electronic medical records, referrals and lab results are transmitted seamlessly, and patient histories are stored digitally for follow-ups. This system has improved transparency, reduced leakages in revenue and inventory, and enhanced sustainability. Comparative evidence shows that PPP can succeed when backed by structured governance, stakeholder engagement, and credible private partners.

Another attempt by the Government of Balochistan to lessen burden on the tertiary care hospitals was the introduction of Health Insurance through BHCP. This program was launched to enhance healthcare access and affordability. However, due to non-existing HMIS and digitalization of patient record, creates risks of duplicate claims, where patients may simultaneously access benefits under BHCP and other social welfare schemes such as the Awami Welfare Endowment Fund. Balochistan Health Policy clearly envisions, “by 2022, the entire health care delivery system is digitized and submits online data regularly and correctly.” Without integrated registries or cross-departmental verification, accountability remains weak and financial leakages persist.

[17] Gwadar Development Authority press release, “GDA Hospital Gwadar handed over to Indus Hospital Karachi,” 2022. https://www.gda.gov.pk/gda-hospital?utm_source=copilot.com

An equally alarming constraint, besides funding gaps, is infrastructure readiness in government hospitals. As per WHO's HeRAMS Baseline Report (2021), out of 1,661 listed health facilities in Balochistan, only 1,404 were operational, many lacking basic readiness[18]. It also revealed that 257 facilities recorded in official data did not exist on the ground, while others were partially functional or inaccessible[19]. The province faces a critical shortage of approximately 3,655 doctors, while its medical colleges collectively enroll only 570 students annually—a figure far too small to meet workforce needs, particularly in light of migration and attrition. Audit findings further highlight significant gaps between sanctioned and working strength, with mismatches between medical and non-medical staff. Weak attendance controls and absenteeism have constrained service delivery, with Rs. 3.924 million in allowances paid despite staff absences. In one striking case, an electrical engineer was appointed against a biomedical engineer post, undermining technical oversight.

These imbalances directly weaken specialist-dependent services, compromising progress toward SDG 3.1 (maternal mortality reduction) and SDG 3.2 (child mortality reduction) by limiting the reliability of obstetric and pediatric care. Audit findings reinforces this mismatch: in Quetta's tertiary hospitals, 596 sanctioned posts remain vacant, including 95 specialists and 288 doctors/anesthetists. Such shortages severely constrain service delivery. When measured against SDG 3.8 (Universal Health Coverage), which requires equitable access to essential services, Balochistan's infrastructure gaps demonstrate that the province is far from achieving the target. Likewise, SDG 11.1 (Access to Services) emphasizes inclusive urban infrastructure, yet Quetta's tertiary hospitals remain inaccessible to large segments of the population.

Like-wise, tertiary healthcare delivery is greatly hampered by absence of effective and evidence-based monitoring. Oversight of tertiary hospitals

[18] WHO, HeRAMS Baseline Report Balochistan 2021.
[19] WHO, HeRAMS Baseline Report Balochistan 2021.

remains weak due to the absence of integrated Health Management Information Systems (HMIS). For example, province-wide DHIS II systems reported treatment of over 4.2 million patients, yet none of the tertiary hospitals maintained dashboards capable of consolidating operational, clinical, and financial data, hence hindering proper and effective referral system. The DHIS II was conceived in 2016, and capacity building initiative was executed during 2023 in association with UNICEF, BHCIP and Pathfinders. While this system works effectively to timely dispatch data from districts to DG Health Services, its ultimate purpose of referral to tertiary tier remains un-addressed, as the system has not been rolled out to the tertiary hospitals. These gaps further undermined SDG 3.8 (Universal Health Coverage), since equitable access cannot be assured without knowing whether patients reach the highest level of care. It also weakens SDG 3.D (Risk Management Capacity), as hospitals lack real-time data to respond to epidemics or emergencies. Furthermore, weak monitoring limits alignment with SDG 11.B (Integrated Urban Policies), because tertiary hospitals are not embedded into data-driven planning frameworks.

The policy reviews, audit findings, and international assessments show that Balochistan's tertiary health system is constrained not by isolated deficiencies but by interconnected governance failures. Infrastructure gaps, workforce shortages, weak financial controls, idle equipment, and fragile monitoring systems collectively prevent tertiary hospitals from functioning as apex referral centers. Instead of strengthening equity and resilience, the system perpetuates dependence on private facilities outside the province, deepening fiscal strain and leaving the province far from achieving its commitments under SDG 3 (Good Health and Well-Being).

To address the systemic governance failures constraining Balochistan's tertiary health system, reforms must be comprehensive and interconnected rather than isolated. Strengthening hospital autonomy with clear accountability frameworks can improve financial controls and increase the optimum use of resource. Parallel investment in infrastructure and workforce development—particularly through targeted recruitment, retention incentives, and training programs—will help bridge service gaps. Establishing a robust monitoring and

evaluation system, supported by digital health technologies, like the existing DHIS-2 can ensure that equipment and facilities are fully utilized and that performance data informs decision-making. More importantly, provincial authorities should prioritize equity by expanding access to specialized care in the periphery across the province, thereby reducing dependence on Quetta, private hospitals, facilities outside the province and alleviating fiscal strain. Aligning these reforms with SDG 3 commitments requires embedding resilience into planning—such as ensuring sustainable financing, fostering partnerships with federal, international agencies and private sector through PPP, and integrating tertiary hospitals into a stronger referral network that genuinely functions as the apex of healthcare delivery.

5.1 SIGNIFICANT AUDIT OBSERVATIONS

5.1.1 Non-Achievement of Health Policy and SDG 3 Targets

Target 3.8 of SDG-3 envisages achievement of universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all. Further, the Balochistan Health Policy (2018–2030) and Strategy mandate the Health Department to prioritize Universal Health Coverage (UHC) and healthcare infrastructure.

Thematic audit of tertiary healthcare in Quetta, covering six hospitals and two administrative offices revealed that Balochistan's health care system could not improve the following indicators as per Balochistan Health Policy and WHO guidelines, due to which achievement of relevant SDG targets were hampered, as detailed below:

S. No.	Indicator	Policy Target	Target Source	Current Status [20]	SDG 3 Targets
1	Doctors	1:1000	WHO Guidelines	1 doctor :6,500 patients (0.6 per 1,000)	3.8

[20] Pakistan Bureau of Statistics

S. No.	Indicator	Policy Target	Target Source	Current Status [20]	SDG 3 Targets
2	Beds	1to 2:1,000	WHO Guidelines	1 bed:3000 patients	
3	Budget allocation	15%	Balochistan Health Policy 2018-30	10% (Rs. 86 billion out of 867 billion)	
4	Waste management	• Management Team: Led by the Medical Superintendent; mandates monthly meetings and a one-third quorum for decisions. • Waste Management Plan: Each facility must maintain a written plan covering generation estimates, staff duties, and emergency SOPs. • Segregation: Compulsory color-coding (e.g., yellow for risk waste) and	Balochistan Hospital Waste Management Rules 2020	• No waste management team formed. • No documented Plans for waste management[21] • No segregation of the sharps and bio-hazard	3.9

[21] Ali FA, Murtaza G, Ashraf M. A Comparative Study of Hospital Waste Management at Public and Private Hospitals of Quetta City, Pakistan. Journal of Applied & Emerging Sciences. 2023;13(1):74-81.

S. No.	Indicator	Policy Target	Target Source	Current Status [20]	SDG 3 Targets
		puncture-proof containers for sharps at the point of generation. • Storage & Disposal: On-site storage is limited to 24 hours; mandates daily collection and final disposal via functional incineration or autoclaving. • Staffing: Requires a dedicated Waste Management Officer (WMO) and Hospital Engineer for oversight and equipment maintenance.			
5	Maternal mortality per 100,000 live births	393	Balochistan health Strategy 2018-25	785	3.1
6	Infant mortality per 1,000 live births	48	Balochistan health Strategy 2018-25	97	3.2

These indicators demonstrate that, even with recent budgetary provisions, financing and workforce allocations remain insufficient to meet policy targets. Moreover, since 80% of the population—dispersed across rural areas—lacks proper access to tertiary care, a significant scale-up in investment, coupled with reforms in accountability and workforce planning, is essential. Without these measures, the province will remain off track in achieving its health policy goals and international commitments.

Non-achievement of set targets was caused due to lack of prioritization of health financing, weak human resource management and slow pace of tertiary health care expansion.

These factors led to failure in achieving provincial, national and global targets in a timely manner.

5.1.2 Imbalances in human resource management undermining delivery of tertiary healthcare services

The National Health Vision (2016–2025) and Balochistan Health Policy (2018–2030) require tertiary hospitals to be staffed with adequate numbers of qualified specialists, medical officers, nurses, and technical support staff to deliver specialized and advanced healthcare services. Availability of specialist manpower and trained support staff is a core requirement for operating tertiary-level diagnostics, surgeries, intensive care units, and emergency services. Furthermore, the Balochistan Health Policy (2018–2030) and the Provincial SDGs Framework mandate the Health Department to prioritize Universal Health Coverage (UHC) and primary healthcare infrastructure.

Thematic audit of tertiary healthcare in Quetta, covering six hospitals and two administrative offices for FY 2024–25, revealed that against the sanctioned strength of 1923 posts in various cadres, a significant number of 700 positions remained vacant, as detailed below:

S. No.	Name of Office	Sanctioned	Working	Shortage	AIR Para No. and FY
1	BMCH	1191	786	401	2 / 2024-25
2	SPH	387	227	160	3/ 2024-25
3	DGHS	69	35	15	14 / 2024-25
4	SKBZ Hospital	276	152	124	13 / 2024-25
Total		**1923**	**1200**	**700**	

These critical vacancies including specialists, anesthetists, and technical staff directly constrained the hospitals' capacity to perform complex surgeries, provide anesthesia support, operate diagnostic and ICU equipment, and maintain round-the-clock emergency services. This situation undermines access to quality healthcare and is inconsistent with the Government's commitment under SDG Target 3.8 (Universal Health Coverage), as detailed below:

S. No.	Designation/post	No. of post Vacant posts
1	Surgeons/Consultants/Specialists	95
2	Doctors/Anesthetist/	288
3	Technician/Assistants/AMO	199
4	Others (medical)	14
Total		**596**
Other Staff (Administrative)		104
Total		700

These staffing gaps arose primarily from weak human resource planning and insufficient allocation of personnel across critical cadres.

The staffing gaps resulted in reduced service preparedness, prolonged patient waiting times, underutilization of facilities, and increased reliance on private healthcare outside the province.

5.1.3 Under-utilization of medical equipment due to unavailability of specialized human resource

The National Health Vision (2016–2025), aligned with the Government's commitment to Sustainable Development Goal-3, envisages public tertiary hospitals as apex healthcare institutions responsible for advanced diagnostics, specialized medical and surgical care, intensive care services, referral support, training, and research. The Balochistan Health Policy (2018–2030) further emphasizes strengthening tertiary healthcare through functional infrastructure and equipment, availability of specialized human resources, effective referral systems, sustainable financing, and robust governance and monitoring arrangements so that public investment translates into accessible, quality, and effective tertiary healthcare services.

Thematic audit of tertiary healthcare in Quetta, covering six hospitals and two administrative offices, revealed the following significant issues that affected service delivery within the tertiary healthcare system of Balochistan, as detailed below:

S. No.	Description	AIR PARA No./ FY	Amount	Remarks
1	High-value equipment under-utilized	2, 2024-25	440	Angiography machine in the SPH installed without trained human resource; 13 posts of cardiologists and cath-lab technicians were vacant.
2	Under-utilization of public funds	1, 2024-25	934	Many medical equipment in SPH remained unutilized due to non-availability of trained staff and 109 vacant relevant posts. Annexure 1.1
Total			**1,374**	

Inefficiencies in resource utilization were caused due to weak planning, coordination and implementation of the planned activities.

As a result, public tertiary hospitals did not consistently deliver advanced diagnostics and specialized care, public assets and funds remained under-utilized, patients were diverted to private and out-of-province facilities.

5.1.4 Increased cost of referrals to private and out-of-province facilities

According to the National Health Vision (2016–2025) and the Balochistan Health Policy (2018– 2030), tertiary hospitals are required to function as apex referral institutions capable of managing complex and specialized cases referred from secondary and primary healthcare facilities. Effective tertiary hospitals are expected to absorb advanced medical and surgical cases through availability of specialized services, emergency care, diagnostics, and referral governance mechanisms. SDG- 3 further emphasizes strengthening public healthcare systems to reduce reliance on external and parallel care arrangements.

Thematic audit of tertiary healthcare in Quetta involving six hospitals and two administrative offices, for the financial year 2024-25, revealed that total expenditure on referrals of Government of Balochistan employees to private hospitals amounted to Rs. 3,309.326 million during FY 2024–25, as detailed below:

S. No.	City / Category	No. of Cases	Amount
Medical reimbursements expended by departments with the approval Health Department			
1	Gambat, Multan، Rahim Yar Khan etc.	2,292	780
2	Karachi	1208	888
3	Islamabad	124	113
4	Quetta	59	37
5	Lahore	29	35
	Sub-total	**3,712**	**1,853**
Medical reimbursements expended by departments with the approval of concerned PAOs.			1,456

S. No.	City / Category	No. of Cases	Amount
Total			**3,309**

Source: Medical Reimbursement Data file obtained from DG Health Services

Out of these Rs. 395.286 million related to employees of the tertiary hospitals themselves as detailed below. As apex institutions, these hospitals should have been able to provide specialized care to people of Balochistan, yet the reliance on external facilities indicates serious shortcomings in service delivery, as detailed in Annexure 1.2:

(Rs. in Million)

S. No.	Name of Entity	No. of Cases	AIR Para No. / FY	Amount
1	SMBB Hospital	16	2 / 2024-25	4.437
2	BMC Hospital	38 & 35	11 and 12 / 2024-25	22.559
3	SPH	Not specified	12 / 2024-25	68.893
4	Helpers Eye Hospital	10	7 / 2024-25	5.191
5	Secretary Health	8	2 and 3 / 2024-25	294.206
Total				**395.286**

Audit scrutiny revealed that the cost of referral/re-imbursement charges has been increasing over years, and as compared to last financial year, the GoB expended 24 % more in this head in the FY 2024-25[22].

The failure to absorb advanced cases was caused due to inadequate service readiness within tertiary hospitals.

This resulted in increased financial burden on the Government in shape of medical reimbursements.

[22] Expenditure statements of Health Department for the FY 2023-24 and 2024-25

5.1.5 Non-functional health management information system (HMIS)

Pillar 5 and Section 7 of the National Health Vision 2016–2025 envisage strengthening of health systems through improved governance, monitoring, and use of health information for planning and performance oversight. In this context, effective management and oversight of tertiary hospitals presuppose the availability of reliable health information and monitoring systems capable of generating timely and accurate data on service delivery, human resources, infrastructure, financial flows, and patient utilization. Further, Chapter 6 of the Balochistan Health Policy 2018–2030 emphasizes development and use of health information systems and identification of yearly indicators to monitor health sector performance.

Thematic audit of tertiary healthcare in Quetta for FY 2024–25 revealed significant deficiencies in health information management. Although DHIS2 was launched in December 2023, it has been implemented in only 31 out of the 36 districts of Balochistan and is limited to manual entry of basic disease and treatment statistics. During FY 2024–25, 4,259,792 patients were reportedly treated by 1,276 facilities; however, no comprehensive Hospital Management Information System (HMIS) is operational in Quetta's tertiary hospitals. An HMIS initiative, launched in FY 2016–17 by DGHS after incurring and expenditure of Rs. 184.858 million, with plans for expansion to five additional hospitals, failed drastically even at the pilot stage.

Consequently, patient referrals and follow-ups across districts and tiers of care cannot be tracked, and real-time data on tertiary-level workload is unavailable. The absence of an integrated HMIS hampers evidence-based allocation of staff, medicines, and equipment, and undermines financial management due to fragmented, non-digital revenue records. Overall, weak information systems impair governance, transparency, and the effectiveness of tertiary hospitals as referral centers.

The weak implementation of HMIS was primarily due to the absence of clearly defined ownership and accountability at implementation level, and reliance on manual record-keeping, which prevented hospitals from developing real-time dashboards or consolidated reporting.

As a result, the government could not proactively monitor patient flows, staff deployment, leaving oversight reactive and inefficient.

5.1.6 Weak financial governance in spending and monitoring of grant

As per Government of Balochistan, Grant-in-Aid Rules, 2022, Chapter III, 5(e), "The DDO concerned, shall certify through a certificate duly countersigned by the administrative department sanctioning of grant in aid placed at Annex–I. (i) the grant sanctioned in the previous year has been utilized for the object and purpose for which the grant was sanctioned; (ii) the grant was spent within the same financial year." Further, Rule 5(f) states, "Any portion of the amount which was not required for expenditure on the specified object and purposes was duly surrendered to the Government." Further, according to Rule 12(1) of the Balochistan Public Finance Management Act, 2020, "all Departments, their attached departments and sub-ordinate offices and autonomous organizations shall surrender to the Finance Department by 15th May each year all anticipated savings in the grants or assignment accounts or grant-in-aid controlled by them.". Further, according to Rule 96 of GFR, Vol-I "It is contrary to the interest of the State that money should be spent hastily or in an ill-considered manner merely because it is available or that the laps of a grant could be avoided. In the public interest, grants that cannot be profitably utilized should be surrendered. The existence of likely savings should not be seized as an opportunity for introducing fresh items expenditure which might wait till next year. A rush of expenditure particularly in the closing months of the financial year will ordinarily be regarded as a breach of financial regularity.".

Thematic audit of tertiary healthcare hospitals in Quetta for the financial year 2024–25, covering six hospitals and two administrative offices, revealed significant financial irregularities and instances of mismanagement in financial affairs, as detailed below:

- At SMBB Hospital, Rs. 59.856 million was spent on drugs and medicines procurement during the FY 2024–25, out of which Rs. 36.211 million (about 60%) was incurred in June 2025 alone. A similar pattern was observed in the office of the Secretary Health Department, where Rs. 648.746 million (86.18%) was spent in June 2025, as detailed in Annexure 1.3
- The Director General, Health Sciences, released Rs. 696.528 million to various organizations and hospitals as Grant-in-Aid, without monitoring and obtaining vouched accounts from the recipient organizations to substantiate the actual expenditure and verify proper utilization of the funds, and assess service delivery outcomes, as summarized below and detailed in Annexure 1.4

(Rs. in Million)

S. No.	Name of Entity	Amount	Description	AIR Para No/ year
1	DGHS	696.528	Grant-in-Aid without monitoring the expenditure	06/ 2024-25
2	Secretary Health Department	648.746	Expenditure in June	06/2024-25
3	SMBB Hospital	36.211	Expenditure in June	02/2024-25
Total		**1,376.485**		

The irregularities occurred due to violation of applicable rules and regulations, coupled with weak financial monitoring and inadequate oversight over the utilization of government funds.

This lapse compromised transparency, accountability, and the achievement of intended objectives, resulting in weak financial oversight and potential misuse of public resources.

5.1.7 Weak Inventory Management and non-enforcement of Quality Control mechanisms

According to guidelines by DRAP for Imports and Exports of Therapeutic Goods under 13.3.1, Import of Unregistered or Unavailable Medical Devices by Hospitals/Institutions Applications for the import of unregistered or unavailable medical devices can be made by hospitals or institutions after receiving prior approval from the DRAP field offices. When the consignment arrives at the port, the hospital or institution shall obtain clearance (NOC) from the DRAP field offices. Further, according to Section 13.3.2.1 of APPM, "the Store Accounts are subsidiary accounts kept by the department/entity for the purpose of recording and maintaining stores." Further, Section 13.3.4.4 stipulates that the recipient should ensure that the goods are checked, that any discrepancies are resolved, and both the sender and the recipient will ensure that their records are updated.

Thematic audit of tertiary healthcare in Quetta for FY 2024–25, covering six hospitals and two administrative offices, revealed that Rs. 1,663 million was spent on medicines, without maintaining proper record including stock registers, inventory, issuance records, physical verification, and procurement documentation. The absence of a functional HMIS significantly contributed to weak inventory control, as detailed below:

Hospital Name	Head of Account (Object Code)	Actual Expenditure (PKR)
Sandeman Provincial Hospital	A03927 - Purchase of Drug and Medicine	427.630
Helper Eye Hospital		49.993
Bolan Medical Complex Hospital		424.801

Hospital Name	Head of Account (Object Code)	Actual Expenditure (PKR)
Sheikh Khalifa Bin Zayyed Hospital		511.869
Fatima Jinnah Institute of Chest Disease		248.868
Total		**1663.163**

Audit further revealed that there was weak coordination between DTL and hospitals. In an alarming case, DTL identified 121 samples as sub-standard, adulterated and unregistered during FY 2024–25. Despite that the management did not take any corrective action. Although, drug testing by DTL is also not systematic and the reports are generated manually, as the DTL has not yet established Laboratory Management Information System (LMIS). Besides, there was no assurance that unsafe batches were recalled and penalties imposed.

The lapse occurred due to weak inventory management, poor record-keeping, and absence of a functional HMIS and LMIS coupled with inadequate coordination among various organs of tertiary healthcare.

Weak coordination and poor follow up exposed the patients to adverse effects of medicine besides increasing the risk of misappropriation of public funds.

Audit recommends establishment of a functional HMIS-based inventory management system, strict maintenance of stock and procurement records, and creation of an integrated coordination mechanism with the Drug Testing Laboratory to ensure verification, recall of unsafe batches, and enforcement of regulatory actions to safeguard patient safety.

6.1 DEPARTMENTAL RESPONSES

The findings were reported to the department in January 2026, with a request to submit replies and convene a DAC meeting to discuss the report, but no reply was received and no meeting was held till the finalization of this report.

7.1 RECOMMENDATIONS

Audit recommends:

1) Assurance of alignment of health sector allocations and resource utilization in line with Balochistan Health Policy 2018–2030 to achieve global commitments prescribed in the SDGs.

2) Recruitment against the 700 vacant critical posts and implementation of effective human resource planning to ensure uninterrupted specialized services and compliance with SDG Target 3.8 on Universal Health Coverage.

3) Procured medical equipment be made operational at the earliest by ensuring installation, functionality testing, and maintenance arrangements, alongside immediate recruitment against technical posts to enable effective utilization of resources.

4) Capacity of the provincial tertiary health care system may be enhanced to enable it to treat all the patients within the system by gradually reducing dependence on private hospitals and out of province facilities.

5) Province-wide rollout of an integrated HMIS across all tertiary hospitals, revival and completion of the stalled project be initiated and full integration of DHIS2 with referral, inventory, and financial modules be ensured for real-time patient tracking, efficient resource allocation, and transparent financial management.

6) Quarterly expenditure planning be carried out to prevent disproportionate year-end spending, and a robust grant monitoring mechanism be devised to ensure transparent and effective utilization

of public funds.

7) Establishment of a functional system-based inventory management, strict maintenance of stock and procurement records, and creation of an integrated coordination mechanism with the Drug Testing Laboratory be established to ensure verification, recall of unsafe batches, and enforcement of regulatory actions to safeguard patients' safety.

8.1 CONCLUSION

The tertiary healthcare in Balochistan is constrained by systemic, interlinked, and structural weaknesses. Audit analysis, based on record review, field visits, and physical verification, shows that despite an adequate policy and legal framework, substantial public investment, and an extensive institutional footprint, tertiary hospitals have not delivered the level of specialized care envisaged under provincial and national health policies. Weak policy implementation, inadequate stewardship, fragmented institutional roles, and weak monitoring and accountability have limited service delivery and optimal resource utilization, resulting in limited functional capacity of infrastructure, equipment, and human resource investments. These weaknesses are compounded by human resource deployment constraints, procurement misalignment with service needs, deficiencies in financial management, and limited technical support for medical equipment, leading to underutilized assets, service disruptions, partial functionality of specialized units, and avoidable referrals to private providers. Consequently, investments in infrastructure, medical equipment, and human resources have not yielded tangible improvements in functional tertiary healthcare capacity. Eventually, progress toward the Balochistan Health Policy, National Health Vision, and SDG-3 objectives remains uneven, and without addressing these systemic issues, the tertiary tier will continue to operate below its intended role as an effective referral and specialized care system.

References

1) **Constitution of the Islamic Republic of Pakistan**, 1973, as amended, including provisions under Article 142(c) and Article 144 relating to provincial legislative competence.
2) **Balochistan Rules of Business, 2012**, Government of Balochistan.
3) **Balochistan Health Policy 2018–2030**, Health Department, Government of Balochistan.
4) **National Health Vision 2016–2025**, Ministry of National Health Services, Regulations and Coordination, Government of Pakistan.
5) **Government of Balochistan Grant-in-Aid Rules, 2022**, Finance Department, Government of Balochistan.
6) **General Financial Rules (GFRs)**, Government of Pakistan, as adopted by the Government of Balochistan.
7) **Applicable Service Rules** governing sanctioned strength, appointments, postings, attendance, and payment of salaries for public sector employees in Balochistan.
8) **Medium-Term Budgetary Framework (MTBF)** documents of the Health Sector, Government of Balochistan.
9) **Annual Budget Statements and Development Portfolio**, Government of Balochistan (Health Sector).
10) **Health Card Program Guidelines and Notifications**, Government of Balochistan and Federal Government (as applicable).
11) **Records, Accounts, and Administrative Documents** of the Health Department, Directorate General of Health Services, and selected tertiary hospitals audited for the financial year 2024–25.
12) **Previous Audit Reports and Audit Working Papers** relating to the Health Sector, Office of the Director General Audit, Balochistan.

ACKNOWLEDGEMENT

The Director General Audit, Balochistan, wishes to express his appreciation to the Secretary, Health Department, Government of Balochistan; the Director General, Health Services, Balochistan; and the management of the tertiary hospitals for the assistance and cooperation extended to the audit team during the Thematic Audit assignment.

ANNEXURES

Annexure 1.1

5.1.3 Under-utilization of medical equipment due to unavailability of specialized human resource

SPH AIR Para 1 / 2024-25 Rs. 933.941 million

Machinery	Unutilized Since	Required HR Posts	Vacant Posts
Suction Machines Heavy Duty	Since Procurement in June, 2025	OT Technicians / Anesthetists	25
Cytoscope, PCNL Equipment, Resect Scope, Ureterorenoscope	Since Procurement in June, 2025	Urologists / Urology Technicians	
Blood bag shakers, center monitor systems, centrifuge machines, ECG Machine, Holter Monitor system, Oven, Incubator, Non-invasive patient monitor, Water bath	Since Procurement in June, 2025	Pathologists / Blood Bank Staff / Lab Technicians	4
Invasive Patient Monitor	Since Procurement in June, 2025	ICU Physicians / Technicians	4
Lithoclast Machine	Since Procurement in March, 2025	Urologists	25
Refrigerators, Analyzers, OT Traction Table, Puba Combi	Since Procurement in June, 2025	Lab Technicians / OT Staff	1
Angiography Machine (Alphenix Sky Japan)	Since Procurement in March, 2025	Cardiologists, Cath Lab Technicians	13

Machinery	Unutilized Since	Required HR Posts	Vacant Posts
Autoclaves	Since Procurement in March, 2025	OT Technicians	2
Blood Donor Beds	Since Procurement in June, 2025	Blood Bank Staff	1
ETT Machine	Since Procurement in June, 2025	Anesthetists	18
Defibrillators, Phototherapy Device	Since Procurement in June, 2025	Cardiac Technicians / Pediatricians	12
Temporary Pace Makers	Since Procurement in June, 2025	Cardiologists / Cardiac Technicians	2
Diathermy Machines, Echo Cardiography Machines, Electrocautery Machines, Electronic Beds, Hydraulic Ultrasound Tables, OT Lights, OT Tables, Portable Echo Machines	Since Procurement in June, 2025	Surgeons / Anesthetists / OT Staff	2
Total			**109**

Annexure 1.2

5.1.4 Increased cost of referrals to private and out-of-province facilities

SMBB Hospital AIR 2 / 2024-25 Rs. 4.437 million

S. No	Name	Illness Diagnosed	Amount
1	Sabir Hussain	Cancer	521,611
2	Dr. Sughran Khatoon	C- Section	190,550
3	Hawa Begam	Hip Surgery	750,000
4	Ghulam Farooq	Dental Treatment	112,300
5	Kounsar Faiz	Cholelithiasis	247,829
6	Ameet Kumar	Mild Gull, one Bore Syndrome	701,729
7	Farzana Javed	Suspected Malignant	558,061
8	Abbas Raza	Angiography Angioplasty	302,000
9	Danish Jaims	HTN DM2	104,460
10	Danish Jaims	DMT2+HTN MP (Seen)+Colitis	93,744
11	Farzana Taj	LSCS	126,872
12	Muhammad Ali	Cancer	226,221

S. No	Name	Illness Diagnosed	Amount
13	Rukhsar Shareef	Cholelithiasis With Acute Cholecystitis	172,800
14	Sajjad Ali	Enteric Fever	84,871
15	Saqib Sohil	DMT2 HTN	120,478
16	Saqib Sohil	Dm1+NTN	123,181
			4,436,707

BMC Hospital AIR Para 11 Rs. 13.903 million

S. No.	Name Of Payee	Designation	Amount
1	Abdul Majid	MO	58,365
2	Anjum Shehzad	CMO	193,450
3	Dr. Moula Bakhsh Mengal	Anesthetist	1,022,867
4	Dr-Muhammad Nadir	DMS	255,308
5	Zarmina Iqbal	LMO	26,200
6	Muhammad Younas	Pharmacist	46,209

S. No.	Name Of Payee	Designation	Amount
7	Muhammed Javaid Khan	Ex-CMO	509,173
8	Dr. Ahmed Nawaz	PMO	212,080
9	Muhammad Aslam	Pharmacist	158,510
10	Muhammad Babar	Dental Surgeon	173,534
11	Farkhanda Siddique	CLMO	88,142
12	Abdul Rauf	Pharmacist	43,697
13	Miss Asma Niaz	Staff Nurse	238,120
14	Ali Akbar	Lab Attendant	369,905
15	Maria Habiba	LMO	130,364
16	Sajid Ali	MO	767,425
17	Palwasha Jalil	LMO	369,541
18	Laraib Khan	RMO	787,865
19	Syed Ehsanullah	Pharmacist	49,600
20	Naseer Ahmed	MO	245,264
21	Lal Bibi	Aya	788,584

S. No.	Name Of Payee	Designation	Amount
22	Dr Muhammad Qasim Khan	MO	135,902
23	Basir Ahmed	Junior Clerk	47,280
24	Rajesh Kumar	Dental Surgeon	710,872
25	Sheeren Jafar	LMO	556,730
26	Dr. Moula Bakhsh Mengal	Anesthetist	383,151
27	Bibi Ayesha Tareen	LMO	2,930,596
28	Nasreen W/O Josaf	Staff Nurse	47,030
29	Muhammad Khan	ECG Technician	117,486
30	Dr. Moula Bakhsh Mengal	Anesthetist	248,458
31	Abdul Wali Khan	CMO	678,441
32	Muhammad Azam	Computer Programmer	115,897
33	Shakeel Ahmed	Staff Nurse	234,629
34	Sonia Hameed	LMO	455,311
35	Dr. Ratan Kumar	CMO	127,620
36	Hafiz Atta Ullah	Naib Qasid	98,648

S. No.	Name Of Payee	Designation	Amount
37	Dr Muhammad Qasim Khan	MO	45,001
38	Adnan Rabani	MO	435,505
Total			**13,902,760**

BMC Hospital AIR Para 12 / 2024-25 Rs. 8.656 million

(Rs. in million)

S. No.	Name of Payee	Description	Amount
1	Abdul Latif	Medical charges	0.946
2	Muhammad Aslam	Medical charges	0.416
3	Khalid Aslam	Medical charges	0.049
4	Dr. Ratan Kumar	Medical charges	0.128
5	Khudadad	Medical charges	0.035
6	Syed Ali Faysal	Medical charges	0.05
7	Shaheen Nazeer	Medical charges	0.044
8	Kifayat Ullah	Medical charges	0.062
9	Fareed Ullah	Medical charges	0.046
10	Abdul Latif	Medical charges	0.504
11	Qadir Bux	Medical charges	0.054
12	Syed Ali Faysal	Medical charges	0.1
13	Dr. Moula Bakhsh Mengal	Medical charges	0.415
14	Muhammad Azam	Medical charges	0.077
15	Zafar Ali	Medical charges	0.049
16	Saifullah	Medical charges	0.023
17	Aga Khan Hospital & Medical College	Medical charges	1.2

S. No.	Name of Payee	Description	Amount
18	Muhammad Shahzaib	Medical charges	0.108
19	Muhammad Qasim	Medical charges	0.807
20	Aziz Tabba Foundation	Medical charges	1
21	Basir Ahmed	Medical charges	0.098
22	Amir Bakhsh	Medical charges	0.244
23	Syed Ali Faysal	Medical charges	0.05
24	Muhammad Hussain	Medical charges	0.046
25	Jalil Ahmed	Medical charges	0.091
26	Kashif Saleem	Medical charges	0.076
27	Saifullah	Medical charges	0.033
28	Muhammad Rasool	Medical charges	0.028
29	Muhammad Arif	Medical charges	0.029
30	Shamshair Jallat	Medical charges	0.178
31	Dr Muhammad Qasim Khan	Medical charges	1.383
32	Dr Ahmed Ali	Medical charges	0.129
33	Basir Ahmed	Medical charges	0.078
34	Bilal Ahmed	Medical charges	0.027
35	Faiza Mengal	Medical charges	0.051
Total			**8.656**

Helpers Eye Hospital AIR Para 7 / 2024-25 Rs. 5.191 million

(Rs. in million)

S. No.	Name of patient	Nature of treatment	Amount
1	Dr. Shaban Khan, Rtd Professor	Cholecystectomy	0.148
2	Dr. Amir Muhammad, Rtd Ex-MO.	CABG/PCI to Proximal LAD	1.476
3	Dr. Obaid-ur-Rehman, Rtd CMO.	NSTEMI/Lt IT fracture/ Anemia	1.166
4	Mr. Ghulam Rabani, Male Nurse	LSCS	0.097
5	Mr. Khalidullah, Assistant Optometrist	CAROTID ARTERY RAPTURE	0.576
6	Mr. Muhammad Yousif, Generator Operator	CA Stomach	0.368
7	Mr. Ameer Muhammad Khan	Angiography and Angioplasty	0.365
8	Mr. Baz Muhammad, Compounder	PCI to LCX	0.381
9	Dr. Nazir Ahmed, MO	Bile Duct Injury/CBD	0.25
10	Dr. Nazir Ahmed, MO	Bile Duct Injury/CBD	0.364
Total			**5.191**

Secretary Health Department AIR Para 2 and 3 / 2024-25 Rs. 294.206 million

S. No.	Name of Hospital/Institute	Particulars	Amount
1	National Institute Cardio Vascular Disease Karachi	Advance Payment in favor of Bibi Arifa daughter of Ameer Muhammad, Senior Clerk	600,000
2	Imran Khan, Data Entry Operator BMCH	Heart treatment of Bibi Aliya mother of Imran Khan, DEO BMCH from South City Hospital	1,134,070
3	CNE Fund Account (Combined Military Hospital, Quetta)	Trauma Patients of Bomb Blasts, Road Accidents etc.	16,184,767
4			77,874,326
5			12,694,555
6			7,649,774
7	Aria Institute of Medical Sciences (Pvt) Ltd., Quetta	Advance Payment for Medical Treatments	20,000,000
8	Aga Khan Hospital & Medical College, Karachi	Advance Payment for Medical Treatments	150,000,000
Total			**286,137,492**

Annexure 1.3

5.1.6 Weak financial governance in spending and monitoring of grant

Secretary Health Department AIR Para 06/2024-25 Rs. 696.528 million

Head of Account	Allocation	Total Expenditure	Expenditure in June	%age
A01293-Diet Charges	0.932	0.557	0.380	68%
A03202-Telephone And Trunk Call	6.500	6.497	3.400	52%
A03305-Pol For Generator	6.000	6.000	5.000	83%
A03970-Others	8.150	8.150	4.164	51%
A03983-Expenditure Tracking/ Monitoring	0.600	0.600	0.600	100%
A05216-Fin. Assis. To The Families Of G. Servant	21.257	1.500	1.500	100%
A05270-To Others	651.470	651.470	557.170	86%
A09201-Hardware	3.000	3.000	1.533	51%
A09501-Transport	75.000	74.999	74.999	100%
	772.909	**752.773**	**648.746**	

SMBB Hospital AIR Para 02/2024-25 Rs. 36.211 million

(Rs. in million)

Head of Account	Allocation	Total Expenditure	Expenditure in June	percentage
A03927-Purchase of Drug And Medicines	60	59.856	36.211	60%

Annexure 1.4

5.1.6 Weak financial governance in spending and monitoring of grant

DGHS AIR Para 06/ 2024-25 Rs. 696.528 million

(Rs. in million)

S. No.	Name of department/beneficiaries of Grant-in-Aid	Amount
1	Jam e Shifa Organization, Quetta	4.500
2	Fatimid Foundation, Quetta.	20
3	Al Ibrahim Eye Hospital Kharan	3
4	Navy Hospital Pakistan Ship Ormara	40
5	Indus Hospital, Karachi	478.173
6	Balochistan Health Care Commission	150.855
Total		**696.528**