FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE
ON
PUBLIC ACCOUNTS
(2016-2019)

EIGHTEENTH REPORT

On

Paragraphs relating to Health and Family Welfare Department contained in the Report of the Comptroller and Auditor General of India for the year ended 31 March, 2013 (General and Social Sector)

736/2018.

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Shri P. P. Shahnawas, Deputy Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the 18th Report on paragraphs relating to Department contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2013 (General and Social Sector).

The Reports of the Comptroller and Auditor General of India for the year ended 31st March 2013 (General and Social Sector) was laid on the Table of the House on 10th June, 2014.

The Committee considered and finalised this Report at the meeting held on 19-3-2018.

The Committee place on record their appreciation of the assistance rendered to them by the Accountant General in the examination of the Audit Report.

V. D. SATHEESAN,
Chairman,
Committee on Public Accounts.

Thiruvananthapuram,
19th March, 2018.

REPORT

HEALTH AND FAMILY WELFARE DEPARTMENT

AUDIT PARAGRAPH

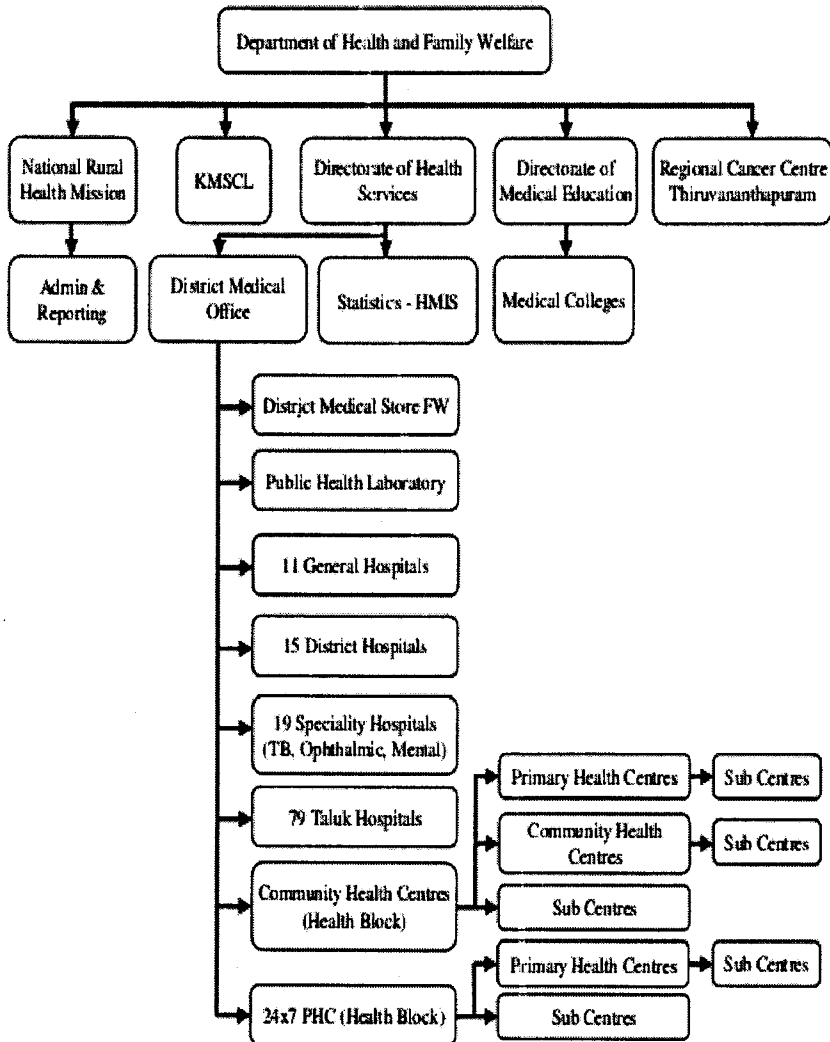
Health care Services in Government Hospitals

Introduction

Healthcare services are generally classified into preventive, promotive and curative services. The preventive and promotive services are delivered through primary level institutions such as Sub-Centres, Primary Health Centres and Community Health Centres. All institutions deliver curative services in varying capacity and standards.

Organisational set-up

The Secretary to Government, Health and Family Welfare Department is in overall charge of the health services in the State. The Director of Health Services (DHS) and the Director of Medical Education (DME) together are in administrative control of health institutions under the Government Sector. The organisational set up of Health and Family Welfare Department under which public health institutions are functioning is given in the organogram below:



Management of taluk hospitals within the Block Panchayath/Municipal area is vested with the concerned Block Panchayath/Municipal Corporation. The management of District Hospitals is vested with the respective District Panchayath.

Audit Objectives

The audit objectives of conducting performance audit were to assess whether:

- the planning process was adequate to improve quality of healthcare services;
- the financial resources were adequate and effectively used;
- adequate infrastructure and manpower were available to deliver the healthcare services in hospitals;
- proper system existed to ensure quality and adequacy in procurement and inventory management of drugs and equipments; and
- disposal of solid and bio-medical wastes generated by hospitals was as per norms.

Audit Criteria

Audit findings were benchmarked against the following criteria:

- Policies/strategies of the Directorate of Health Services in the annual plan;
- Budget documents, Appropriation and Finance Accounts and records of KMSCL;
- Norms for staff, infrastructure and other facilities for the hospitals as prescribed in the Standardisation Report approved by the State Government in 2008;
- Guidelines/instructions issued by the Central/State Governments for procurement of medical equipment and drugs;
- Provisions for the quality of drugs envisaged in the Drugs and Cosmetics Act, 1940, as amended from time to time; and
- Provisions in the Bio-Medical Waste (Management & Handling) Rules, 1998 for the disposal of solid and bio-medical waste.

Scope and methodology

Mention was made in the Audit Reports of C&AG of India, Government of Kerala (Civil) for the year ended 31 March 2009 and 31 March 2010 on the

implementation of the National Rural Health Mission (Paragraph 1.2) covering Primary Health Centres (PHCs) and Community Health Centres (CHCs) and functioning of the medical college hospitals (Paragraph 3.1) in the State respectively. The current performance audit on healthcare services in Government hospitals covered Taluk hospitals (TH), District Hospitals (DH), General Hospitals (GH) and Women and Children (W&C) Hospitals in the State under the control of DHS. Performance audit covering the period 2008-2013 was carried out from April 2013 to July 2013 by test check of records in the Department, the DHS, the District Medical Offices (DMOs), the KMSCL and 33[1] Health institutions selected from five[2] out of 14 districts. The sample health institutions were selected for detailed audit by adopting three-tier stratification sampling and PPSWOR[3]. As part of gathering evidence, physical verifications were conducted along with the departmental Officers and photographic evidence was obtained wherever possible.

An entry conference was held with the Principal Secretary to Government, Health and Family Welfare Department in April 2013 during which the audit objectives and criteria were discussed and audit methodology explained.

An exit conference was held in October 2013 with the Secretary to Government, Health and Family Welfare Department during which the audit findings were discussed in detail. Views of the State Government and replies of the departmental officers were taken into consideration while finalising the report.

AUDIT FINDINGS

Planning

State Government approved (May 2008) the Report of the Standardisation Committee[4] prescribing the standardisation norms for Medical Institutions in the State. For the early attainment of the norms fixed for infrastructure, manpower,

1. Five District hospitals, three General hospitals, 23 Taluk Hospitals and two W&C hospitals
2. Alappuzha, Idukki, Kasaragod, Thiruvananthapuram and Thrissur,
3. Probability Proportional to Size Without Replacement
4 . A committee constituted by the Government (May 2002) to recommend standards for service delivery, infrastructure, equipment and staff pattern under the Health Services Department. Meanwhile, GOI issued (February 2007), Indian Public Health Standards (IPHS) for institutions like PHCs, CHCs and Sub-Centres which was adopted by State Government. In respect of Taluk, District, General and Speciality Hospitals for which IPHS was not applicable, State Government accepted (May 2008) the Standardisation Committee Report of 2002 as the basic document for upgradation. IPHS for District Hospitals was issued by GOI in 2011

etc., in health institutions, an effective planning process was essential for the Health Department to marshal its financial and human resources. Audit noticed that no appraisal was conducted by the department to identify the current status of the hospitals vis-a-vis the standardisation norms of the State Government. A comprehensive picture at the State level on the availability of major diagnostic services in the hospitals was not available with the DHS. A perspective plan prescribing a time frame for attaining the standardisation norms in the health institutions was not prepared by the Department. While the Department had an Annual Plan as part of the five year plan of the Department, it did not prescribe methodologies or lay a timeline to achieve the standardisation norms. Further, on the lines of the National Health Policy, 2002, only a draft Health policy was formulated which is yet to be adopted by the State Government (December 2013).

In the exit conference (October 2013), Secretary stated that an expert committee had been constituted to make an indepth study on the draft health policy, which would be finalised by December 2013. However, the policy has not been finalised so far (January 2014).

Funding

Consequent to adoption of the Kerala Panchayathi Raj Act, 1994, management of medical institutions upto DHs in the State had been transferred to Panchayathi Raj Institutions (PRIs). The expenditure on electricity and water charges, dietary charges, repairs/maintenance of buildings, day-to-day expenditure of hospitals were met by the PRIs from their budgetary allocations and by Hospital Development Committees (HDC)[5] from the collection charges on various services rendered by them. Salaries of doctors and staff, cost of drugs and equipment were met by the State Government. Since 2008-09, procurement of all drugs and equipment for the Government hospitals in the State was made through KMSCL, a State Government undertaking. While funds for the purchase of drugs for supply to hospitals under DHS/DME were made available to KMSCL by the State Government through budget allocation, the cost of equipment to be purchased for Government hospitals was released to KMSCL by the DHS on getting specific

5 HDCs are democratically constituted bodies which would maintain constant vigil on the working of the hospital concerned

sanctions from the State Government. Details of funds provided by the State Government for pay and allowances of staff of hospitals under DHS, funds released by the State Government/DHS to KMSCL for procurement of drugs and equipment and expenditure incurred during 2008-2013 are as given in Table below:

Table Details of funds provided and expenditure

(₹ in crore)

Year	Pay & Allowances		Drugs			Equipment	
	Budget provision	Expenditure	Budget Provision by the Government	Amount received by KMSCL from Government	Expenditure[6] incurred by KMSCL	Amount[7] received by KMSCL from DHS	Expenditure incurred by KMSCL
2008-09	926.35	929.69	129.67	95.03	134.79	-	-
2009-10	1032.11	1025.19	130.00	130.00	159.83	10.64	8.49
2010-11	1235.87	1260.83	145.00	145.00	167.04	15.83	12.75
2011-12	1762.35	1730.16	174.00	174.00	190.28	43.29	17.46
2012-13	1911.65	1897.21	200.00	200.00	333.51	14.64	7.84
TOTAL			**778.67**	**744.03**	**985.45**	**84.40**	**46.54[8]**

Source: Appropriation accounts and data obtained from KMSCL

Audit observed the following:

- The release of funds by State Government for the procurement of drugs was inadequate during 2008-2013. KMSCL spent ₹985.45 crore as against the release of ₹744.03 crore from State Government. KMSCL

6 Expenditure on drugs includes seven *per cent* service charges

7 Separate budget allocation for procurement of equipment is not available and it is clubbed with the sub-head 'Other Charges'

8 Expenditure on equipment includes ₹3.23 crore collected by KMSCL towards seven per cent service charges

stated that the shortfall was managed by utilising funds provided by State Government for equipment, other GOI/State Government schemes and funds from own sources such as service charges, penalties levied from suppliers, etc.

- Out of ₹84.40 crore received for procurement of equipment, KMSCL utilised only ₹46.54 crore. Equipment like ECG/X-ray machines, Ultra sound scanners, cytoscopy instruments, light source, etc., indented by the DHS were not procured leading to shortage of critical equipment in various hospitals as brought out in paragraph 2.1.9.2.

State Government introduced a scheme (November 2012) for distribution of free generic drugs to all patients (other than those who pay income tax) including those in pay wards. The scheme envisaged that expenditure for the scheme would be met from one per cent cess to be collected by the Kerala State Beverages Corporation Limited (KSBCL). Though KSBCL collected and remitted ₹26.01 crore to the State Government account, the amount was not transferred by State Government to KMSCL as of July 2013.

In the exit conference (October 2013), Secretary stated that modalities would be worked out in consultation with the Finance Department for releasing the amount to KMSCL.

Infrastructure

Development of infrastructure facilities in public health institutions as per standardisation norms is essential for providing quality medical services. PRIs in the State were entrusted with the management of hospitals upto district level. While PRIs meet recurring and maintenance charges of these hospitals, State Government and National Rural Health Mission (NRHM) meet expenditure on major civil works.

Uneven distribution of hospitals

As per the Report of Standardisation Committee, each taluk should have a TH and each district should have a DH. Against 63 taluks in the State, there were

80 THs as of March 2013. While seven taluks[9] did not have Taluk level hospitals, taluks such as Chirayankeezhu (Thiruvananthapuram district), Hosdurg (Kasaragod district), Thalappilly and Mukundapuram taluks (Thrissur district) were having more than one TH.

Inadequacies in infrastructure

The major items of infrastructure facilities to be provided in the THs, DHs, GHs and W&C hospitals as per the standardisation norms and the position of availability in respect of 33[10] hospitals test-checked are given in **Appendix III**.

Some of the shortcomings in the available infrastructure noticed in the test-checked hospitals were as under:

- Out of the 23 THs test-checked, Communicable diseases ward and Geriatric and Palliative care ward were available only in four and three THs respectively. Only three out of five DHs have Communicable diseases ward and none of the DHs have Geriatric and Palliative care ward.
- DH Mavelikkara -Buildings housing the various departments like the out-patient departments, pay wards, maternity, female surgical and post-operative wards were spread over an area of eight acres. They were not interconnected causing difficulty in shifting patients during emergencies. All buildings were in dilapidated conditions and the roof of the paediatric ward was leaking. In some places, plastering of the ceiling had fallen down exposing the paediatric patients to the risk of roof collapse. A small narrow room in an old tiled building was converted into an Intensive Care Unit (ICU). The ICU was not air-conditioned. The DHS stated (November 2013) that necessary directions would be issued to rectify the defects.
- Mortuary facilities were not available in 15[11] test-checked hospitals. In

9 Adoor, Kasaragod, Kozhencherry, Mananthavady, Mavelikkara, Thrissur and Tirur
10 Taluk Hospital:23; District Hospital: 5; General Hospital: 3 and W&C Hospital:2
11 DH Idukki, GH Alappuzha, TH Attingal, TH Chavakkad, TH Chelakkara, TH Chengannur, TH Irinjalakuda, TH Kayamkulam, TH Nemom, TH Nileshwaram, TH Peerumade, TH Pulinkunnu, TH Thuravur, TH Thrikkarippur and TH Vadakkanchery

GH Thiruvananthapuram, a freezer with four compartments to preserve four bodies was available. However, on the day of visit, audit noticed eleven bodies preserved against the total capacity of four. DHS stated (November 2013) that deficiency of facilities in GH Thiruvananthapuram, would be sorted out.

- Power laundry was not available in 26 out of the 33 hospitals test-checked. In the absence of power laundry, supply of clean linen to patients and hospital staff could not be ensured. In the exit conference (October 2013), Secretary agreed with the audit view on the need for providing power laundries in hospitals.
- Generators were not available in six[12] out of the 33 hospitals test-checked. Audit noticed that no operations were carried out in these hospitals because of non-functional theatres, lack of equipment, absence of surgeons/gynaecologists, etc. In DH Idukki, even though there was generator to service the Operation Theatre, out-patient departments were not supported with any power backup. Audit noticed crowded out-patient departments with doctors examining patients in candle light.
- According to the standardisation norms, need-based diet should be supplied to patients in Government hospitals. However, audit noticed that four[13] hospitals in the test-checked districts did not provide any diet. DHS stated (November 2013) that PRIs were to supply the dietary articles in these hospitals. However, the fact remained that supply of need-based diet to the patients was not ensured either by the State Government or PRIs.

Bed strength in hospitals

The Standardisation Committee envisaged THs with bed strength of 250 and the DHs and GHs with bed strengths of 500. The available bed strength in hospitals with reference to the standardisation norms and sanctioned bed strength in the test-checked hospitals are given in Appendix III.

A comparison of sanctioned bed strength in hospitals with the standardisation norms revealed that the sanctioned bed strengths were less than norms in respect of all test-checked hospitals except in the case of TH Cherthala and GH Thiruvananthapuram.

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12 TH Attingal, TH Nileshwaram, TH Nemom, TH Pulinkunnu, TH Puthukad, and TH Thuravur

13 TH Nedumkandam, TH Pulinkunnu, TH Peerumedu and TH Thuravoor

Fourteen out of the remaining 22 THs and two out of the five DHs test-checked had sanctioned bed strength of less than 50 per cent of the prescribed norms. In respect of three GHs test-checked, GH Kasaragod had bed strength 50 *per cent* less than the prescribed norms.

Further analysis showed that, even the reduced sanctioned strength of beds was not provided in six out of the 23 THs test-checked.

DHS stated (November 2013) that action was being taken for enhancement of bed strength in hospitals.

Medical Equipment and its availability in hospitals

Medical Equipment

Medical equipment constitute an integral part of diagnostic and treatment procedure in hospitals. Audit noticed that 93 medical items like C-Arm Mobile Image Intensifier, Ophthalmic operating microscope, equipment for trauma care unit, etc., remained unutilised in 11[14] test-checked hospitals. On analysis it was seen that 36 out of the 93 equipment were lying idle in TH Haripad (21) and TH Thrikkaripur (15) for periods ranging between 2.5 and 3.5 years. In four hospitals, 15 items were lying idle for more than five years.

It was noticed that the equipment were not utilised mainly due to non-functioning of infrastructure facilities like operation theatre, labour room, blood storage units, etc., and shortage of staff. The department had not furnished any specific reply for the steps taken for making the equipment functional.

Availability of diagnostic equipment

ECG, X-ray and Ultra Sound Scanners are essential diagnostic equipment for providing quality medical care to patients. Audit noticed that Ultra Sound scanners were not available in 19 out of the 23 THs test-checked. None of the above facilities were available in THs Nemom and Attingal. The status of availability of diagnostic services in the test-checked hospitals is given in **Appendix III**.

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14 DH Mavelikkara, GH Alappuzha, TH Chengannur, TH Haripad, TH Irinjalakuda, TH Kayamkulam, TH Kodungallur, TH Puthukad, TH Thodupuzha, TH Thrikkaripur and TH Vadakanchery

The Standardisation Committee recommended for making available CT Scanners in all District and General Hospitals. Audit noticed that CT Scanners were not available in the GH Alappuzha and in any of the DHs test-checked.

Safety measures in X-Ray centres

Atomic Energy Regulatory Board (AERB) guidelines (August 2004) on licensing of X-ray units provide for issuing of licence for operating radiation installations after inspecting the working practices being followed to ensure adherence to prescribed safety standards, availability of appropriate radiation monitors and dosimetry devices for purposes of radiation surveillance, etc. In Kerala, the Director of Radiation Safety (DRS) is the authorised agency to issue licences on behalf of AERB.

Audit noticed that 27 out of 33 hospitals test-checked offered X-ray services. However, in 18[15] out of the 27 hospitals, X-Ray machines were operated without obtaining Certification of Safety from the DRS. Superintendents of four[16] hospitals stated that necessary steps were being taken to obtain certification from DRS and to provide Thermo Luminescence Dosimeter (TLD) film badges to technicians.

Audit noticed that the technicians manning the X-ray units in 17[17] hospitals were not provided with TLD film badges to indicate levels of exposure to radiation. In the absence of TLD badges and safety certification from the DRS, audit could not obtain reasonable assurance that patients and technicians were not being exposed to more than permissible radiation levels.

DRS stated (August 2013) that most of the public sector medical institutions neglected the mandatory conditions despite issue of repeated directions.

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15 DH Mavelikkara, DH Peroorkada, DH Thrissur, GH Alappuzha , TH Adimaly, TH Chalakudy, TH Chavakkad, TH Chelakkara, TH Chengannur, TH Haripad, TH Irinjalakuda, TH Kayamkulam, TH Nedumkandam, TH Peerumade, TH Thodupuzha, TH Thuravur, TH Vadakkancherry and TH Varkala

16 DH Mavelikkara, TH Chavakkad, TH Haripad and TH Thodupuzha

17 DH Idukki, DH Kanhangad, DH Mavelikkara, DH Thrissur, GH Thiruvananthapuram, TH Adimali, TH Chelakkara, TH Chengannur, TH Haripad, TH Irinjalakuda, TH Kayamkulam, TH Kodungallur, TH Kunnamkulam, TH Pulinkunnu, TH Thuravur, TH Vadakkancherry, and TH Varkala

Procurement and management of drugs and medical devices

Procurement of drugs without the stipulated shelf-life

Tender conditions of KMSCL required that the drugs supplied should have the stipulated shelf-life. There was also provision in the tender documents that the tenderers shall take back drugs which were not utilised by KMSCL within the shelf-life period based on mutual agreement. To minimise the expiry of drugs in the hospitals and warehouses, an efficient system of First Expiry First Out (FEFO) method was to be followed by KMSCL.

Audit scrutiny revealed that KMSCL procured 321 drugs comprising 16,529 batches costing ₹92.66 crore without the stipulated shelf-life during 2008-2013. KMSCL was also not following an effective FEFO method for issue of drugs to hospitals. During 2008-2013, drugs costing ₹ 2.91 crore became time expired and the KMSCL did not take any action to get the same replaced by the suppliers as stipulated in the tender conditions. Thus, failure on the part of KMSCL to follow the tender conditions resulted in a loss of ₹2.91 crore to State Government.

In the exit conference, Secretary agreed with the audit findings and stated that a detailed audit would be conducted at the KMSCL after consultation with the Finance Department.

Testing of drugs

According to the procedure prescribed and followed by KMSCL, all batches of drugs procured were to be subjected to quality tests through its empanelled laboratories. According to the standard operating procedure followed by KMSCL for ensuring quality of drugs, the empanelled quality testing laboratories were required to submit test reports of sterile and non-sterile[18] samples within 15 and 30 days respectively from the date of receipt of the samples by them. Drugs declared as 'Not of Standard Quality (NSQ)' were to be frozen and not to be issued to hospitals. It was also seen that out of 37,112 batches, in 25,342 batches the empanelled laboratories failed to submit the test result within the stipulated time. Analysis revealed that, in 970 batches the delay ranged from 50 to 100 days, in 155 batches the delay ranged from 101 to 200 days, in 41 batches the delay ranged from 201 to 300 days and in four batches the delay was between 300 and 395 days.

18 Sterile products refer to products that are free from microbial organisms eg. Injection, sutures, etc. and products which are not sterile are termed as non-sterile

Audit noticed that during 2008-2013, only 37,112 out of 47,650 batches of 1,158 drugs procured were tested for quality and 382 batches were declared as NSQ. Out of the above, only 260 batches of drugs were frozen at the warehouses of KMSCL and the remaining 122 batches of the substandard drugs were issued to hospitals due to delay in receipt of test results. In 23 out of the 33 hospitals test-checked, it was noticed that the delay in receipt of intimation of NSQ drugs resulted in administration of sub-standard drugs to patients.

Audit scrutiny also revealed that certain drugs like insulin, anti-venom and anti-rabies vaccine, paracetamol, antibiotics, etc., purchased by KMSCL were not subjected to quality tests despite KMSCL collecting Handling and Testing charges of ₹ 3.58 crore from the suppliers of these drugs during review period. By not conducting the required quality tests, the risk of patients consuming substandard drugs cannot be ruled out. The Secretary in the exit conference stated that the delay in obtaining results from the laboratories would be looked into. He also agreed that the risk of administering NSQ drugs to patients was a very serious issue and would be taken care of on priority basis.

Regarding non-testing of drugs, KMSCL stated (September 2013) that drugs requiring cold storage conditions, X-ray films and chemicals, etc., were not tested as no empanelled laboratory had provisions for their testing. However, the reply does not explain why drugs like paracetamol, antibiotics etc. were not sent for testing.

Presence of expired drugs in hospital wards

Drugs with expired shelf life were to be reckoned as bio-medical waste and not to be consumed. Audit noticed that in six[19] hospitals, lack of monitoring of the life cycle of drugs resulted in their time expiry. Expired drugs were stored in various nursing stations and wards along with normal drugs for eventual distribution to patients. In TH Attingal, expired drugs like Metoclopramide Injection and Adrenaline Injection were kept along with normal drugs in the ward. In the exit conference, the Secretary stated that presence of expired drugs in hospital wards was due to lack of computerisation of pharmacies and stores and assured that necessary instructions would be issued to hospitals.

19 GH Thiruvananthapuram, TH Adimali, TH Attingal, TH Irinjalakuda, TH Nemom and TH Thrikkarippur

Stock-out of drugs in warehouses/hospitals

Ensuring the uninterrupted supply of essential drugs to hospitals plays a vital role in the delivery of quality healthcare services in hospitals. KMSCL was to ensure stocking of sufficient quantity of essential drugs in its warehouses. Analysis of the stock of essential drugs in KMSCL as on 31 March of each year during the period 2008-2012[20] revealed that essential items of drugs including vital drugs such as Amoxycillin, Ampicillin, Cloxacillin, etc., were out of stock in the warehouses. It was observed that there was stock-out of 35 to 48 per cent of items of essential drugs in the warehouses as on 31 March of each year during the period 2008-2012. Maximum shortage of drugs ranging from 61 to 66 per cent was noticed in the Wayanad and Kasaragod district warehouses of KMSCL. Stock-out of drugs in warehouses resulted in stock-out of drugs in hospitals. In test-checked hospitals, audit noticed stock-out of essential drugs on the dates of visit by audit. The stock-out of drugs resulted in purchase of drugs by the patients from private medical shops. The Superintendent, W&C hospital, Alappuzha attributed the stock-out of drugs in the hospital to irregular supply of drugs by KMSCL.

Huge variation in physical stock and system stock of drugs

Audit analysis revealed that KMSCL had not conducted the annual/periodical physical verification of stock with the system stock from its inception in November 2007. The statutory auditors of KMSCL pointed out the variation in physical stock vis-à-vis system stock of KMSCL in the audit reports for 2008-09 and 2009-10. But, KMSCL conducted a detailed stock taking of drugs only in March 2013. The physical stock taking by KMSCL in its drug warehouses revealed variations to the extent of ₹21.23 crore between the actual stock available in the warehouses vis-à-vis system stock maintained in KMSCL. KMSCL decided to introduce a process wherein the excess and shortage would be nullified and making the system stock equal to the stock physically available in the warehouses as on 1 April, 2013. For this, it was decided to create fictitious purchase orders (POs)/Material Issue Notes (MINs) in the name of fictitious suppliers/institutions. Based on these fictitious POs and MINs, the net shortage of stock of ₹21.23 crore in the warehouses was nullified and physical stock was taken as system stock. This is not a standard accounting procedure to set right a system stock, and hence the possibility of using this practice for stock misappropriation could not be ruled out.

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20 Figures relating to 2012-13 were not available at the time of audit

The Governing Body of KMSCL while ratifying the action of the Managing Director in making the system stock equal to the stock physically available in warehouses as on 1 April 2013, directed to find out the reasons for the variation. But KMSCL did not analyse the causes of variation as of September 2013.

Audit observed that the deficiency in inventory management could have been rectified, if stock taking had been done periodically. Due to non-conducting of stock taking, there was accumulation of huge shortage of stock over the years making it difficult for KMSCL to evaluate the reasons for variation and take corrective measures.

Audit noticed that while in the case of time expired drugs, KMSCL obtained orders from the State Government to write off ₹1.13 crore, but shortage of stock worth ₹ 21.23 crore was nullified by the Governing Body without obtaining any orders from State Government. This requires detailed investigation.

In the exit conference, Secretary stated that a detailed audit would be conducted in consultation with the Finance Department.

Procurement of medical devices at higher price

KMSCL in its tender documents stipulated that the type, nature and quality of evaluation tests were the prerogative of its technical committee. Audit noticed that in the case of supply of medical devices for 2011-12, tenders of 10 out of 11 firms were rejected on technical grounds. There was undue delay in finalisation of tenders and placing purchase orders resulting in stock-out position in warehouses and hospitals during 2011-12. Citing urgency of the situation, KMSCL placed supply orders with M/s B. Braun Medicals India Ltd., the only firm approved by the Technical Committee for 10 items of medical devices. The rates quoted and approved for procurement of six items from this supplier during 2011-12 were higher than the prices at which these products were procured by the MCT[21] during the same period by ₹4.35 crore. Similarly, during 2011-12 the KMSCL procured IV set with needle at the rate of ₹ 24 per unit. KMSCL procured the same item during 2010-11 and 2012-13 at the rate of ₹3.28 and ₹10.10 per unit respectively. As the MCT rate was not available, audit made a cost comparison of this item purchased in 2011-12 with respect to the cost of the item procured in 2012-13 and

21 Medical College Thiruvananthapuram

found that the KMSCL incurred an extra expenditure of ₹3.05 crore. Thus, KMSCL incurred an additional expenditure to the tune of ₹7.40 crore in the above purchases. KMSCL admitted the audit observations and stated that they were forced to procure the drugs from M/s B.Braun Medicals India Ltd. due to acute short fall of drugs in hospitals.

The reply is not acceptable as KMSCL also admitted that it had not fixed any timeline for finalisation of tenders. The delay in finalisation of tenders and resultant additional expenditure of ₹ 7.40 crore could have been prevented if specific timeline for finalisation of tenders was stipulated and adhered to.

Services

The standardisation norms of the State Government stipulated making available casualty services in THs also. Audit noticed that two[22] out of 33 hospitals test-checked did not provide casualty services in THs. General, District and W&C hospitals must provide 24x7 services in laboratory, pharmacy, blood bank/blood storage, X-ray and ECG while THs were to provide these services at least till 5 PM. Major services in hospitals were analysed in audit and the results are given in succeeding paragraphs.

Trauma Care and Emergency Medical Services

The standardisation norms provided for availability of Trauma Care and Emergency Medical Services in the THs, DHs and GHs. Audit noticed the following:

- Trauma Care and Emergency Medical Services were not available in 22 THs, five DHs and three GHs test-checked.
- In the GH Alappuzha, a building exclusively for Trauma Care Unit was completed (February 2011) at a cost of ₹ 1.83 crore but the unit has not yet started functioning (July 2013) due to lack of equipment and additional manpower.
- A building for Trauma Care constructed in TH Haripad at a cost of ₹49.56 lakh was completed in November 2009 and was not functional due to lack of manpower. Instead, it currently accommodates a casualty wing and an operation theatre.

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22 TH Thuravur in Alappuzha and TH Nileshwaram in Kasaragod districts

The importance of having a fully equipped Trauma Care Unit can be gauged from the fact that the number of persons admitted to the GH Thiruvananthapuram, as a result of injuries sustained in road accidents shot up from 212 cases in 2009-10 to 2204 in 2012-13. However, the hospital still does not have a Trauma Care Unit.

Speciality services in hospitals

According to the standardisation norms THs, DHs, GHs and W&C hospitals were to offer stipulated speciality services[23].

Audit noticed that except DH Kanhangad, DH Thrissur, GH Kasaragod, TH Chalakudy and TH Thodupuzha, no other Government hospital in the test-checked districts provided all the required speciality out-patient (OP) services as per standardisation norms. The details of speciality OP services not available in the other test-checked hospitals are given in **Appendix III.**

Blood banks

Blood banks/storage centres are an essential element in the functioning of Taluk, District, General and W&C hospitals as stipulated in the Standardisation Committee Report and Government order dated 22 February 2010. Licence issued by the Drugs Controller (DC) is mandatory to run a blood bank. Application for blood bank licence should be submitted by the hospital authorities to the DC along with a 'No Objection Certificate (NOC)' from Kerala State Blood Transfusion Council. On receipt of the application, the DC may issue the licence. Application for renewal should be submitted three months before the expiry of licence following the same procedure. Audit noticed the following:

- There was no blood bank in GH Alappuzha. The blood banks at DH Thrissur, GH Thiruvananthapuram, GH Kasaragod and W&C hospitals at Thiruvananthapuram and Alappuzha were functioning without renewing their licences. The Blood Storage Centre at DH Mavelikkara was non-functional since July 2012 due to equipment failure.

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23 Taluk hospitals: General Medicine, General Surgery, Obstetrics & Gynaecology, Paediatrics, Anesthesia, ENT, Ophthalmology, Dermatology, Orthopedics, Psychiatry, Clinical Pathology and Dental Surgery

Additional services in District and General Hospitals: Radiology, Forensic medicine, Physical Medicine & Rehabilitation

W&C hospital: Medical, Surgery, Gynaecology, Paediatrics, Anesthesia, Clinical Pathology and Radiology.