



महालेखाकार (सा.सा.क्षे.ले.प) का कार्यालय, केरला तिरुवनन्तपुरम
OFFICE OF THE ACCOUNTANT GENERAL (G & SSA), KERALA,
THIRUVANANTHAPURAM - 695 001



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No. SGSIII (HQ) III-L/12-223/18-19 / 77

To

✓
The Registrar
Kerala University of Health Sciences
Thrissur-680596



Dated: 25/01/19

Sir,

Sub: Inspection report on the accounts and registers of Kerala University of Health Sciences, Thrissur for the period from 01-01-2018 to 30-11-2018: - regarding

I am forwarding herewith the report on the audit of accounts and registers of your office for the period **from 01-01-2018 to 30-11-2018** and request you to furnish reply through **The Secretary, Health and Family Welfare Department Thiruvananthapuram**, so as to reach this office not later than four weeks from the date of receipt of the report. In this connection, a reference is invited to Article 63C of the Kerala Financial Code Vol.1 impressing upon the essential need for furnishing complete replies to the objections expeditiously.

The report has been prepared on the basis of information furnished and made available by the Auditee. The Office of the Accountant General (G&SSA), Kerala disclaims any responsibility for misinformation and/or non-information on the part of the Auditee.

Receipt of the document may kindly be acknowledged.

Yours faithfully,

B. S. S. S. S. S.

Sr. Audit Officer/ SGSIII (HQ)

Copy to:

The Secretary to Government
Health and Family Welfare Department
Government Secretariat, Thiruvananthapuram

sd/-
Sr. Audit Officer/ SGSIII (HQ)

**INSPECTION REPORT ON THE AUDIT OF THE ACCOUNTS AND
REGISTERS OF KERALA UNIVERSITY OF HEALTH SCIENCES
MULAMKUNNATHUKAVU, THIRISSUR FOR THE PERIOD 01-01-2018
30-11-2018**

01.12.18

31.08.2020

PART-I

Introduction

The Kerala University of Health Sciences(KUHS) was established on 7 December 2009 through an Ordinance promulgated by the Governor of Kerala (The Kerala University of Health & Allied Sciences Ordinance 2009 – 25 of 2009). The Kerala State Legislature passed the Kerala University of Health Sciences Act (Act 4 of 2011) which received the assent of the Governor on 22 January 2011 and was notified on 24 of January 2011. The University, commenced its functioning from the academic year 2010-11.

The audit of Kerala University of Health Sciences, Thrissur was conducted for the period from (01-01-2018) to (30-11-2018) by Sri. Manoj P S, Audit Officer, Smt. Anitha C, Asst. Audit Officer, Smt. Rajeswari G, Asst. Audit Officer and Sri. Saleel A R, Asst. Audit Officer (Ad hoc). Shri. Suresh Kumar DAG visited the organization for supervision of the OA Party on 8 January 2019. During the course of audit, ¹⁵20 audit enquiries were issued for which replies were received for all.

b) Scope and objectives

The KUHS Act envisages proper and systematic instruction, teaching, training and research in the fields of modern medicine, Homoeopathy and Indian systems of Medicine including Ayurveda, Siddha, Yoga, Naturopathy, Unani and allied subjects and ensure uniformity in various academic programmes in medical and allied subjects. It is empowered to affiliate all Health Care Professional Colleges and Institutions throughout the State of Kerala. There are 305 colleges, in various disciplines and branches of the health sciences under KUHS.

The audit under Section 13 of the Comptroller and Auditor General's (DPC) Act, 1971 was conducted from 27-12-2018 to 9-1-2019.

c) Officer in charge during the period of audit

Name of Officer	Period of incumbency
Dr M K C Nair, Vice Chancellor	From 10-04-2015 (continuing)

d) Financial position

Year	GOK Rs			GOI Rs			Other Rs		
	Allott	Expd	Surrender /lapse/ balance	Allo tt	Exp d	Surre nder /lapse / balan ce	Self generated income	Expenditur e	Balance
2015-16	1,00,00,000	1,00,00,000	Nil	Nil	Nil	Nil	56,51,49,969	43,50,55,577	13,00,94,392
2016-17	19,64,38,000	Nil	19,64,38,000	Nil	Nil	Nil	1,05,60,97,860	45,22,06,030	40,74,53,830
2017-18	Nil	1,78,43,549	(-)1,78,43,549	Nil	Nil	Nil	66,47,54,700	73,32,54,931	(-)8,63,43,780

e) Departmental Audit

M/s Rajan Associates, Chartered Accountants, were the Statutory Auditors of the University which conducted the internal inspection of the Institution during 2017-18 Annual accounts for the year 2017-18 were prepared and audited by the Chartered Accountants.

Kerala State Audit Department (KSAD) is the concurrent auditor. Annual accounts for the year 2017-18 are being audited by the KSAD.

PART-II

A. Significant Audit findings.

--Nil--

B. Other incidental findings

I. Non-deployment of surplus man power from parent universities

There are 305 institutions affiliated to KUHS out of which 194 institutions were transferred from other universities. However, staffs of these Universities were not deployed to KUHS on transfer.

Eventhough KUHS vide letter dated 5.6.2013, had requested these Universities to convey their consent for redeploying their surplus staffs, no staffs were re-deployed to KUHS til date.

On the request of the University, Government sanctioned post creation in the University. As on 31.12.2018, the University has a sanctioned post of only 14 Assistant Registrars, 4 Section Officers and 117 Assistants.

Since almost two third of the institutions were transferred from other universities, atleast two third of Assistant Registrars, Section Officers and Assistants of the present strength should have been deployed to KUHS from these universities.

Due to non-transfer of the surplus staff from the parent universities (Kerala, Mahatma Gandhi, Cochin, Calicut & Kannur) simultaneously with the transfer of 194 institutions to the newly formed university, Government had to bear establishment charges of both (this university and parent universities) in connection with the functioning of the same 194 institutions. The possibilities of deployment of surplus man power available in parent universities due to transfer of institutions to the newly formed K U H S (resulted in reduction of work load in the parent universities) were not explored so far.

Non-deployment of staff from parent universities has resulted in an avoidable expenditure to Government exchequer to the tune of nine crore rupees (approximately) (Calculated on the basis of minimum basic pay alone) plus allowances in the Cadre of Assistant Registrar, Section Officer & Assistants from parent universities.

Audit observed that creation of additional posts were required due to not taking action to redeploy the staff from parent organisation.

II. Non-registration of PG/Super speciality courses in Medical Colleges

As per clause 6(ix) of the Kerala University of Health Sciences Act 2010, the University has the power to grant recognition to institutions satisfying the conditions and to withdraw such recognition.

Scrutiny of records revealed that many courses in Thiruvananthapuram, Kottarakkuda, Alappuzha, Thrissur and Kozhikode medical colleges do not have the required recognition from MCI and these are non-recognised courses as detailed in **Annexure I**.

Though, these institutions are affiliated to University, the University has not been able to resolve this issue.

Action taken to control the institutions to not take up/ continue courses not having recognition of MCI may be furnished.

III. Excess payment to KSEB Ltd towards registration fee of Solar PV Plant

Government accorded Administration Sanction, vide GO dated 28.12.2010, establishing a 200 kWp Grid connected Solar PV Power Plant in the Kerala University of Health Sciences Campus, Thrissur at a total cost of Rs.161 lakh through Agency for Conventional Energy and Rural Technology (ANERT). It was initially intended to establish a 160 kWp Solar PV Power Plant. And an amount of Rs.1.50 lakh registration fee was remitted to KSEB, Medical College, Peringandoor.

University in 2/2018. Later, in a Governing Council meeting held on 21.4.2018, it decided to entrust M/s. KSEB Ltd. to establish a 250 kWp Solar Power Plant, for which revised Administration Sanction was accorded vide GO dated 29.6.2018. An MoU signed between KSEB and KUHS for the project costing Rs.161 lakh which includes an amount of Rs.2.50 lakh as registration fee for the project. The entire amount of Rs.161 lakh was transferred to the account of the Secretary, Kerala State Electricity Board Ltd. on 4.12.2018. In this regard the following observations are made.

1. While transferring the project cost on 04.12.2018, the registration fee of Rs.2.50 lakh earlier remitted as registration fee to KSEB in 2/2018 was not adjusted by the University. Necessary steps may be taken to adjust this amount and intimated to Audit.
2. ANERT, vide letter dated 4.8.2017, had earlier assured that if any subsidy/Central Financial Assistance becomes available for Solar Projects, ANERT will co-ordinate to avail the same from Ministry of New and Renewable Energy(MNRE). But no assurance was seen given by the KSEB while entering into the MoU. On an audit enquiry it was replied that KSEB has informed that they would charge only the difference amount and return the balance amount to KUHS along with other savings, after deducting the operational & Maintenance charges after completion of the project. Regarding central financial assistance, KSEB has informed that they would co-ordinate with ANERT to make available such assistance/subsidy.

Progress in the matter may be furnished.

IV. Non-collection of fee to the tune of Rs. 14 crore

Various fee such as Application fee, Affiliation fee, Annual Administration fee etc. are collected by KUHS from various affiliated colleges. Audit observed that an amount of Rs. 14 crore is pending realisation from various institutions during 2017-18 as detailed below.

In Rupee

Stream	Application fee	Provisional Affiliation fee	Continuation / Permanent affiliation fee	Annual Administration fee	Refundable deposit
Ayurveda	-	4,50,000	5,70,000	-	8,00,000
Homoeopathy	-	-	76,000	-	-
Pharmacy	2,65,000	25,000	30,000	1,90,000	6,00,000
Medical	20,24,000	1,35,20,000	3,70,70,000	16,50,000	1,30,00,000
Nursing	50,000	50,000	31,500	-	-
Dental	4,20,000	3,15,20,000	33,000	-	3,45,00,000
Paramedical	1,29,000	1,45,000	21,99,000	5,39,600	3,00,000
Total	28,88,000	4,57,10,000	40,09,500	23,79,600	4,92,00,000

Further progress in collection of the fees may be intimated to Audit.

V. Non-realization of fine

It was decided in the 28th Governing Council meeting to approve the decision of 8th Board of Examinations with regard to imposing fine on those colleges which fail to provide eligible Internal Examiners at first instance and to cancel its status as theory examination centre, if such instances are repeated for the second time.

Accordingly, University imposed fine (Rs. One lakh rupees for each specialization/ for 13 colleges including Government colleges which failed to provide eligible internal examiners). The request of some of the colleges for exemption from remittance of fine was rejected by the Governing Council in the meeting held on 30 July 2016. since exempting would be an injustice to the colleges which had already remitted fine. Many entries in the Demand, Collection and Balance register are missing and not recorded. On scrutiny of records produced to Audit, the following colleges have not remitted the fine imposed on them.

SINo	Name of college	Fine to be remitted (Rs. In lakh)
1	Mount Zion Medical College, Pathanamthitta	1
2	GMC, Palakkad	3
3	Kannur Medical College, Anjarakandy	1
4	Malabar Medical College, Kozhikode	1
5	MOSC Medical College, Kolencherry	2
6	Travancore Medical College, Kollam	3
7	Malabar Medical College, Kozhikode	1
8	Kannur Medical College, Kannur	2
9	Mount Zion Medical College, Pathanamthitta	1
10	GMC, Palakkad	3
11	PSM Dental College	2
12	Century International Institute of Dental Sciences	2
13	SreeGokulam Medical College	1
	Total	23

Further action in this regard and the decision of the Governing Council may be intimated to Audit.

VI. Non settlement of advances paid to individuals

As per GO dated 04/10/2011, in case of temporary advances which are not settled within the prescribed period of three months, the entire amount of advance must be recovered in one lump immediately on expiry of such time limit along with interest at 18 percent per annum from the date of drawal of advance to the date of recovery of amount. A scrutiny of advance register revealed that the following advances of various officials are pending settlement as on 04/01/2019.

In Rupees

Sl No	Name of Official & Desgn	Purpose of advance	Date of advance	Amount
1	Dr. Harikumaran Nair, Dean Research	Advance for permissive sanction & approval of Budget	17/1/2018	45,000
2	Dr. Harikumaran Nair, Dean Research	Research Methodology programme on Medical Research for PG student	23/1/2018	4,00,000
3	Dr.A.K. Manoj Kumar, Dean SA	Advance for the conduct of University zonal Arts Festival 2017	10/7/2017	5,00,000
4	Dr.A.K. Manoj Kumar, Dean SA	Advance for KUHS MEDEX 2017	28/7/2017	2,50,000
5	Dr.Raja Mohanan, School of Health Policy & Planning	Advance for Research methodology & Training programme	20/7/2018	15,000
6	Dr. Raja Mohanan, School of Health Policy & Planning	Advance for postdisaster medical rehabilitation in Kerala	7/9/2018	15,000
7	Dr. Raja Mohanan, School of Health Policy & Planning	Advance for conducting 1 day work inspection on impact of Health Consequence of disaster f	1/10/18	10,000
8	Harilal K System Manager	Advance for purchase of SSL Certificate	5/7/2018	3000
Total				12,65,000

Audit noticed that advances drawn during July 2017 were not settled even after a lapse of one and a half years. Even though the prescribed period of three months had expired no action has been taken by the University to recover the entire amount in lump with 18 percent interest. The non-compliance of the above government order is brought to notice for immediate action. Respective amounts may be recovered at the earliest and intimated to Audit.

VII. Non-settlement of advances given to colleges

The following advances paid to various colleges for conducting Theory and Practical Examinations are pending settlement since 2012-13:

SINo	Stream	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Total Rs
1	Medical	24400	22800	33260	257900	113600	82850	538410
2	Nursing	-	19500	-	-	15500	16000	51000
3	Para Medical	-	12000	-	3000	-	15000	30000
4	Dental	22500	7000	-	3500	74650	123850	231500
	Total	46900	61300	33260	264400	203750	237700	847310

Even though the prescribed period of three months had expired, no action has been taken by the University to recover the entire amount in lump with 18 percent interest. The non-compliance of government order is brought to notice for immediate action.

VIII. Demand Collection & Balance Register relating to Affiliation Fee

A DCB register is being maintained for recording various fee such as Provisional Affiliation fee, Continuation /Permanent Affiliation fee, Annual Administration fee, Refundable Deposit etc. received from various Colleges. On a test check of the Register with the DCB statement for the year 2017-18, Audit observed that there are differences in the fees remitted as recorded in the register and those recorded in the DCB statement. A few examples are given in **Annexure-II**.

The cases shown in the annexure are only illustrative. Since the Affiliation register is a Permanent Register which is authenticated for recording various fees received including the refundable deposit, the register is to be kept correct, upto date and signed by a responsible officer.

No reconciliation has been done. Excess remittances are not seen recorded in the Register.

Due to the differences cited, Audit could not assess the correctness of the collection of the affiliation fee. The DCB register may be maintained properly and reconciliation may be done and intimated to Audit.

IX. Examination fee pending collection

On a verification of the registers of examination fees received from various colleges, it is observed that examination fees are due from various colleges affiliated under the University. No Demand Collection Balance statement of Examination fees is prepared due to which the Balance of examination fees pending collection could not be ascertained. In the test checked registers of exams for the year 2016-17 in respect of Medical and Dental Courses, audit observed that an amount of Rs.3.97 lakh is due from various Medical Colleges and Rs. 85,960 is due from various Dental Colleges. Audit observed that examination fees in respect of exams conducted in previous years are also due from various colleges.

Non-preparation of DCB registers for examination fees and non-collection of amounts due on account of examination fees are brought to notice for remarks and remedial action.

X. Research activities in the University

As per clause 35 of the University Act 2010, there shall be a Research Council and the duties of Research Council shall be as provided in the statutes.

A Research Council was constituted in the year 2013 which was re-constituted in the years 2015 and 2018. The post of a Dean was sanctioned vide GO dated 3.2.2010. An amount of five crore rupees is the Earmarked Fund for Research in the University.

As per orders of Pro Vice Chancellor dated 9.7.2014, the University formulated an expert committee to monitor the research activities in Ayurveda. The Committee meeting was held on 5.7.2014 and four projects were selected, namely Diabetic Management with OHA, Hypertension dosha based ayurvedic management, Hypo thyroidism management and Peptic ulcer management case study.

The projects were sanctioned only in 2017 and advances totaling Rs.9.27 lakh for three projects were paid to the respective Principal Investigators on 12/2017 and 1/2018. Advance for one project is yet to be made due to retirement of its PI. Even though the University (Finance Branch) vide UO Note dated 15.9.2018 had requested the Dean (Student Affairs) to furnish item wise details of expenditure incurred in the projects, it was not furnished by the Principal Investigations.

In this regard the following observations are made in audit.

1. Though an amount of five crore rupees was earmarked as Research fund, no active research was undertaken in the University even after almost 10 years of its inception.
2. Though four projects in Ayurveda were accepted in the year 2014, it took three years to sanction the projects, despite the availability sufficient funds available for research activities.
3. Details of Expenditure incurred for the projects were not available in the files.
4. Though a Research Council has been constituted as per the Act, its duties and powers were not provided in the Statute.

Specific remarks may be offered in this regard.

XI. Non-checking of validity of Bank Guarantee

Bank Guarantees are received from different agencies/colleges towards security/performance guarantee of works for starting new colleges. On verification of register made available to audit it was observed that periodical check to watch the expiry of the bank guarantee was not being done. The details are shown in Annexure III. It was noticed that no action has been taken to release the amount on accomplishment.

(2) Corporate guarantee obtained from M/s HLL (Rs.3.75 crore) and M/s FI (Rs.3.75 crore) executed on 11.1.11 and 23.10.13 were not recorded in the register produced for verification. Validity of the same may be furnished to audit and the details for which was obtained may also be furnished to audit. Specific remarks may be offered on the above observations.

XII. Earmarked funds' Utilisation

An amount of Rs.55 Crores has been earmarked in the Annual Accounts 2017-18, of which five crore rupees is for research and the remaining Rs.50 crore is for school and centres development fund.

The amounts were set aside as Earmarked funds long back in 2013-14. These amounts were invested in fixed deposits in Government Treasury. To an audit enquiry it was requested that the guidelines/ conditions for utilization of the earmarked funds are yet to be formulated. The first and foremost objective of the Kerala University of Health Sciences and Medical Research University Act is to advance and disseminate learning and knowledge in health and allied fields by fostering and promoting medical research. But the earmarked funds for research has not been utilized.

Non-formulation of guidelines for utilization of the earmarked funds even after five years of setting aside the funds and non-utilisation of the funds are brought to the attention of the audit for remarks and remedial action.

XIII. Library facility in the University

On the proposal of the University for post creation, the post of an Assistant Librarian was sanctioned by Government vide GO dated 14.7.2017. Even though there is no library in the University, an Assistant Librarian has been posted in the University on deputation.

On a scrutiny of the sketch in respect of space allocated/proposed to be allocated to various departments in the university furnished by the University Engineer, it was found that space is seen allocated for a Library and no Building for Library is under construction.

Though lot of purchases were made by the University, no Books/journals were purchased by the University even after 10 years of its inception. There was a proposal for e-journals and providing access to students through Principals of respective departments (Library) the same has not been materialised till date.

Posting of an Assistant Librarian in an institution where Library has not yet been established is brought to notice for remarks.

XIV. Stock register of IT equipment

Government vide GO dated 10.11.2017 accorded sanction for the purchase of 10 Desktop computers and six Laptop for use in the University. Many computers and other IT equipment were also purchased by the University after 2017. On a verification of stock register of Hardware of the University, it was observed that the register has not been updated. A stock register showing the particulars of quantity purchased, date of purchase/installation, cost, serial number, to whom issued, date of issue, balance etc. are not available. Annual physical verification report also is not seen recorded.

Non-maintenance of an up-to-date stock register of IT equipment is brought to notice for remarks and remedial action.

XV. National Pension System

1. Non Contr. from arrears towards NPS Rs. 29,189

National Pension System was implemented in the State Vide GO dated 07.01.2013 for those employees who are recruited on or after 01.04.2013, according to which a government servant shall make contribution of 10 percent of his/her Basic Pay + Dearness Allowance which will be deducted from his/her salary.

On scrutiny of Pay Bill Register 2018-19, it was observed that an amount of Rs.29,189 was not deducted from arrears of Pay Revision/ Salary/DA of employees towards NPS shown in **Annexure IV**. The employers contribution of NPS in these cases have also been remitted to NPS.

The list is illustrative and not exhaustive. Similar cases if any, may be reviewed.

Action taken to recover the amount and Recovery particulars may be intimated to audit.

2. Non enrolling NPS Scheme

Recovery towards Tier-I contribution should start from the salary of the following month in which the Govt. servant has joined service as per the guidelines issued vide GO 19/12/2013. On Scrutiny of Pay Bill register, it was observed that recoveries towards Tier I contribution of the following officials have not started yet.

SL No	Name(Sri/Smt)	Date of joining
1	Shameer K	23.10.2017
2	Litty Thomas B	23.10.2017
3	Simimol S A	23.10.2017
4	Vineeth G	07.02.2018
5	Soja Mary P S	05.02.2018

The delay in NPS Tier – I contribution is brought to notice for remedial action.

On this being pointed out, it was replied that short deduction would be realised from the salary of the officials concerned.

Further progress is awaited.

PART-III

Follow up on findings outstanding from previous reports

The following paragraphs in the previous IRs were pending for want of replies.

Sl. No.	IR Reference No.	Period	Paras outstanding
1	OA (HQ) III/V/12-446/14-15	2013-14	IIA - I,II II B –II,III,IV,X
2	OA (HQ) III/V /12-364/15-16	2014-15	II B-III, IV, VI & VII
3	OA (HQ) III/V /12-443/16-17	2015-16	II A - I II B – III, VI
4	OA (HQ) III/V /12-64/17-18	2016-17	II B – Paras I to XIV

PART-IV

Best practices

--Nil--

PART-V

Acknowledgement.

Audit hereby acknowledges the fullest co-operation extended by the Vice-Chancellor of the Kerala University of Health Sciences and his staff for the smooth conduct of the audit.



Sr. Audit Officer/SGS III(HQ)