

प्रधान महालेखाकार (लेखापरीक्षा I) का कार्यालय, केरल, तिरुवनंतपुरम
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT I) KERALA,
THIRUVANANTHAPURAM-695 001



नोकहिलाय सत्यनिष्ठा
Dedicated to Truth in Public Interest

No. AMG III (HQ)/ III-I/12-13/2022-23/55

Date: 04/08/2022

To

The Registrar,
Kerala University of Health Sciences,
Medical College PO, Thrissur-680596

Sir,

Sub: Inspection report on the Accounts and Registers of the Kerala University of Health Sciences (KUHS) for the period 01.09.2020 to 31.05.2022.

I am forwarding herewith the report on the audit of the accounts and registers of your office for the period from **01.09.2020 to 31.05.2022** and request you to furnish your reply though **The Principal Secretary to Government, Health & Family Welfare Department** so as to reach this office not later than four weeks from the receipt of the report. In this connection, a reference is invited to Article 63 (C) of the Kerala Financial Code Vol. I 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 Principal Accountant General (Audit-I), Kerala disclaims any responsibility for any misinformation and or non- information on the part of auditee.

(Receipt of the document may kindly be acknowledged)

Yours faithfully,

वरिष्ठ लेखापरीक्षा अधिकारी/ ए एम जी III मुख्या.
Senior Audit Officer/ AMGIII (HQ)

Copy to: -

The Principal Secretary to Government,
Health & Family Welfare Department,
Government Secretariat, Thiruvananthapuram-695001

वरिष्ठ लेखापरीक्षा अधिकारी/ ए एम जी III मुख्या.
Senior Audit Officer/ AMGIII (HQ)

**INSPECTION REPORT ON THE LOCAL AUDIT OF THE ACCOUNTS AND
REGISTER OF KERALA UNIVERSITY OF HEALTH SCIENCES,
MULAMKUNNATHUKAVU, THRISSUR FOR THE PERIOD FROM 01/09/2020 TO
31/05/2022**

PART-I

A. Introduction

(i) Overview

The Kerala University of Health Sciences was established on the 7th 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 22nd January 2011 and was notified on the 24th of January 2011. This University is situated in Mulankunnathukavu, Thrissur and commenced its activities from the academic year 2010-11.

(ii) Period of Audit and party personnel

The local audit of Kerala University of Health Sciences, Thrissur was conducted for the period from 01/09/2020 to 31/05/2022 by Smt. Dolly George P & Sri. Manoj MK, Asst. Audit Officers.

B. Scope and objectives

The KUHS Act envisages ensuring of proper and systematic instruction, teaching, training and research exclusively in modern medicine, Homeopathy and Indian systems of Medicines including Ayurveda, Siddha, Yoga, Naturopathy, Unani and allied subjects and also to have uniformity in the various academic programmes in medical and allied subjects. This University is empowered to affiliate all Health Care Professional Colleges & Institutions throughout the State of Kerala. The University had 320 affiliated colleges, belonging to all the disciplines and branches of the health sciences affiliated to it.

The local audit under Section 14 of the Comptroller and Auditor General's (DPC) Act, 1971 was conducted from 21/06/2022 to 05/07/2022.

C. Officer in charge

Name of Officer	Period of incumbency
Prof. (Dr.) Mohanan Kunnummal. Vice Chancellor	From 28.10.2019 (continuing)

D. Financial position

(₹ in Cr)

Year		Grant in Aid Fund received			Expenditure from Fund			Balance			Date of Surrender if Surrendered
		GOK	G O I	Others	GOK	G O I	Others	GOK	G O I	Others	
2019- 20	Plan	4.98	-	-	4.23	-	-	0.75	-	-	75 Lakhs resumed by Govt. on 31/03/2020
	NP-Salary	1.10	-	-	1.10	-	-	Nil	-	-	-
	Np-Non Salary	-	-	-	-	-	-	-	-	-	-
	General Non Salary	4.50	-	-	-	-	-	4.50	-	-	4.50 Cr resumed by Govt. on 31/03/2020
	Total	10.58	-	-	5.33	-	-	5.25	-	-	5.25
2020- 21	Plan	8.14	-	-	7.41	-	-	0.72	-	-	72.8 Lakh resumed by Govt. on 31/03/2021
	NP-Salary	1.98	-	-	1.98	-	-	Nil	-	-	-
	Np-Non Salary	2.47	-	-	2.47	-	-	Nil	-	-	-
	General Non Salary	-	-	-	-	-	-	-	-	-	-

Total	12.60	-	-	11.87	-	-	-	-	-	0.72
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E. Departmental Audit

M/s Agasti & Associates, Chartered Accountants was the Statutory Auditors of the University for the year 2020-21 who conducted the internal inspection of the Institution for the above period. Annual accounts for the year 2020-21 was prepared and audited by the Chartered Accountants. Kerala State Audit Department (KSAD) is the concurrent auditor. Annual accounts for the year 2020-21 are being audited by KSAD.

PART-II

(Audit Findings)

PART-II A

(Significant Audit Findings)

Nil

B. Other incidental audit findings

I. Non-collection of fee to the tune of ₹ 26.48 crore

The University collects various fees such as Application fee for new colleges/new course, seat enhancement, Affiliation fee, Annual Administration fee etc. from various colleges under it. Audit observed that an amount of ₹26.48 crore was pending realisation from various institutions during 2020-21 as detailed below:

CONSOLIDATED REPORT FOR THE YEAR 2020-21					
	Fee to be collected (in ₹ Cr)	Fee actually collected (in ₹ Cr)	Total Fee Collected	Balance Fee Due (in ₹)	Total balance fee due

Stream	(1) Arrear Demand at the start of the Year	(2) Demand for Current Year	(3) Arrear Collection	(4) Collection Against Current Demand	(3)+(4)	(5) Arrear up to previous Year	(6) Fee in arrear for current Year	
Ayurveda	0.22	1.61	0.10	0.52	0.62	0.120	0.11	1.236
Dental	6.77	4.14	0.01	3.51	3.52	6.760	0.639	7.400
Homoeo	0.03	0.22	0.02	0.01	0.01	0.012	0.110	0.123
Medical	7.71	11.12	0.09	10.44	11.39	6.769	0.721	7.491
Nursing	0.81	8.70	0.0001	2.89	2.89	0.819	5.811	6.631
Paramedical	0.35	2.77	0.006	1.44	1.45	0.350	1.326	1.677
Pharmacy	0.140	2.63	0	0.96	0.96	0.140	1.675	1.815
Siddha	0	0.05	0	0.005	0.005	0	0.053	0.053
Unani	0	0.049	0	0.005	0.005	0	0.051	0.051
Total	16.07	31.34	1.09	19.91	21.011	14.97	11.506	26.481

While inviting clarification on reasons for non-imposing of fine from the other Institutions and reason if any, for non-realisation of revenue it was replied that several steps are being taken to realize the arrears from various colleges. The matter may be taken up with the government for realisation if KUHS is unable to realise the same.

II. Non-collection of 'Work Contract Tax' and Non-remittance of the 'Work Contract Tax' levied and collected from the contractor - ₹ 1.52 crore

Section 10 (1) of Kerala Value Added Tax Act, 2003, provides that Every awarder shall deduct from every payment, including advance payment, made by him to any works contractor liable to pay tax under section 6, in relation to any works contract awarded, the tax payable by the contractor in respect of such contract under that section, whether the transfer of goods involved in the execution of works contract is in the form of goods or not, and remit it to Government, in the prescribed manner, on or before the twentieth day of the month succeeding the month in which such deduction is made. Every such awarder shall also file such return as may be prescribed.

Section 10 (2) of KVAT Act stipulates that for the purpose of sub - section (1), the contractor may produce a liability certificate in relation to such works contracts from the assessing authority showing the tax liability or tax remittance, as the case may be, of the contractor in relation to the work. (2A) In cases where a liability certificate has been produced as per subsection (2), payment shall be effected to a works contractor, on the basis of the said certificate: and, (i) in case of work awarded by Government of Kerala, Kerala Water Authority or Local Authorities, after deducting four per cent of the amount paid as per the works contract; and . (ii) in other cases— (a) after deducting eight percent of the amount paid as per the works contract in the case of contractors registered under this Act, (b) after deducting ten per cent of the amount paid as per the works contract in the case of other contractors: Provided that the awarder shall not insist from the contractor, not being a dealer registered under the provisions of the Central Sales Tax Act, 1956 (Central Act 74 of 1956) any certificate issued by the assessing authority showing the tax liability or tax remittances, as the case may be, of the contractor, in relation to the contract, if he has opted for payment of tax in accordance with the proviso to sub-clause (i) of clause (a) of section 8.:

Section 10(3) of the KVAT Act, 2003 provides that if any awarder or the person effects any payment without deduction of the taxes provided under sub-section (1) after making such deductions, fails to remit the same to Government within the time limit specified under the said sub- section, the awarder and any person or persons responsible for such deduction on behalf of the awarder, including a Director, Manager, Secretary or other officer of a company, shall be jointly and severally liable for payment of such amounts to the Government forthwith as if it were a tax due from him.

However: on verification of the records relating to the works awarded to M/s HLL Lifecare Ltd, audit noticed that, KUHS has not applied the above-mentioned sections of the Act

properly. However, some amount has been collected as Work Contract Tax (WCT) from the concerned work bills sanctioned (Part and final bills) of the contractor and retained in the accounts of KUHS without remitting to Government account. The amounts were retained based on a condition (Para 72 (iii) - Interim payment) included in the agreement, that "Work Contract tax, Service tax etc. shall be reimbursed by the employer on production of original receipts evidencing their payment to the authorities by M/s HLL Lifecare Ltd".

The details of works, total cost incurred for the project/work, amount to be collected as WCT @ 4% and amount collected & retained by KUHS are as follows:

(Amount in ₹ Cr)

Sl. No	Name of work	Total cost incurred for project/work	WCT to be collected @ 4 %	(*) WCT collected & retained by the KUHS	Short collection	Date of completion of the project/work
1	Construction of Administrative office building (including escalation)	28.98	1.15	0.50	0.65	30.06.2014
2	Elevator	0.979	0.03	0.029	0.009	24.03.2014
3	Supply, installation, testing and commissioning of firefighting works in Administrative office building	0.992	0.039	0.032	0.006	30.11.2014
4	Supply, installation, testing and commissioning of Air conditioning works in Administrative office building	2.297	0.091	0.076	0.015	30.11.2014
5	Infrastructure Development		0.076	0.060		15.07.2014

	Project- Campus HT installation & Administrative office MV installation for KUHS	1.910			0.015	
6	Construction of Rain water harvesting pond	1.243	0.049	0.041	0.008	30.06.2014
7	Construction of Buildings for Transformer station and switch room	0.34	0.013	0.011	0.002	31.07.2014
8	Construction of Buildings for Chiller plant, sump & Pump room and DG room	0.809	0.032	0.028	0.004	30.11.2014
9	Infrastructure Development Project- Supply and Installation of light fitting in Administrative office building	0.370	0.014	0.012	0.002	30.11.2014
		37.93	1.517	0.793	0.723	

(*) as per the statement prepared by the KUHS

Audit observed that, the amount of ₹ 79.36 lakh levied and collected from the contractor as WCT, was retained by the KUHS without remitting to Government, was a violation of *KIAT Act*. M/s HLL could not produce the original receipts evidencing their payment to the WCT authorities, even after they completed the works during the year 2014. The KUHS (awarder of work) failed to collect and remit the Work Contract Tax (WCT) amounting to ₹1.52 crore to the Government account as stipulated in the Act/Rule, even though the contractor completed the above works during the year 2014. This leads to a blockage of revenue to that extend.

It was replied that, as per the contract agreement executed with M/s HLL, statutory deductions towards BOCWW Cess will be retained by KUHS until production of receipt of

payment done to Government agencies. M/s HLL has not produced the specific receipts in respect of such payments done pertaining to works completed at KUHS or failed to produce clearance certificate from the department concerned. The amounts recovered from various contractual payments are hence retained by KUHS. This amount does not represent dues to Government/Board but amount reimbursable to M/s HLL and their request to release the amount is under process.

The reply is not tenable. It was made mandatory to deduct the WCT from the concerned work bills and remit it to Government account. The remittance particulars of WCT are awaited.

III. Examination fee pending collection amounting to ₹ 0.55 Cr

On a verification of the registers of examination fees received from various colleges, it was observed that examination fees were due from various colleges under the University and not updated. As per DCB statement of forth Quarter 2021-22 financial year and consolidated DCB statement for the financial year 2021-2022 audit observed that examination fees in respect of exams conducted in previous years were also due from various colleges.

(Amount in Cr ₹)

Arrear at the start of the year	Demand for current year	Collection against current year demand	Collection against arrear	Arrear up to previous year	Arrear for current year	Total arrear of examination fee to be collected
0.344	31.316	31.035	0.072	0.280	0.271	0.55

DCB registers for examination fees were not updated and huge amounts due on account of examination fees were not collected.

When this was brought to notice, the Registrar replied that the examination fee of SC/ST/OEC students are arrear or balance and the same would be collected when the colleges receive grant from SC/ST Department /Government. Further reply awaited

IV. Non-formulation of guidelines for funds earmarked for Utilisation

The University earmarked an amount of ₹ 35 Crores in the Annual Accounts 2013-14 and ₹ 20 Crores in 2014-15 for the following components (total ₹ 55 Crores)

i) Research – ₹.5 Cr

ii) Schools and Centres Development fund – ₹.50 Cr

The amounts were set aside as Earmarked funds from 2014-15 onwards. These funds are invested in fixed deposits in the Government Treasury. 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 as per the University Act is to advance and disseminate learning and knowledge in health sciences and allied fields by fostering and promoting medical research.

Audit observed lack of permanent faculties for guiding Research and development at the University level. Statutory officers in the University were all on Deputation/re-employment. Also there was shortage of administrative staff in the University causing delay in publishing results of even Ph D year end examinations conducted on 4th and 5th March 2022 resulting in the lag in study of candidates. According to the status of PhD in Batch I to IV there were 261 admissions to Ph D. After screening 242 applications for PhD , 200 applicants were advised to register provisionally for Phd at the centres of Research chosen by them. At present 454 faculties were registered as approved PhD Supervising Guides and published in KUHS Website. There are 83 approved Research Centers under the University . The innovation Cell in the University and formation of its units at institutional level is to be strengthened for achieving objectives of the establishment. Even though research activities are initiated, the earmarked fund for research has not been utilized yet

Guidelines for utilization of the earmarked funds even after more than nine years of setting aside the funds was not formulated resulting in non-utilisation of the funds.

Registrar replied that the schools and centres are in the developing stage and earmarked fund could be utilised for their operations only on attaining status of fully developed self-sustained units of the University. Action taken in this regard may be furnished.

V. Non-remittance of the 'Building and Other Construction Workers Welfare Cess' levied and collected from the contractor - ₹ 37.93 lakh

As per the provisions of Section 3 (1) of the Building and Other Construction Workers Welfare Cess Act, 1996 (BOCWW Cess Act), there should be levied and collected a cess for the purposes of the BOCWW (Regulation of Employment and Conditions of Service) Act, 1996 (27 of 1996), at such rate not exceeding two *per cent.* but not less than one *per cent.* on the cost of construction incurred by an employer, as the Central Government may, by notification in the official Gazette, from time to time specify.

According to sub-section (1) of section 4 'Time and manner of collection' of BOCWW Cess Rules, 1998, the cess levied under sub-section (1) of section 3 of the Act, shall be paid by an employer, within thirty days of completion of the construction project.

However, verification of the records relating to the works awarded to M/s HLL Lifecare Ltd. audit noticed that, even though the Kerala University of Health Sciences (KUHS) had levied and collected the BOCWW Cess at one *per cent* from the concerned sanctioned bills (Part and final bills) of the contractor and retained in the accounts of KUHS without remitting to the BOCWW Board. The amount was retained based on a condition (Para 72 (iii) - Interim payment) included in the agreement, that "Work Contract tax, Service tax etc. shall be reimbursed by the employer on production of original receipts evidencing their payment to the authorities by M/s HLL Lifecare Ltd".

The details of works and amount collected and retained are as follows:

(₹ in Lakh)

Sl. No	Name of work	Total cost incurred for project/work	KCWWF @ 1 % to be collected	KCWWF retained by the KUHS	Difference	Date of completion of the project/work
1	Construction of Administrative office building (including escalation)	289.8	28.98	19.385	9.594	30.06.2014
2	Elevator	97.94	0.979	0.979	0	24.03.2014
3	Supply, installation, testing and					

	commissioning of firefighting works in Administrative office building	99.21	0.992	0.992	0	30.11.2014
4	Supply, installation, testing and commissioning of Air conditioning works in Administrative office building	229.73	2.29	2.29	0	30.11.2014
5	Infrastructure Development Project- Campus HT installation & Administrative office MV installation for KUHS	191.03	1.91	1.91	0	15.07.2014
6	Construction of Rain water harvesting pond	124.37	1.24	1.24	0	30.06.2014
7	Construction of Buildings for Transformer station and switch room	0.349	0.349	0.349	0	31.07.2014
8	Construction of Buildings for Chiller plant, sump & Pump room and DG room	0.809	0.809	0.809	0	30.11.2014
9	Infrastructure Development Project- Supply and Installation of light fitting in Administrative office building	0.370	0.370	0.365	0.005	30.11.2014
			37.927	28.33	9.59	

In this regard the following observation are made.

- i) The actual amount to be remitted to the BOCWW fund was ₹. 37.93 lakh. The M/s HLL could not produce the original receipts evidencing their payment to the BOCWW authorities, even after they completed the above works during the year 2014. However, KUHS released an amount of ₹. 9.60 lakh to HLL, though they did not produced the original receipts
- ii) An amount of ₹ 28.33 lakh levied and collected from the contractor towards the 'Building and Other Construction Workers Welfare Cess' was retained by the KUHS without remitting

to the BOCWW Board as stipulated in the Act/Rule. It was replied that, as per the contract agreement executed with M/s HLL, statutory deductions towards BOCWW Cess will be retained by KUHS until production of receipt of payment done to Government agencies. M/s HLL has not produced the specific receipts in respect of such payments done pertaining to works completed at KUHS or failed to produce clearance certificate from the department concerned. The amounts recovered from various contractual payments are hence retained by KUHS. This amount does not represent dues to Government Board but amount reimbursable to M/s HLL and their request to release the amount is under process.

Since it is a statutory payment action may be taken to obtain remittance particulars from HLL to settle the amount retained under BOCWW Cess.

VI. Non-realization of fine

The 68th Governing Council meetings dated 21/04/2022 had resolved to approve the decision of standing committee of Board of Examinations dated 30/3/2022 with regard to imposing of fine on colleges which fail to provide eligible Internal Examiners at first instance and to cancel the status of the colleges as theory examination center, if such instances are repeated for the second time.

Accordingly, the University imposed a fine (₹1 lakh for each specialization/ for six colleges including government colleges which have failed to provide eligible internal examinee). It was opined that exempting any colleges from remitting the fine would be an injustice to the colleges which have already remitted the fine. DCB registers are not maintained properly. Many entries are missing and are not recorded. But scrutiny of concerned documents revealed that colleges have not remitted the fine to the university as shown below.

SNo	Name of college	Fine to be remitted (₹ in lakh)
1	Kannur Medical College Anjarakandy	1
2	Ahalya Ayurveda Medical Collegey	1
3	KMCT College of allied Health Science,Mukkam	1

4	College of Pharmaecutical Sciences&Research.Ernakulam	1
5	Nirmala College of HealthSciences.Chalakudy	1
	Total	5

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

Registrar replied that the decision of the Governing Council was intimated to the colleges and instructed to remit the fine imposed. Further reply awaited.

VII. Additional payment of GST amounting to ₹2.07 Lakh to the firm for two works undertaken by the Engineering wing of the university

Details of two works undertaken by Engineering wing of the University were as shown below:

(₹ in Lakh)

Sl No.	Name of work	Estimated amount	Admn.Sanction & Technical sanction	Expenditure incurred	GST amount returned to contactor	Excess amount paid to be recovered in
1	Electrical data networking working in the second floor of Admin Office Building	19.44	U.ONo.270/2019/Admn & Gen/11.3.2019 of Regr-₹19.44 Lakh Order No277/works/KUHS/2018/17.3.2018 ₹16.40 Lakh	19.44	2.33	SD of 79.539/- is adjusted against excess GST payment 1.53 Lakh

2	Additional Electrical & Data networking in administrative building	UO no.698/2019/Admn&Gen /17.6.2019 of Regr Reg NoKUHS/03/2018-19 dated 22.1.2019 ₹ 4.43	4.25	0.53	0.53
				Total	2.07

The estimates of the works have been prepared as per CPWD DSR 2016. According to CPWD CE/Admn PLA EMP1014(a) 05 dated 1/09/2017, for all estimates DSR 2016 and cost Index 37.25% is compulsory with effect from 19.9.2021. In the above work, in addition to DSR rate 2016 cost index of 40.20% was calculated. As per Government Circular No. 18 2019 Fin dated 1.3.2019 when the estimate is prepared based on DSR 2016 and new cost Index, the rates should also be adopted excluding the VAT/GST rates. Whenever the total estimated amount is calculated no GST rate is to be taken in account and at the same time when the administrative sanction is given for the work for a total amount in which estimated amount and GST amount will be shown separately. Adoption of new cost index is mandatory for all estimates with effect from 15/03/2019 based on the Govt Circular.

1) In the above case the for the first work the estimate was prepared on market value +18%GST rate .for arriving at the rates. The work was done as per estimate, but the payment has been made in addition to the estimated amount ₹19.44 Lakh and GST ₹ 2.33 Lakh to the firm-. The payment of GST was included neither in the administrative sanction nor in the agreement condition. When this was noticed the University did not release Security Deposit to the firm and adjusted the additional payment as GST recovery. Balance amount of ₹1.53 Lakh is to be recovered and intimated to audit. When this was brought to notice,the Registrar replied that urgent steps for the recovery of ₹1.53 Lakh will be is taken and recovery particulars would be intimated to audit.

2) For the second work the estimate was prepared on market value +18%GST rate .for arriving at the rates in the estimate.The work was done as per estimate, but the payment has been made to the firm in addition to estimated amount ₹4.25 Lakh and GST ₹ 53.188/. The payment of GST was not included either in the administrative sanction or agreement condition. Hence the additional payment of GST amounting to ₹53.188/-

When this brought to notice, the Registrar replied that urgent steps for the recovery of additional payment of GST would be taken and recovery particulars intimated to audit. Final reply awaited.

VIII. Non collection of GST on Utility Building rented to SBI - ₹1.74 Lakh

Schedule II of CGST Act defines supply of services and renting of immovable property is treated as supply of services, if property rented out for commercial purposes, for all commercial spaces that are on rent. GST will be applicable at 18% on the taxable value and rent would be treated as taxable supply of service. Utility Building of KUHS was rented out for SBI as per MOU signed between Registrar and Regional Manager of SBI on 17/10/2018 and in the clause No.1 of MOU it was specified that rent to be paid at a rate of ₹57000/- + GST per month. The income tax at the appropriate rate will be deducted at source on amount of rent paid, if applicable.

On scrutiny of records audit observed that Utility building was rented out for SBI from January 2021 onwards, for which GST was not collected from the period January 2021 to May 2022 ($₹57,000 \times 17 \text{ months} = ₹9.69 \text{ Lakh} \times 18\% = ₹1.74 \text{ Lakh}$). It is mandatory on the part of University to collect GST on rent receivable from SBI and to remit the same to GST Department.

On this being brought to notice, the Registrar replied that necessary steps are being taken. Further reply awaited.

IX. Installation of Solar PV Project of 160 KWP - Lapses in implementation of the project

Government accorded administration sanction, vide GO(Rt)2692/2017/H&FWD dated 28/9/2017, for establishing 200 kWp Grid connected Solar PV Power Plant in the Kerala University of Health Sciences Campus, Thrissur at a total cost of ₹1.61 Cr by ANERT. At first it was proposed to establish a 160 kWp Solar PV Power Plant. Hence KSEB demanded to remit an amount of ₹1.60 Lakh (@ ₹1000 per kWp) towards registration fee for the project. An amount of ₹1.60 Lakh was remitted at KSEB, Medical College, Peringandoor section by the University during 2/2018. Later, the Governing Council meeting held on 21/4/2018 decided to entrust M/s. Kerala State Electricity Board Ltd.(KSEBL) for establishing a 250 kWp Solar Power Plant. Revised Administration sanction was accorded for the project by the

Government vide GO dated 29/6/2018. An MoU was signed between KSEBL and KUHS for the project. The total cost of the project was ₹1.61 Cr which included an amount of ₹2.50 Lakh towards registration fee for the Solar project. The entire project cost of ₹1.61 Cr 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 in audit.

1. Excess payment of ₹1.61 lakh to KSEB Ltd towards registration fee of Solar PV Project While transferring the project cost, the registration fee of ₹1.61 lakh remitted earlier to KSEB in 2/2018 was not adjusted by the University. Thus there was an excess payment of ₹1.61 Lakh to KSEB Ltd. towards the project. When this was brought to notice, the Registrar replied that KSEB Peringanddoor section had been instructed for refunding the excess payment on 23/12/2021. Further reply awaited.

2. Non remittance of balance amount of ₹12.32 lakh

The fund utilization for work of Installation and commissioning of 250 kWp ground mounted grid tied solar project at KUHS and a five year operation and maintenance of the Plant after commissioning is shown below.

Total fund remitted to KSEBL ₹1.61 Cr

The amount utilized for the installation of the plant ₹1.35 Cr

Operation & Maintenance Expenses quoted by the EPC Firm ₹4.00 lakh

Balance amount available ₹.12.32 lakh

As per KSEB CE (REES) letter No.CE(REES)/RE projects/202122/1985 dated 19/1/2022 total amount of ₹16.32 Lakh was returned to KUHS. The O&M charge should be retained by KUHS for giving to EPC contractor every year for the O&M work done. Balance amount of ₹12.32 Lakh is to be remitted to Govt. account. This was not done The Registrar replied that they were planning to upgrade the existing solar plant that amounts to around ₹15 lakh utilising the unspent balance of ₹12.32 Lakh. The reply is not tenable balance amount is to be refunded to the Government account. Further reply awaited

3.Short realisation of stamp duty ₹3100/-

As per Kerala Finance Act 2018 for civil works and services, stamp paper for agreement is fixed @ ₹1/- for every thousand rupees on agreed rate with effect from 1/4/2018. In the agreement executed with KSEB for an amount of ₹1.61 crore for erecting Solar Plant, stamp Paper of ₹13000/- was submitted instead of ₹16100/-. Short realization of stamp duty amounting to ₹3100/- may be regularised.

When this was brought to notice, the Registrar replied that the matter is called for from KSEB REES and detailed reply would be submitted later. Further reply awaited

4. Non submission of original work bill and measurement book

The detailed work bill and measurement book was not submitted by KSEB . Hence the cross verification of estimate with the actual executed items of work could not be verified.

When this was brought to notice, the Registrar replied that general terms and conditions of consultancy works the consultant is responsible for the examination and verification of detailed work bill. The reply is not tenable since the detailed work bill is to be submitted by the firm. Further reply awaited

X. Violation of Statutes in declaration of probation of University Assistants

As per 'The Kerala University of Health Sciences First Statutes, 2019'- Chapter-IV, 'Terms and conditions of service of the non-teaching staff of the university' under Part-I. Para 96 'Probation and confirmation of non-teaching staff. 'Every person appointed to Class I, II and III post shall, from the date on which he joins duty be on probation for a period of one year within a continuous period of two years'.

However, audit noticed that: University Assistants (Class III officials) were placed under probation for a period of two years on duty with in a continuous period of three years. Accordingly, the following 'Assistants' were declared to have satisfactorily completed their period of probation with effect from the date noted against their names (vide U.O. No. 284/2020 Admn/KUHS dated 03.03.2020)

Sl. No.	Name of official	Date of joining	Date of declaration of probation
1	Ragesh	17.02.2018 F.N	17.02.2020
2	Soja Mary.P.X	05.02.2018 F.N	05.02.2020
3	Vineeth.G	07.02.2018 F.N	07.02.2020
4	Sona Vasudevan	07.02.2018 F.N	07.02.2020

Audit observed that: University Assistants (Class III officials) were placed under probation for a period of two years on duty with in a continuous period of three years was a violation of provisions contained in the 'KUHS First Statutes, 2019'.

On pointing out, it was replied that, recently the Government have approved the proposal of amendment to the existing statutes and send it for obtaining the assent of the Hon'ble Chancellor.

Progress in the matter may be furnished.

XI. Non Settlement of advances given to colleges

The following advances paid to various colleges for the conducting Theory and Practical Examinations are pending settlement from 2012-13 onwards as detailed below:

Sl NO	SCHEME	EXAM NAME	ADVANCE AMOUNT	DATE OF ADVANCE	NAME OF COLLEGE	DETAILS OF SETTLEMENT
1	MEDICAL	IMBBS SUPPLY PRACTICAL FEB 2013	4.500	26/02/2013	GOVT MEDICAL COLLEGE KOTTAYAM	STILL PENDING
2	MEDICAL	MEDICAL PG PRACTICAL DEC 2012 (DO)	3.900	12/12/2012	GOVT MEDICAL COLLEGE KOTTAYAM	STILL PENDING
3	MEDICAL	MEDICAL PG PRACTICAL DEC 2012 (D. ORTHO)	5.500	12/12/2012	GOVT MEDICAL COLLEGE KOTTAYAM	STILL PENDING
4	MEDICAL	MEDICAL PG PRACTICAL JUNE 2013 PRACTICAL (MD PHYSIOLOGY)	14.500	24/06/2013	GOVT MEDICAL COLLEGE KOTTAYAM	STILL PENDING
5	MEDICAL	MEDICAL PG PRACTICAL DEC 2013	8.300	12/12/2013	GOVT MEDICAL COLLEGE TV	STILL PENDING

					M	
6	DENTAL	II BDS THEORY MARCH 2014	4.000	10/3/2014	GOVT DENTAL COLLEGE KOTTAYAM	STILL PENDING
7	DENTAL	I MDS PART I THEORY JAN 2014	3.000	21/01/2014	GOVT DENTAL COLLEGE KOTTAYAM	STILL PENDING
8	MEDICAL	MEDICAL PG SUPPLY PRACTICAL DEC 2014	15.000	12/5/2015	GOVT TD MEDICAL COLLEGE ALAPPUZHA	Dept. not Specified No such amount o adv. as per advance Register.
9	MEDICAL	MEDICAL PG REGULAR PRACTICAL JUNE 2014 (MD BIO CHEMISTRY)	9.130	13/06/2014	KARUNA MEDICAL COLLEGE.PAL AKKAD	STILL PENDING
10	MEDICAL	MEDICAL PG REGULAR PRACTICAL JUNE 2014 (MD PATHOLOGY)	9.130	13/06/2014	KARUNA MEDICAL COLLEGE.PAL AKKAD	STILL PENDING
11	MEDICAL	MEDICAL SUPER SPECIALITY PRACTICAL JULY 2015 (DM GENITO URINARY SURGERY)	45.000	22/07/2015	GOVT MEDICAL COLLEGE .TV M	NOT SETTLED
12	MEDICAL	MEDICAL SUPERSPECIALITY THEORY JULY 2016	5000	4/7/2016	GOVT TD MEDICAL COLLEGE ALAPPUZHA	NOT SETTLED AS PER REGISTER
13	MEDICAL	MEDICAL SUPERSPECIALITY PRACTICAL JULY 2016	19200	26/07/2016	GOVT TD MEDICAL COLLEGE.	NOT SETTLED AS PER ADVANCE

(NEUROSURGERY)					ALAPPUZHA REGISTER
14	DENTAL	MDS PART II JULY 2017 ORTHODONTICS	16900	26/07/2017	GOVT DENTAL COLLEGE. TVM STILL PENDING
163.060					
Medical – 1.39.160 -					
Dental -- 23.900 -					

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 sum with 18 % interest. This is non-compliance of government order.

When this was brought to notice the Registrar replied that the instruction has already been given to the concerned colleges regarding the nonsettlement of advances. Further reply awaited.

XII. Lapses in the implementation of Research activities of the University

The first and foremost objective of the Kerala University of Health Sciences as per the University Act is to advance and disseminate learning and knowledge in health sciences and allied fields by fostering and promoting medical research. To explore the possibilities of joint research programmes and to integrate between different systems of medicine are also some of the objects of 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 reconstituted in the year 2015 and 2018. There is a Dean (Research) in the University, the post of which is sanctioned vide GO(MS)47/2010/H&FWD dated 3.2.2010. An amount of ₹.5 Crore 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. As per U.O No14515/Registrar's

office KUHS/2018 dated 20.01.2020. an Academic Committee for Research with Pro Vice Chancellor as Chairman to look after the academic activities of the center with the following members Pro Vice chancellor Chairman. Dean (Research). Dean (Academic) and Dean(student affairs) was formulated

The KUHS provides financial assistance to promote biomedical and health research. The assistance is provided by way of grants to staff in regular employment in the University affiliated colleges,postgraduate institutions,recognised research and developmental laboratories and intended to supplement the research facilities.

The following research activities are undergoing in the University:

Sl No.	Type of Research project	No of Research undertaken	Budget provision ₹ in Lakh	Total amount of installment paid to the Project ₹ in Lakh	Whether project completed if so bill settled
1	Extramural Research project activities	4	23.93	17.87	All projects bill are not settled
2	Intramural Research activities	13	12.36	6.30	3 bills are not settled .One project temporarily closed. All other project are settled
3	School of Public Health.Centre for Interdisciplinary allied Health sciences .Centre for studies in medical stimulation. Centre for Gerontological studies	7	78.92	18.15	One bill is not settled and all other ₹ are ongoing
	Total	24	115.21	42.33	8 bills are not settled even though project period completed 9 bills are settled.six are ongoing.one is temporarily closed

Details of these projects are shown in Annexure. University (Finance Branch) vide I O Note dated 15.9.2018 requested the Dean(Student Affairs) to furnish item wise details of expenditure incurred in the projects. In this regard the following observations are made in audit.

Though an amount of ₹.5 Crore has been earmarked as Research fund, only ₹1.15crore has been provided for research and undertaken research activity in the University even after nearly 12 years of its inception. Registrar replied that the more projects proposals submitted by the faculties were under consideration of the University. Though 24 projects in various themes were accepted to the period 20-21, out of 24 only nine projects' bills were settled and eight projects' bills were not settled. Duration of the course of these eight projects had expired. Registrar replied that the more bills and vouchers submitted by the Principal investigator are under process of the University.

Details of Expenditure incurred for the projects were not available in the files. Registrar replied that the original bills and vouchers are not in the suite file and forwarded to finance branch separately.

Though a Research Council has been constituted as per the Act, its duties and powers were not yet been provided in the Statute. Registrar replied that the detailed reply would be submitted later. Further reply awaited

An amount of ₹42 lakh was disbursed to the project Grantees of the University. Registrar replied that the projects were at various stages of execution as given in the annexure.

On analysing the above it was observed that the research activities of the University have to be strengthened to achieve the intended purpose. Further reply awaited

XIII. 'KUHS studentship'- Non-compliance of the Governing Council decision and non-selection of eligible students for the scheme

In accordance with the provisions of the Kerala University of Health Sciences Act Section XXIII and Statute Chapter VI 4 (m), the 29th meeting of the Governing Council has decided to implement 'Students Support Scheme'. The assistance under the scheme is available only to students under BPL category and the scheme is applicable to the batch commencing from the year 2015-16 onwards. The scheme intended to give 'Onetime assistance' to the eligible students once in a year. The objective of the scheme was to give assistance to financially backward students which would encourage such students in their studies.

The scheme was intended to provide financial assistance to economically backward students as Book Allowance of ₹.20,000/- to the first year Under Graduate having annual family income not more than ₹.50,000/-.

Accordingly, during the years 2015-16, 2016-17 and 2017-18, the number of students selected for the scheme were 567, 1703 and 2357 respectively.

Subsequently, the Governing Council held on 08.06.2018 (Decision No. 46.09) approved the 'KUHS Studentship' program for economically backward students in lieu of Book allowance under the existing '*Student Support Scheme*' with the eligibility criteria as follows:

1. The students who were admitted during the previous year (ie. 2018 admission) and under Merit Quota in affiliated colleges under KUHS.
2. Students, whose annual family income does not exceed ₹. 50,000/- as certified by the competent Revenue Authorities, not below the rank of Village Officer, obtained within a year preceding the date of notification of the scheme.
3. The students shall not be in receipt of any studentship from Government/Government Agencies for that academic year and the same duly certified by the concerned Principal.

Accordingly, the scheme 'KUHS studentship' has been disbursed in 2019-20 to 2355 students who were admitted during the previous year ie. 2018 admission.

The audit noticed that, the scheme KUHS studentship 2020-21 (ie.2019 admission), 2021-22 (ie.2020 admission) and 2022-23 (ie.2021 admission) have not been initiated till date (04.07.2022).

The non-compliance of the Governing Council decisions lead to denial of the assistance of the scheme 'KUHS studentship' to the economically backward students admitted during subsequent years, ie. from 2019, 2020 and 2021

On pointing out it was replied that, KUHS decided to discontinue the present studentship program and to introduce a new program promoting research aptitude among the students. The details of the new program would be intimated after getting approval of the Governing Council.

Further development in the matter is awaited.

PART-III

(Follow up on findings outstanding of previous Inspection Reports)

IR No.	Para Details
OA(HQ)III/V/12-446/14-15	II-A- I.II
OA(HQ)III/V/12-446/14-15	II-B- III.IV.X
OA(HQ)III/V/12-364/15-16	II-B- III.VI.VII
OA(HQ)III/V/12-443/16-17	II-B- I.VI
OA(HQ)III/V/12-64/17-18	II-B- I.II.III.VI.IX.X.XIII.XIV
SGS III(HQ)/III-I/12-223/18-19	II-B-I.II.III.IV. VII.IX
AMG III(HQ)/III-I/12-07/2020-21	II-B –I.II.III.IV.V.VI.VII.

PART-IV

Best practices

No Comments

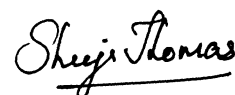
PART-V

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.

Disclaimer

The report was prepared on the basis of information furnished and made available by the auditee. The Office of the Principal Accountant General (Audit I), Kerala disclaims any responsibility for misinformation or non-information on the part of auditee.



Senior Audit Officer/AMG III (HQ) IV