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

सत्यमेव जयते

Finance

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

No. AMG-III(HQ)/III-1/12-131/2023-24
Date: 22/12/2023 | 128

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To

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

28 DEC 2023

Sir,

Sub: Inspection report on the Audit of Accounts and Registers of **Kerala University of Health Sciences (KUHS), Thrissur for the period from 01/06/2022 to 31/10/2023** regarding

I am forwarding herewith the report on the audit of accounts and registers of your office for the period from **01/06/2022 to 31/10/2023** and request you to furnish reply through **The Principal Secretary to Government, Health and Family Welfare Department** 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 63(c) 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 Principal Accountant General (Audit- I), Kerala disclaims any responsibility for misinformation or non-information on the part of the auditee.

Receipt of the document may kindly be acknowledged.

Yours faithfully,

S. Firyshal

Senior Audit Officer/AMGIII(HQ)

Copy to:-

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

Senior Audit Officer/AMG-III (HQ)

INSPECTION REPORT OF THE AUDIT OF ACCOUNTS AND REGISTERS OF KERALA UNIVERSITY OF HEALTH SCIENCES, THRISSUR FOR THE PERIOD FROM 01/06/2022 TO 31/10/2023

PART-I

A. INTRODUCTION

Overview

The Kerala University of Health Sciences was established by the Kerala University of Health Sciences Act 2010 for ensuring proper and systematic instruction, teaching,training and research exclusively in modern Medicine,Homoeopathy and Indian System of Medicines including Ayurveda,Sidha,Yoga, Naturopathy,Unani and allied subjects and also to have a uniformity in the various academic programmes in medical and allied subjects. This University situated at Mulankunnathukavu, Thrissur, commenced its activities from the academic year 2010-11.The University is mandated to affiliate all colleges and institutions in Kerala imparting professional education in health care.

B. SCOPE & OBJECTIVES.

The audit of accounts of the Kerala University of Health Sciences, Thrissur for the period from 01/06/2022 to 31/10/2023 was conducted by Sri. Santhosh Kumar C, Assistant Audit Officer, Sri Shajimon T.B., Assistant Audit Officer and Smt. Jayakumary B, Assistant Audit Officer from 14/11/2023 to 24/11/2023 under the supervision of Sri. A. Mohanakumar, Senior Audit Officer . The audit on the accounts of the Kerala University of Health Sciences (KUHS) was conducted under Section 14 of the C&AG's DPC Act 1971. The KUHS Act 2010 envisages proper and systematic instruction, teaching, training and research exclusively in modern Medicine,Homoeopathy and Indian System of Medicines including Ayurveda,Sidha,Yoga, Naturopathy,Unani and allied subjects. The University is mandated to affiliate all colleges and institutions in Kerala imparting professional education in health care.

C. OFFICERS IN CHARGE.

The following officers were in charge during the period of audit.

Sl.No	Name of Tahsildars	From	To
1	Prof. (Dr) Mohanan Kunnummal	28.10.2019	Continuing

D.FINANCIAL POSITION.

The financial positions for the last three years were as follows.

Period	Amount Received (₹ in Lakh)		Amount Utilized (₹ in Lakh)		Balance surrendered. (₹ in Lakh)	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
2020-21	814.69	445.50	741.89	445.50	72.80	Nil
2021-22	851.17	644.00	627.35	644.00	223.82	Nil
2022-23	336.32	354.20	62.86	354.20	273.46	Nil

E. INTERNAL AUDIT.

The last departmental audit/inspection was conducted by the M/s Agasti Associates covering the period 01/04/2022 to 31/03/2023.

PART-II

A.Significant Audit Findings

NIL

B.Other incidental Audit Findings

I. Non utilization of earmarked fund – OBS-1074787

The primary objective of the University as per the Kerala University of Health Sciences Act 2010 is to advance and disseminate learning and knowledge in health sciences and allied fields by fostering and promoting medical research and to design new courses and curricula based on the advances in the field of health sciences.

The university earmarked the following funds in this connection as detailed below.

Purpose for which the fund is earmarked	Amount (₹)
Research	5,00,00,000
Development of Schools and Centers	50,00,00,000
Development of the University	10,00,00,000

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Out of the above funds, an amount of ₹ 55 crore for research and development of schools and centers were set aside as earmarked funds since 2014-15. As the guidelines for the utilization of the earmarked funds are yet to be formulated, the fund is deposited in the treasury as fixed deposit.

An amount of ₹ 10 crore was earmarked in the year 2021-22 for the development of the university, for which guidelines have been framed and an amount of ₹ 8.36 lakh has been utilized for creating a digital library in the university.

Even after setting aside an amount of ₹ 55 crore for research activities and development of schools and centers under the University, the intended purpose could not be achieved even after a lapse of 10 years due to the non-formulation of guidelines for the utilization of the fund.

Also, no further progress is observed in the creation of digital library apart from spending an amount of ₹ 8.36 lakh for the initial data entry work.

Matter is brought to notice for specific remarks.

II. Non collection of fees to the tune of ₹ 16.70 crore - OBS-1074801

Main source of income of the university is various fees such as Student registration fee, Administration fee, Provisional Affiliation fee etc. These fees are to be collected from the colleges affiliated to the University in a time bound manner. However, scrutiny of the records pertaining to the collection of fees revealed that an amount of ₹ 16.70 crore is pending collection during the year 2022-23, as detailed below.

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Fee	Outstanding Balance for the period 2018-21 (₹)	Demand for 2022-23(₹)	Collection Against demand for 2022-23 (₹)	Balance receivable for 2022-23(₹)	Collection for the period 2018-21 collected in 2022-23(₹)	Balance receivable for the period from 2018-21(₹)	Total Balance (₹)
Continuation of Provisional Affiliation fee	8185275	54942000	47832800	7109200	907900	7277375	14386575
Application, Registration, and Inspection fee for new	73500	3309600	3309600	0	0	73500	73500

colleges.							
Application, Registration, and Inspection fee for enhancement of seats.	45600	348300	292900	55400	0	45600	101000
Annual Administration fee	205813275	206331900	82787900	123544000	204429025	1384250	124928250
Student Registration fee	39626420	37994380	10811440	27182940	39301420	325000	27507940
TOTAL	253744070	302926180	145034640	157891540	244638345	9105725	166997265

Pendency in collection of fees to the tune of ₹ 16.70 crore is brought to notice for remarks.

III. Exam fee to the tune of ₹ 75.64 lakh pending collection - OBS-1074807

Scrutiny of the records pertaining to examination fees received from various colleges affiliated to the university revealed that an amount of ₹ 75.64 lakh pending collection during the year 2022-23 as detailed below.

Stream	Outstanding Balance up to 2021-22 (₹)	Demand for 2022-23(₹)	Collection Against demand for 2022-23 (₹)	Balance receivable for 2022-23(₹)	Collection for the period 2021-22 collected in 2022-23(₹)	Balance receivable for the period from 2021-22(₹)	Total Balance (₹)
Nursing	3035	45497766	45343201	154565	3035	0	154565
Ayush	356645	9814149	9419344	394805	0	356645	751450
Paramedical	321345	10121880	9910215	211665	0	321345	533010
Dental	324046	7516025	7247690	268335	117990	206056	474391
Pharmacy	325280	25170619	25032104	138515	112170	213110	351625
Medical	5308953	55326699	54629544	697155	706909	4602044	5299199
TOTAL	6639304	153447138	151582098	1865040	940104	5699200	7564240

It is stated that the pendency is mainly due to the non-reimbursement of examination fee by the Govt. in respect of SC/ST and OEC students.

Matter may be taken up with the Govt.and the pending fee in respect of the SC/ST and OEC students may be collected.

Progress may be intimated.

IV. Non-Adjustment of Advances - OBS-1072180

The Head of Office or any other Officer of the University is empowered to sanction advances to a Institute Staff for purchase of goods or services or any other special purpose. The Head of Office shall be responsible for timely recovery or adjustment of the advance. As a general practice followed by Government departments, Autonomous Bodies, Other Universities etc., the adjustment bill, along with balance if any, shall be submitted by the respective staff within a specified period of the drawal of advance, failing which the advance or balance shall be recovered from his next salary.

E/Dean/SE

On scrutiny of advance register and connected files in respect of advances drawn during 2022-23, it was noticed that 16 advances amounting to ₹. 3328583/- as shown in the table below were not adjusted till date. It may also be noted that more than one advance were pending adjustment from some of the officials.

Sl No.	Sanction Order No	Date of Advance	Name of Official to whom advance was paid	Cheque No and Date	Amount of Advance (₹)
1	947/2022/Admn	23-07-2022	Haris Soman	617999/26-7-2022	55000
2	1411/2022/Admn	01-11-2022	Haris Soman	618469/3-11-2022	13000
3	148/2022 schools and centres	06-09-2022	Dr Rajamohanan K	618235/12-9-2022	80000
4	151/2022/schools and centres of KUHs	12-09-2022	Dr Rajamohanan K	618240/14-9-2022	150000
5	118/29434DSA-AO/KUHS/2022	19-09-2022	Dr Iqbal V M	618261/19-9-2022	254000
6	119/29880/DSA	26-09-2022	Dr Iqbal V M	618279/26-9-20dd	762000
7	205/36213/A3	11-11-2022	Dr Iqbal V M	618521/15-11-2022	354690
8	249/2022/B1	08-12-2022	Dr Iqbal V M	618628/8-12-2022	40600
9	209/2022/DSA	08-12-2022	Dr Iqbal V M	618635/8-12-2022	574315
10	261/40039/2022	22-12-2022	Dr Iqbal V M	618693/22-12-2022	636423

11	70/2013/B1	24-11-2023	Dr Iqbal V M	618846/20-1-2023	44800
12	89/2023/B1	27-01-2023	Dr Iqbal V M	618890/27-1-2023	14000
13	86/2023/2709/B1	06-03-2023	Dr Iqbal V M	619164/8-3-2023	49560
14	157/2023/B1	10-03-2023	Dr Iqbal V M	619182/10-3-2023	100030
15	254/30317/B1	17-12-2022	Dr Iqbal V M	618677/19-12-2022	134365
16	141/2023/B1	08-03-2023	Dr Iqbal V M	619194/13-3-2023	65800
				TOTAL	3328583

This is brought to notice for comments

V. Non-Levy of GST on rent received resulting in non-remittance of tax revenue to Govt Account and creating extra burden to Institute by way of interest on non-payment of tax - OBS-1070656

According to Section 50 of the CGST/SGST Act, 2016, every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall be liable to pay for the period for which the tax or any part thereof remains unpaid, liable to pay interest @ 18% per year The due date for payment of GST is 20th of the succeeding month.

The University had rented out 3081 Sq.Ft.of space in their Utility building to State Bank of india. An MoU was signed between SBI and Institute on 17-10-2018 in this regard. The period of lease is for 20 years.The rent was fixed @ ₹ 57000/-+ GST per month. Accordingly ₹ 33,06,000/- was received from the bank for a period from January 2019 to October 2023 excluding GST amount. GST was not realised from the bank and not remitted to Govt Account. The GST amount leviable till October 2023 worked out to ₹. 5,95,080/-. Non-levy of GST has created an extra liability of ₹. 2,54, 397/- by way of interest accrued till 31-10-2023. The reason for non-levy of GST may be stated. The facts and figures stated above may be confirmed.

VI. Non Receipt of money due to non-clearance of Cheques/ DDs Presented to Bank - OBS-1074227

On a scrutiny of bank reconciliation statements in respect of various bank accounts maintained by the Institute, audit noticed that cheques/demand drafts received and presented to bank for crediting the amounts to respective accounts are still lying uncleared. Non-clearance of 92 cheques/ DDs amounting to ₹ 4,36,344/- presented to banks during the period 01/04/2022 to 31/03/2023 resulted in non-crediting of ₹ 4,36,344/- to Institute account. The details of uncleared cheques are shown in the **Annexure** to this audit observation. The matter may please be taken up with the bank and if no response is received matter may please be referred to Banking Ombudsman. Else in case a cheque received could not be encashed for any reason reverse entry shall be passed and the outstanding balance shall be perused for recovery.

VII. Advance paid to Colleges for conducting examinations pending settlement - ₹ 21.36 Lakh - OBS-1073958

The University sanctions advances to Colleges for conducting theory and practical examinations from time to time. As per the Examination Manual of the University, the Controller of Examination appoints a Chairperson who shall be one of the internal examiners for each examination/subject, preferably on the recommendation of Principal/HOD of the concerned examination centre. The Chairperson shall prepare an estimate of expenditure for conduct of the examination in accordance with University Rules and submit to the University through Head of the Institution for getting advance from the University. He/She should also forward the claims with supporting documents/vouchers for settlement of accounts within 7 working days after the examination is over.

A scrutiny of records revealed that some of these advances are pending settlement for a long period. A sum of ₹ 21,36,810 was pending settlement as on 31/10/2023 as shown below:

Sl. No	Advance paid for conduct of examinations in-	Amount pending as on 31.10.2023 (₹)
1	Pharmacy	95,500
2	Nursing	1,30,260
3	Medical	11,16,550
4	Allied Sciences	22,000
5	MBBS	7,72,500
	Total	21,36,810

Year-wise break-up of the pending Advances are as shown below:

Year	Pending advance (₹)
2011-12	53,360
2012-13	3,50,900
2013-14	6,38,400
2014-15	1,74,400
2015-16	1,10,550
2016-17	19,100
2017-18	14,150
2018-19	3,000
2020-21	84,950
2021-22	4,42,000
2022-23	2,46,000
Total	21,36,810

Advances pending settlement for a period of five years or more, 2011-12 to 2015-16, constitutes 62% of the total pending amount. Necessary action may be taken to realise the pending advances.

VIII. Non-deployment of surplus manpower from parent universities – OBS-1074036

There are 330 institutions affiliated to KUHS out of which 194 institutions were transferred from other universities. However, surplus staff due to reduction of work load in these universities were not deployed to KUHS on transfer. Even though KUHS vide letter dated 05.06.2013 had requested these universities to convey their consent for redeploying their surplus staff, no employees were re-deployed till date.

On the request of the University, Government sanctioned post creation in the University. As on November 2023 the University has a sanctioned post of 14 Assistant Registrars, 48 Section Officers and 145 Assistants. Since almost two thirds 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.

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Due to non-transfer of the surplus staff from the present universities (Kerala, Mahatma Gandhi, Cochin, Calicut and Kannur) simultaneously with the transfer of 194 institutions to the newly formed university, Government had to bear establishment charges of both (KUHS and parent universities) in connection with the functioning of the same 194 institutions. Even though the Registrar (KUHS) brought this to the notice of the Government, vide letter No.20/2019/A1/Admin/KUHS dated 06.02.2019 to the Additional Chief Secretary, H&FWD no action has been taken by the Government in this regard. If such a re-deployment had taken place the Government could have saved crores of rupees on salary head and the Health University could have received experienced staff.

Further progress in this matter may be intimated to audit.

IX. Acquisition of land for the university-Non settlement of Land acquisition case - OBS-1076301

A total extent of 1Acre 62 Cents of land in Velappaya Village was acquired for the university as per the notification issued on 24.02.2012 by the District Collector Thrissur. Consequently, the award was passed by the revenue authorities on 31.01.2013 and the land was taken possession on 11.02. 2013.The land acquisition was for setting up of Kerala Medical and allied Sciences University. The land value fixed by the District Collector in this acquisition case was ₹ 37,650 per Are and the value thus fixed was disbursed to the parties including the statutory benefits contemplated in the land acquisition act.

The entire area of land acquired by the revenue authorities belonged to 7 persons. However, after receiving the award amount the persons (6 numbers) filed Land Acquisitions Reference cases in Hon'ble Sub Court Thrissur for demanding more compensation. The LAR No.s 35,36,37,38,39 & 40 of the year 2013 was disposed of by the Sub Court and its common judgement dated 27.01.2016 enhanced the land value @₹ 181097 per Are along with all the statutory benefits contemplated in the Land Acquisition Act.

The Statutory benefits contemplated in the Act includes solatium under section 23 (2) @ 30%, additional land value under section 23(1) @12%, interest @ 9% for the first one year from the date of taking possession and interest @ 15% for the remaining period till the date of payment.

Even though the Judgement was rendered on 27.01.2016, the District Collector, Thrissur communicated the outcome of the case to the university only on 21.03. 2017.The matter was immediately discussed with the Standing Counsel, and he gave the opinion that, the University (Regulatory authority) could file an appeal in the Hon'ble High Court against the Judgement.

In the 39th meeting of the General Council it was decided to file appeal with the High Court. The revenue authorities also initiated steps for filing appeal against the judgement dated 27.01. 2016.On conveying the said information, the Standing Counsel of the university expressed the opinion that if the Govt.is filing such appeal, the University need only have to support the appeal. The District Collector later informed that the Advocate General considered the award passed by the Sub Court in the light of relevant documents and he had expressed his opinion that there is no scope for filing appeal in the matter.

The revenue authorities thereafter referred the matter before National Lok Adalat for mediation. The claimants demanded the whole amount awarded by the Sub Court. However, in the mediation process, the claimants expressed their willingness to reduce the interest element in the award to 3% instead of 15 %. Thus, in effect the interest to be paid on the amount from 11/2014 by the University would be 3% instead of 15 % resulting a saving of about 48% of the interest element. Subsequently in the 43rd general Council meeting it was decided to accept the proposal of the claimants and settle the issue. But the files produced to the Audit lacked the details of settlement in this regard.

It may please be stated whether the issue in the above land acquisition case was settled subsequently. If so, the following details may be stated.

1.The payment details to the claimants including interest portion and date of payment.

2.Utilisation of the above 1.62 Acres of land by the University.

X. Lack of foresight in the preparation of estimate resulted in the extra-financial commitment to the University- OBS-1076310

The work of construction of building for the Centre for Health Policy & Planning at Thiruvananthapuram was awarded to CPWD based on Administrative Sanction accorded by the Government vide GO(Rt)No.2692/2017/H&FWD dated 28/09/2017. The land required for the construction of the building was allotted by the Government from Medical College campus at Thiruvananthapuram vide GO(Rt)No.211/2018/H&FWD dated 19/01/2018.

The 55th Governing Council (GC) meeting held on 15/07/2019 approved the preliminary estimate of ₹ 21,57,89,000 submitted by the CPWD for the above work. While initiating the construction work, an underground sewage line carrying sewage from SAT Hospital was found adjacent to the work site requiring realignment. The realigning of the sewer line was not included in the already submitted estimate.

The 63rd GC meeting held on 17/02/2021 decided to award the work of re-alignment of sewage line to Kerala Water Authority (KWA) for an amount of ₹ 49,83,000 and the amount was deposited with KWA vide Order no.329/2021/Admn/KUHS dated 04/03/2021.

Since no offers were received for execution of the project on repeated tender calls, KWA recast the estimate and the total cost escalated to ₹62,48,000 (DSR 2016). The KWA revised the estimate once again based on DSR 2018 (came into force in August 2021) at estimate amount raised to ₹ 72,33,000. The 65th GC meeting held on 17/08/2021 approved the revised estimate and the balance amount of ₹ 22,50,000 was deposited with the KWA for the early execution of work.

The following observation is made in this connection-

Site inspections are a set of regular activities to check and verify the on-field compliance including safety standards, working conditions and other critical areas of work sites. As per Section 1601.1.1 of Kerala Public Works Department Manual (Edition 2012) the preliminary estimate for works shall be prepared only based on site inspections by the competent authority. The estimate also contains a report on site conditions. In the instant case, above provisions of the PWD Manual was not complied with by CPWD properly. This has resulted in the extra financial commitment to the tune of ₹ 72,33,000 to the University.

The work was awarded to the KWA as a deposit work. The date of completion of the work and details of Utilisation Certificate and expenditure statement may be furnished to audit.

XI Avoidable expenditure on road works - ₹ 1.05 Crore - OBS-1078093

Administrative Sanction was granted on 18/07/2013 by the Registrar for the construction of roads, drainage and culvert, including construction of cemetery, in KUHS campus for an amount of ₹ 13.52 Crore. M/s Forest Industries Travancore Ltd. (FIT) was nominated by the University for the construction works including Project Management and Consultancy Services. The lowest render was for ₹ 17.82 Crore with a tender excess of 39.36% above the estimate. Accordingly, revised sanction was issued to execute the work for a PAC of ₹ 18.82 Crore including 5% consultancy charges (₹ 89.10 Lakh) and 12.36%

service tax on consultancy charges (₹ 11.01 Lakh). Work order was issued to FIT and agreement executed on 16/11/2013 with a time of completion of 20 weeks. An amount of ₹ 2.50 Crore was given as interest free mobilisation advance on 10/12/2013. The contractor has not completed the work in the stipulated time (10/04/2014) and extended (three times) up to 30/11/2014. The 6th RA Bill for an upto date value of ₹ 10.40 Crore was paid on 23/12/2014.

In this regard following observations are made-

The proposed roads are internal roads for vehicular traffic inside the University campus. The intensity of vehicular traffic (number and type of vehicles running) in the proposed roads were not seen stated and the type of road required was not seen assessed. Considering the fact that an internal road within the campus mainly intended for light motor vehicles, it requires only normal roads, with provision for two courses of WBM and 20 mm chipping carpet. But in the above road work where heavy vehicles are not expected, WMM and 25mm pre mix carpet which is required for only for roads with heavy vehicular traffic (NH road's specification) was proposed and estimate was prepared accordingly. Further, it was also noticed that WMM was provided in the area of 'dividers'. As a result of abnormal specifications in the road work, an avoidable expenditure of ₹1.05 Crore including Centage and service charges was incurred for the executed quantity.

Administrative/Technical Sanctions for the work of ₹18.82 Crore was not accorded by the Government/Competent Authority.

The selection of M/s FIT as the consultant was not approved by the Government.
The recovery of mobilisation advance was to be effected in full when 80% of the work is completed and billed. Due to the delay in completion of the work, the recovery of the advance was also delayed. Thus, as on the stipulated date of completion (10.04.2014) an amount of ₹73.81 Lakh only could be recovered from the two RA Bills.

Further, reduction in the work awarded area (58850 M2 to 36053 M2) led to consequent reduction in the PAC and this resulted in undue benefit to the contractor in getting an interest free advance at higher rate.

Out of the 63.60 acres of land possessed by the University, about 22.71 acres was estimated for road work (58850 M2), drain (14450 M2) and cement concrete interlocking pavement (17550 M2). Hence utilisation of estimated area of 36% of the total land for road works itself is unjustifiable.

In the tendering and retendering (four times), different time schedules were provided for completion of work such as 140 days in Tender 1, 105 days in second, 100 days in third and 90 days in fourth. But 20 weeks (140 days) were given in the awarded work. Further only two tenders were received in the tender. Thus the tendering was not competitive.

It was also noticed that the contractor had partially completed the road work (36053 M2 instead of 58850 M2 awarded) and balance works are in abandoned stage.

Even though the 7th and final bill was submitted by the contractor, the same was not made available to audit scrutiny.

Two ducts were provided (one for rain water and other for laying pipes for different purposes like electricity, telephone etc.) throughout the entire drain. But the duct intended for laying out pipes was provided in areas where pipes were not needed, including the drain leading to rain water harvesting pond. It was observed as not genuine according to requirement.

It was also noticed that a vigilance case was registered on the above irregular execution of works. Further developments regarding the above case may be stated.

XII. Construction of Auditorium-Cost escalation due to unending deviations - OBS-1078191

The Kerala University of Health sciences (KUHS) decided to construct an auditorium at KUHS campus Thrissur using the amount saved from the sanctioned amount for construction of Utility building and academic block. The General Council in its 40th meeting permitted the Vice Chancellor to request the Government for utilising the above surplus fund. Consequently the Govt. vide G.O(Rt) No.507/2018/H&FWD dated 12/02/2018 approved it.

The Auditorium was decided to be constructed in two phases. In phase I, it was proposed to take up the construction of steel structure and roofing using the surplus funds of ₹ 45 lakhs. In phase II, it was proposed to take up balance civil works and electrification works using University's own fund. For the speedy completion of the Auditorium the work was awarded to the CPWD.

The preliminary estimate for phase II work was submitted by the CPWD for ₹ 11,61,91, 500. However, due to inclusion of certain additional works, the estimate was revised by the CPWD, and the cost of work was enhanced to ₹ 13,42,44,447. The Governing Council meeting held on 11/04/2019 approved the revised estimate including contingencies and departmental charges for phase II. Subsequently the University suggested certain structural changes in the proposed building.

The university several times altered the plan and design of the building which in turn resulted in the preparation of revised estimate, cost escalation and delay in completion of work. So far, the University transferred a total amount of ₹ 4,38,03,647 to the CPWD for carrying out the construction work as follows:

1. ₹ 1,50,31,830 dated 31/07/2018

2. ₹ 2,87,71,817 dated 27/01/2020

It was noticed that CPWD prepared the estimate based on DSR 2016 rate. Any delay in completion of work may force the CPWD to apply revised DSR rates and claim huge bill amount.

Hence, urgent action may be taken for the completion of the building so that the sanctioned fund can be utilised properly.

XIII. Non utilization of Rainwater harvesting pond - OBS-1078200

In order to conserve the rainwater and to meet the water requirement of the University, a rainwater harvesting pond (size 65 x 65 x 4.4m having 15-million-liter capacity) was constructed in the University campus during the year 2014-15. The expenditure incurred by the university for the construction of the pond was ₹ 1,12, 48, 393 including centage charges. It was noticed that no action has been initiated by the University to utilize the pond despite incurring huge expenditure.

However, after the idling of more than 6 years since the construction of pond the University proposed a project for the effective utilization of the pond. In accordance with the above project, KUHS has decided to provide a lining to the rainwater harvesting pond.

The Government of Kerala subsequently accorded administrating sanction for the above work at a cost of ₹. 1.25 core vide GO (Rt) No 1632/2021/H&FWD dated 01/08/2021. In the light of the above administrative sanction, the university obtained technical advice from the Center for Water Resources Development and Management (CWRDM). They submitted their report focusing on the design, specification to be followed for lining, execution and supervision of the work (amount incurred for the technical advice and report- ₹ 3,40,000)

The 68th Governing Council meeting held on 21/04/2022 authorized the Vice Chancellor to entrust the 'Work of Lining' to the CPWD as consultancy work for an amount of 1,25,00,000 considering the urgency of the work. The CPWD prepared the preliminary estimate based on the report submitted by the CWRDM for a total cost of ₹ 2,08,28,600. The escalation in the estimate amount from 1,25,00,000 to 2,08,28,600 was mainly due to inclusion of additional items of work proposed by the University / CPWD. The University deposited an amount of ₹ 1.25 cores (granted from the Govt) to the CPWD vide U.O.No. 379/2022/Admn/KUHS dated 22/03/2022. The balance amount of ₹ 83,28,600 (own fund) was deposited with CPWD on 20/03/2023. The CPWD completed the lining works of the pond and handed over the site to the university on 11/04/2023.

The work was awarded to CPWD in an urgent mode, without inviting competitive tenders to address drinking water problems of the University. In spite of the above and incurring a huge expenditure of more than ₹.3.50 crore, the pond is still pending utilization.

The reason for the non-utilization of the pond may be stated.

XIV. Inordinate delay in completion of building for the School of research in Ayurveda at Thrippunithura - OBS-1078205

The School of Research in Ayurveda was proposed by the KUHS with a view to conduct intense research in all the fields of Ayurveda i.e., fundamental research, drug research, pharmaceutical research and clinical research. The school building was decided to be constructed by the KUHS in the land allotted by the Govt at Thrippunithura.

The building for the school was designed as a nine storied building (G+8) with a total plinth are of 10994m2. The Govt. accorded administrative sanctions for the construction of two floors of the building under phase I vide GO (Rt) No 3466/2015/H& FWD dated 20/10/2015 for an amount ₹ 746 lakhs. Administrative sanction for the construction of phase II was accorded by the Govt vide GO (Rt) No 3233/2017/H&FWD dt 15/11/2017 for an amount ₹ 1360 lakhs. Under phase II, it was proposed to take up construction of structural work of the remaining floors. (second to nineth). It was also permitted to incur expenditure from H/A 2210-05-001-93(P)

KUHS entrusted the planning, design and execution of the project with M/s FIT (Forest Industries (Travancore) Ltd Aluva for the construction of building under phase I. Since the second Phase is continuation of the I[st] Phase, the work under phase II was also entrusted to M/s FIT for the smooth implementation and early completion of the work.

Later due to the frequent structural changes in the design and layout, proposal of additions and alteration of works, the University extended the execution work in phase III, IV& V. The remaining work under the project was also entrusted to M/s FIT.

The status of work under the project is as follows.

Sl.No.	**Administrative Sanction order**	**AS Amount (₹)**	**Executing agency**	**Status of work**
1	GO(Rt) No/3466/2015 H&FWD dt 20/10/2015	746 13000 Revised amount-78183714	M/s FIT	Work complete
2	GO(Rt)No3233/2017 H&FWD dt 15/11/17	13600000 Revised amount-139694787	M/s FIT	Work complete
3	GO (Rt) No 478/2019/ H&FWD dt 27/2/2019	462,00,000	M/s FIT	Work complete
4	GO (Rt) No 2293/2022/ H&FWD dt 20-09-2022	450,00000	M/s FIT	Nearing completion
5	GO (Rt) No 2421/2023/ H&FWD dt 21.09.2022	650,00,000	M/s FIT	Work is in initial stage

The following observations are made in this connection.

1) The frequent changes in design and layout, proposals for additions and alteration etc necessitated revision of estimate at regular intervals. This shows that the original estimate and designs were prepared unrealistically.
2) In most of times the expenditure exceeded the administrative sanction amount because of the execution of additional works and application of revised DSR rates in the part bills.
3) The total cost of work as per the bill amount submitted by M/s FIT for phase II was ₹ 13,96,94,787, which is in excess of ₹. 36,94,787 than the AS amount. Consequently, the Registrar vide letter no. 10087/(SFN)-21414 works/SRR-2/KUHS/2016 at 31/05/2022 requested the Govt to allot the above additional amount. The views of the Registrar in this regard are not in order as the GST was implemented in the state with effect from 01/07/2017 and at the time of administrative sanction (15/11/2017) for phase II, the Rate of GST was in force in the state.
4) The works under each phase were entrusted to M/s FIT based on separate Administrative Sanctions. Hence final bills under each phase are to be settled separately. The files produced to Audit did not contain settlement of bills under each phase. It may please be stated whether the bills under each phase were settled after effecting the statutory deductions (in the case of completed works) and if so, details may be furnished.
5) It may be noted that the building can be utilized for the purpose for which it was constructed only after completing all the phases under the project. As the proposed research programs in Ayurveda are still pending commencement even after the expiry of more than 12 years since the formation of the University, urgent action may be taken for the speedy completion of work. The delay on the part of the contractor for the execution of work may be verified and penal provisions applied wherever necessary.

Specific remarks is awaited.

XV. Internal Control Mechanism

1) Non submission of proposal to the UGC for financial assistance/non-refundable grants (OBS- 1078180)

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The Kerala University of Health Sciences (KUHS) was established under the Kerala University of Health Sciences Act, 2010.The objectives of the University ,as envisaged in the

Act, are to ensure proper and systematic teaching, training and research in all systems of medicines i.e. Modern medicine, Homoeopathy and Indian System of medicines including Ayurveda ,Sidha, Yoga & Naturopathy and Unani ,Dentistry ,Nursing and other area of health care and health sciences. At present the University is meeting all its expenses from its own fund and from the Grant in aid from the Govt. of Kerala.

In this connection it may be noted that the University Grant Commission (UGC) was established in the country for providing funds and assistance for maintaining high standards in the institutions of higher education and also for infrastructural development and projects.

UGC's mandate includes: -

1.Promoting and coordinating University education.

2.Defining and maintaining standards of teaching, examination, and research in universities.

3.Monitoring developments in the field of university education and disbursing grants to the universities.

Apart from the UGC, the Council of Scientific and Industrial Research (CSIR) of the Department of Science and Technology are also the major funding agencies for higher institutions like universities for various projects.

Scrutiny of the records revealed that KUHS has not initiated any action for the receipt of financial assistance/grants from the UGC/CSIR/Directorate of Science & Technology. The proposals for obtaining financial assistance/grants have not been submitted so far. Had relevant projects been submitted to the above agencies, the KUHS could have received sufficient amount of financial assistance/grants.

The reason for the non-submission of proposals for financial assistance to the above agencies may be stated.

2) Non-framing of University service Rules - OBS-1072204

According to Para 94 under Part-II in Chapter IV of the KUHS Statutes,there shall be a service called Kerala University of Health Sciences Service which shall consists Class-I, Class-II, Class-III and Class-IV post. Provision is made in Para 95 for prescription of Recruitment Rules containing scale of pay, Qualification and method of recruitment to various posts of the University Service. In the absence of Recruitment Rules, transperancy can not be ensured in the appointments to various posts.

3) Non-framing of Finance and Accounts Rules - OBS-1073937

According to Para 11 under Chapter VI of the KUHS Statutes,it shall be competent for the Governing Council to make necessary rules and statnding orders for the proper maintenance of the Accounts of the University. Even after a lapse of 13 years of establishment of the University Accounting Rules are yet to be framed. The reason for the non-framing of Accounting Rules may be stated.

4) PF Deposit Account of empoyees excluded from Annual Accounts - OBS-1077466

Any organisation maintaining Provident Fund Account of of its employees have two options viz:

to exhibit in the Annual Accounts, the subscription recovered from the salaries of the employees along with interest accrued annually . It should be listed under the "Liabilities" section of the balance sheet, which lists all the obligations of the organisation that are owed to outsiders.

to maintain the PF account separately if the trust deed has been executed and registered as a separated PF Trust under Indian Trust Act, 1882.

Audit noticed that PF account of the employees are not exhibited in the Annual Accounts for the year 2022-23 of the Institute. It is also noted that no trust deed in respect of PF account was executed and registered. The irregularity is brought notice for comments.

PART-III

(Follow up on findings outstanding of previous Inspection Reports)

Sl. No.	IR Reference No.	Para Outstanding
1	OA(HQ)III/V/12-446/14-15	IIA- I, II
2	OA(HQ)III/V/12-364/15-16	IIB- III, VI

3	OA(HQ)III/V/12-443/2016-17	II A - I II B - VI
4	OA(HQ)III/V/12-64/2017-18	II B- X, XIV
5	SGS III(HQ)/ III-I/12-223/2018-19	II B- I, II
6	AMG III(HQ)/III-I/12-07/2020-21	IIB- IV, V, VI, VII
7	AMG III(HQ)/III-I/12-13/2022-23	IIB- I, II, III, IV, V, VII, VIII, IX, X, XI, XII, XIII

PART-IV (Best Practice)

NIL

PART-V (Acknowledgement)

Prof. (Dr) Mohanan Kunnummal was the vice Chancellor during the course of audit. The Tahsildar and the entire staff co-operated with audit, for which Indian Audit and Accounts Department expresses its gratitude.

Disclaimer

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-1), Kerala disclaims any responsibility for misinformation or non-information on the part of the auditee.

A. Fnyshd

Senior Audit Officer/AMG III(HQ)