

**SUMMARY OF  
IMPORTANT AUDIT  
OBSERVATIONS**

**Chapter**

**27**

Sl. No.	Report No.	Para No.	Brief Subject of Para	Current Status of ATN's
1	PA 20 of 2010-11	Chapter-I	<b>Medical Council of India</b>	Action on submission of Revised ATN is in process.
2	18 of 2015	7.1 (Ch-VII)	<p><b>Overpayment of Transport Allowance under Central Government Health Scheme (CGHS)</b></p> <p>The Doctors of Central Government Health Scheme (CGHS) in the Super time Administrative Grade (SAG) scale were incorrectly being paid Transport Allowance at the rate of Rs. 7,000 per month at par with the officers at the level of Joint Secretaries of the Central Government Departments. However, they were entitled to transport allowance of Rs. 3,200 per month only in terms of the Office Memorandums issued by the Ministry of Finance. The incorrect application of rules by the CGHS led to overpayment of Transport Allowance of Rs. 5.74 crore to the Doctors between November, 2008 and March, 2014.</p>	Action on submission of final ATN is in process.
3	18 of 2015	7.4 (Ch-VII)	<p><b>Arbitrary up-gradations and fixation of pay of employees of Medical Council of India (MCI)</b></p> <p>The Medical Council of India irregularly upgraded pay scales and fixed pay of its 18 employees which resulted in overpayment of pay and allowances of Rs.91.57 lakh.</p>	1 <sup>st</sup> ATN on the para has since been submitted to the Audit for vetting comments.
4	18 of 2015	7.6 (Ch-VII)	<p><b>Excess expenditure on procurement of X-ray films by Dr. Ram Manohar Lohia Hospital</b></p> <p>Dr. Ram Manohar Lohia Hospital failed to exercise due diligence in procurement of X-ray films leading to their procurement at higher rates. The hospital incurred excess expenditure of</p>	Action on submission on 1 <sup>st</sup> ATN is in process.

			Rs. 57.17 lakh on procurement of X-ray films during February, 2011 to August, 2013.	
5	11 of 2016	8.1 (Ch-VIII)	<p><b>Blocking of funds and non-utilisation of equipment by Dr. Ram Manohar Lohia Hospital</b></p> <p>The Ministry of Health &amp; Family Welfare, without ensuring readiness of infrastructure went ahead and procured various medical equipment valuing Rs. 15.93 crore for Emergency Care Centre in Dr. Ram Manohar Lohia Hospital, Delhi. Two of these equipment, valuing Rs. 2.40 crore could not be put to use as of December, 2015.</p>	Action on submission on 1 <sup>st</sup> ATN is in process.
6	11 of 2016	8.2 (Ch-VIII)	<p><b>Excess payment of service charges by Safdarjung Hospital</b></p> <p>Incorrect determination of 'use factor' for calculation of service charges on property tax by the Safdarjung Hospital resulted in excess payment of Rs. 4.60 crore to New Delhi Municipal Council.</p>	Action on submission on 1 <sup>st</sup> ATN is in process.
7	11 of 2016	8.3 (Ch-VIII)	<p><b>Excess payment of stipend by All India Institute of Hygiene and Public Health (AIH&amp;PH), Kolkata</b></p> <p>The Institute without ensuring that the courses were prescribed in the Medical Council of India (MCI) regulation allowed payment of stipend at higher rate to the students of two PG diploma courses viz. Diploma in Industrial Health (DIH) and Diploma in Maternity and Child Welfare (DMCW), resulting in excess payment of stipend amounting to Rs. 3.63 crore during the period from June, 2005 to July, 2014.</p>	Action on submission on 1 <sup>st</sup> ATN is in process.

8	11 of 2016	8.4 (Ch-VIII)	<p><b>All India Institute of Medical Sciences (AIIMS), Jodhpur</b></p> <p><b>Non-recovery of refund of irregular payment of Service Tax</b></p> <p>All India Institute of Medical Sciences - Jodhpur made payment of service tax on the outsourced services, although these services were exempted from payment of such tax.</p>	Action on submission of 1 <sup>st</sup> ATN is in process.
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### Chapter VIII of Compliance report of Vol I

Para no.	Title of paragraph	Summary
8.1	Efficiency and effectiveness of marketing activities of HLL Lifecare Limited, Thiruvananthapuram	The marketing activities of HLL, despite various promotional schemes like heavy discounts and relaxed credit failed to create a substantial impact on increasing the market share. Moreover, the market research undertaken by HLL was inadequate and insufficient. HLL was heavily dependent on a single buyer i.e. the Government of India where it faced issues like long pending subsidy claims and supplying products at negative margin. HLL also had substantial outstanding debtors pending recovery which had adverse impact on its working capital.
8.2	Release of advance payments without obtaining adequate security	HLL Lifecare Limited made advance payments of Rs.12.04 crore to M/s. Goa Mining Industries (GMI) under a contract for export of iron ore, without obtaining adequate security to protect its financial interests. Subsequently, the export of iron ore was abandoned due to ban on exports of iron ore and the risks involved in transporting large quantities. This resulted in outstanding recoverable from GMI amounting to Rs. 4.92 crore on account of principal and Rs.4.48 crore as interest on principal as on November, 2015.

**Report No. 11 of 2016 – Union Government (Civil)**  
**Compliance Audit Observations**  
*Laid in Parliament on 2<sup>nd</sup> August, 2016*  
**Ministry of Health and Family Welfare**

**Safdarjung Hospital**  
**Excess Payment of Service Charges**

Incorrect determination of 'use factor' for calculation of service charges on property tax by the Safdarjung Hospital resulted in excess payment of Rs. 4.60 crore to New Delhi Municipal Council.

*(Paragraph No. 8.2)*

**All India Institute of Hygiene and Public Health, Kolkata**

**Excess Payment of stipend**

The Institute without ensuring that the courses were prescribed in the Medical Council of India regulation allowed payment of stipend at higher rate to the students of two Post Graduation Diploma courses viz. Diploma in Industrial Health (DIH) and Diploma in Maternity and Child Welfare (DMCW), resulting in excess payment of stipend amounting to Rs. 3.63 crore during the period from June, 2005 to July, 2014.

*(Paragraph No. 8.3)*