

**INTERNAL AUDIT REPORT OF QUALITY CONTROL
DIVISION, KOZHIKODE**

PERIOD OF AUDIT: 01/04/2012 TO 31/03/2017

PERIOD COVERED: 20/11/2017 TO 30/11/2017

AUDIT TEAM

1. Sri.S.Sivanandan, Internal Auditor
2. Smt. Rajeswary.R, Divisional Accounts Officer
3. Sri. P.S.Reghu, Head Clerk (HG)
4. Sri. B.Manoj, Head Clerk

Quality Control Division, Kozhikode

Period of audit covered 1.4.2012 – 31.3.2017

Internal audit for the period from 1.4.2012 to 31.3.2017 was conducted by internal audit from 20.11.2017 to 30.11.2017 (incumbency details of officers attached separately). On verification of registers following remarks are offered for rectification and future compliance.

I Cash Book.

1. Mandatory certificate of number of pages is not seen written in all volumes of cash book.
2. Difference noted in closing balance of cash book and cheque memo register. eg., 4/14 Cash book Rs. 3344030

CMR Rs.3411436

excess Rs. 67406/- in CMR 5/14 cash book Rs.2961866 CMR Rs.2958272

Rs.3594 excess in cash book reason for this may be intimated to audit. The similar difference may be checked and rectified.

Also cash balance as on 30.9.2014 as per cash book closing balance is Rs.29360/- but in certificate Rs.12810/-. This may be clarified to audit.

3. Pencil entries must be avoided in the relevant registers several closing entries are seen in pencil.
4. Monthly entries are not properly closed in several months. eg., in the volume 7/16-4/17 monthly closing is not authenticated with certificate of cash balance and signature of writer and another person who verifying the cash book.
5. Opening balance is not regularly writing in cash book eg., 1.4.2016 in 1.3.2017 cash book balance is corrected as Rs. 22750/- instead of actual Rs.35100/- . The cash collected on 27.2.2017 is seen remitted only on 1.3.2017 but the entry in cash book is made as remitted on 28.2.2017. on

29.4.2016 cash book entry of collection of Kalpetta is Rs.12900/- but as per challan and Bank remittance is Rs.8950. This may be clarified to audit.

II Cheque memo register.

1. The balance column in cheque memo register is seen written in pencil which is highly irregular. Corrections and overwriting seen especially in 2013.
2. Non remittance of interest credited by bank in NO account. Following amount credited by bank as interest is taken in the same account itself. The details of remittance of the same into non operative account may be submitted to audit. SB account no. 67000683089. 1.4.2006 -031.10.2014 Rs.13450/- 11/14 -9/2017 Rs.221829/- = Rs. 356331/-. Account no.67221793159 (10-ARP) 31.5.2013-9/17 Rs.288574/-.
3. Several cheque issued entries are not initiated by the EE eg., and several cheque canceled and entries not signed by EE 30.7.2014 ch.no.78956, 78992, 789714 4/9/2014, 789739 13.10.2014, 789576 11.2.2014, 789595 27.12.2014, 78956 27.12.2014, 789600 01.1.2015 etc. fund received entries not seen head office. Cancelled cheque not seen by head of office 789693 1.8.2014, 789761 6.11.2014, 789626 02.2.2015 etc. Details of remittance of interest in SB a/c into Non operative account may be reported to audit. Amount of interest in account no.67221793159 from 5/13 to 9/17 is Rs. 288579/- and account no.67000683089 for 1.9.2006 to 25/9/17 is Rs. 356331/-.

III Bank Reconciliation.

Bank reconciliation of SB accounts salary and non operative account are not being done for a long time. Now upto 31.10.2016 is being done and copy submitted but details of list D not attached.

Balance in salary account as on 31.3.2017 no 67000683089 as per cheque memo register is Rs.2441033

as per bank statement Rs.2470507

Difference Rs. 29474

As on 31.10.2017 CMR 1343699

Bank statement RS.1595288

Difference Rs.251589

NRDWP account No. 67221793159

Balance as per cheque memo Rs. 4559715

As per bank statement Rs. 5899064

Difference Rs. 1339349

Balance as per CMR as on 31.10.17 Rs.1105573

As per bank statement Rs.1165233

Difference Rs. 59660

Reconciliation may be updated and copy of latest statement in full shape may be submitted to audit.

Non operative account has a difference of Rs.600/- which may be regulated and details submitted to audit.

IV Register of Receipt book CB1/CB2

1. Receipt book no.3185 (28.5.2014) issued to Kalpatta AE has noted as returned as per register. But the date of return or the issue of the same there after is not seen. This may be clarified.
2. Issuing authority has not initiated in the register.
3. Rt book no.4425 the original receipt of the 1st page of which is missing (442401) should be attested by EE with proper remarks in this regard.

V SD Register & EMD register.

1. The time barred SD dated 2.5.2013 is not seen released and remitted into non operative account. Page no.9 SB pass book account no.86219 for Rs.13600/-.
2. Mandatory certificate is not written in these registers.
3. EMD register is written on SD register and not properly maintained.
4. In page no.10 of SD register it is formed that SD furnished on 8.2.2016 was released on the same day. Then in page no.11 the SD is received on 2.5.2013 & 16.7.2014. it is irregular since the SD may be receipt on the receiving date only. It should be numbered date wise. But here two SD are seen entered on 2.5.2013 & 16.7.2014 after the date mentioned in page no.9 dt 8.2.2016. this may be clarified to audit.

VI Tender register

The EMDS furnished are not seen handed over to HC. eg., Tender no.1/14-15, 2/14-15, 1/15-16, 2/15-16. The reason for the same may be furnished to audit.

VII Trial balance

Trial balance was not updated since 3/17 as per copy o f trial balance from 2/17 debit balance is seen in following head of accounts which is irregular as it implies excess remittance. This may be clarified to audit.

1. 2829 other statutory employees deduction Rs.117905/-
2. 2841 TDS from contractors Rs. 36440/-
3. 2895 KCWWF Rs.1454/-
4. 1651 advance TA Rs. 2250 (details of settlement needed)

(X)

Traveling Allowance

On verification of records Travelling Advance paid under head 1651 is seen not settled yet; the same may be recovered and reported to audit.

QC Division, Kozhikkode

Sameer Kallan, D/Man increment accruing consequent on declaration of probation shall be drawn only with effect from the date of completion of probation, but subsequent increments shall be drawn on the first day of month in which they fall due. (GD 2 to R 31 & B) In this case he has entered in the service on 25.7.2007 and 2nd increment is seen sanctioned wef 1.7.2009. Arrear if any paid to him may be ^{recovered and} necessary corrections may be recorded in the Service Book.

Shijosh Sanitary Chemist: He has entered in the service on 14.7.2004 as Watchman and 1st increment is sanctioned wef 1.7.2005 instead of 14.7.2005 (increment accruing consequent on declaration of probation shall be drawn only with effect from the date of completion of probation, but, subsequent increments shall be drawn on the first day of month in which they fall due. (GD 2 to R 31 & B).

Jisha Sithara, UD Typist: AS per GO(P) No.75/2007/Fin dt 27.2.2007 employees who have completed 3 years of service will be eligible for earned leave at the rate of 1/11 for the period spent on duty for the first year of service as admissible to permanent employees. But the service book the same is written as due to declaration of probation.

New Photo- in several service books-photograph is seen not substituted by a fresh one on completion of 10 years, PF number not recorded or authenticated.

QC Sub Division, Kannur

Babu Driver - Increment accruing consequent on declaration of probation shall be drawn only with effect from the date of completion of probation, but, subsequent increments shall be drawn on the first day of

month in which they fall due (GD 2 to R 31 & B) Babu Driver has entered in the service of KWA on 7.2.2014 and 1st increment is seen sanctioned wef 7.2.2015 instead of 1.2.2015.

New Photo - In several service books photograph is seen not substituted by a fresh one on completion of 10 years, PF number not recorded or authenticated.

Credit balance in following head of accounts seen which implies late remittance which is also irregular. The date of remittance of the same may be intimated to audit.

1. 2843 TDS employees Rs.36556/-
2. 2825 LIC /SLI Rs. 23032/-
3. 2824 FBS Rs. 10920/-

Temporary Advance Register.

I) The settlement details such as CBV No & date is not seen noted in the register.

1. Eg page 27 for 2016-17 advance given on 14.11.2016 and 21.12.2016 Rs. 40000/- written as only settled in 3/17. Name of AE not written.
2. Page 31 & 32 Rs. 45000/- settled but no CBV No.
3. Rs.135000/- given to AE, Abdul Azeez.M on 20.7.2017, 14.9.2017 & 7.11.2017 settled but no CBV number or authorization.

II) Without settling the already given temporary advance next amount seen given.

Eg 19.4.2017 Rs.5000/- cheque no. and date of issue not written. Again given temporary advance on 15.5.2017, 7.7.2017 and 16.9.2017. These may be rectified and noted for further compliance.

Quality Control Division - Kozhikkode

1. Tender Registers

Irregularity

On verifying the above register it is observed that in all tenders two persons are baring participated but the EMD produced only one which is highly unregular. Non-produced tenderor is unqualified one and tender may not have the status of competitiveness. So this practice may be stopped forthwith.

2. Non- comply the norms of uniform Drinking water quality monitoring protocol.

As per the norms of Uniform Drinking Water Quality Monitoring Protocol (5.4, Human Resource) the staff pattern of District/Sub-district level water testing laboratory is as follows.

1. Chemist/Water Analyst- 1 No.
2. Microbiologist/ Bacteriologist – 1 No.
3. laboratory Assistant- 2 Nos.
4. Lab Attendent – 1 No.
5. Data Entry Operator- 1 No.
6. Sample Assistant – 2 No.

These persons can be ^{filled} failed with regular or contracted personnel. However, all state should ensure that at least one regular post of water analyst/chemist is made available and ^{filled} failed in each water testing laboratory. But under this division, all the above posts are ^{filled} failed with contracted employees which is against the above direction. Not only that it may affect the quality of water testing results as most of the time the contractor may be supplied the unqualified hands.

3. No- follow up actions.

It is observed that no follow up actions are being done by this division after sending the water analysed report to maintenance division. It may be

the responsibility of this division to ensure that whether proper actions has been taken by the maintenance division or not. This is not done so far.

4. Non-maintaining of Cash Scroll

When compared to revenue collection centers of KWA, the revenue from water testing fee of this division is very high which is highly satisfactory. The revenue collection details for the last three years as follows.

2014-2015 -Rs.7744165

2015-2016 -Rs.9435020

2016-2017 - Rs.12810817

But the cash scroll for the daily collection has not been written till dates which is highly irregular.

5. Non-remittance of daily collection in Bank

the daily collection of water testing fee of Kasargod, Sub Division is being remitted in Bank once in a 3 or 4 days which is highly irregular. The revenue collection above Rs.500 should be remitted in Bank in the same day or next working day.

INTERNAL AUDITOR

ACCOUNTS MANAGER

ACCOUNTS MEMBER