



INTERNAL AUDIT REPORT OF P H DIVISION KOLLAM

Regular Audit No.IA.7/18.

PERIOD COVERED IN AUDIT 1/04/2015 TO 31/03/2017

DURATION OF AUDIT 11/12/2017 TO 29/12/2017

AUDIT TEAM

Sri.Sivanandan.S, Internal Auditor

Smt.Rajeswary.R, Divisional Accounts Officer

Sri.Reghu. P.S, Head Clerk (HG)

Sri.G. Manoj, Head Clerk

**Internal Audit Report on the Audit of Records and Registers of PH
Division, Kerala Water Authority, Kollam**

Part I

A. Introduction

The PH Division, Kollam deals with the maintenance work and deposit work of Kollam District including Corporation area. The Division consists of 4 Sub Divisions vize. WS Sub Division, Kollam, PH Sub Division, Kollam, WS Sub Division, Sasthamkotta, PH Sub Division, Chavara. The audit^{was} conducted during the period from 11.12.2017 to 29.12.2017 covering the period from 01.04.2015 to 31.03.2017

B. Officers In Charge

Incumbency details of Executive Engineers, Divisional Accounts Officers and Technical Assistants for the period from 01.04.2015 to till date *is noted below.*

Executive Engineer	
Sri.S.S.Roy	: 19.09.2013 to 11.11.2016
Sri.V.K.Rajeev	: 11.11.2016 to 31.05.2017
Technical Assistant	
Smt.K.U.Mini	: 01/2015 to 29.01.2016
Smt.Rekha Alice George	: Joined on 29.01.2016 still continuing
Divisional Accounts Officer	
Smt.P.D.Geetha	: 26.06.2015 to 05.11.2016
Sri.Shaji.J	: 05.11.2016 to 6/2017
Junior Superintendent	
Sri.K.A.Rakesh Kumar	: 1/2015 to 07.07.2016
Sri.P.J.Georged	: 07.07.2016 still continuing

C. Internal Control Mechanism

Internal control mechanism is not satisfactory as seen from the up keeping of the Cash Book, Monthly accounts, Bank reconciliation statements, reply to previous audits. etc.

Mandatory certificate is not seen in all registers. Eg. Cheque memo register, EMD/SD register, cash book etc.

The supervision of the subdivisions ^{by} from the Division, for improving the revenue collection and rectifications of the defects in the registers and accounts, is not seen done effectively.

Registers and files relating to accounts, Establishment and work were test checked and remarks offered as follows:-

Name of Office

I. Non keeping of cash collection register or non operative control register

The date of receipt of cash /DD/Cheque and its remittance should be entered in the Non operative Control Register or Daily Cash Collection Register which is most important in an office with revenue, in order to watch the remittance in time. No such register is keeping in this Division. It is noted that DD No. 702790 dated 18/04/2016 for Rs.1,32,563/- revalidated on 14/02/2017 and remittance made on 15/02/2017. Similar lapse might have occurred due to regular watching of the remittance. The loss of interest for the amount for the 10months to KWA caused due to the oversight.

II. Non closing of the treasury account

The treasury account has Rs. 22,838/- which is not closed yet inspite of Managing Director's instruction and direction of last audit. This may be done and amount may be remitted int Non operative account.

III. Non closing of the Account which is not operating for a long period

TRP Account and an Account in Indian Bank are remaining with a balance of Rs.3,69,171/- and Rs.4,302/- repectively for a long period. These accounts may be closed and the amount may be remitted in to Non operative account.

IV. Cash Book

- (a) Abstract is not written in Cash Book since 08/2015, closing balance and total are written in pencil (see 04/2015), several cancellation and corrections with pencil (entries on 15/07/2015,3/09/2015). The amount of 9134 code in 06/2015 is seen corrected by pencil from Rs.55,68,334/- to Rs.57,04,397/-. But the corrected entry is not seen in the abstract of cash book.
- (b) Several corrections are seen in the Head of account and amount . Eg. In CBV No. 38 of 05/2015 the IT recovery is Rs.615/- but the corresponding receipt side entry is seen corrected as Rs.614/-. Correction in Account code 3411 to 7299 and 7299 to 9212 is seen in 04/2015. District Collector's fund for TRP is seen taken in 9762 code and corrected to 2768 code in CBV no.207 of 06/2015 and again corrected to 2711 code in 06/2015.

V. Cheque Memo Register

Following SB Accounts are operating in this Division;
67143253521 - Salary; 67222164641 - State Plan; 67000644164 - Deposit

Closing balance as on 31.03.2017 as per Cheque memo register as follows;-

Sl. No	SB Account No.	Particulars	Balance as on 31.03.2017 (Rs.)
1	67143253521	Salary	33,86,678/-

2	67000644164	Deposit	5,56,15,858/-
3.	67222164641	State plan	55,10,726/-
5.		T R P	3,69,171/-
6.		Indian Bank	4,302/-

The balance column of the CMRs are written with pencil and it is not at all writing from 01/11/2016 onwards. Overwriting in the date, cheque number etc. are seen. Cancellation entries are not authenticated. Eg. CMR of State Plan for 08/2016. Closing balance is not seen written properly even in the year ending.

VI. Non Reconciliation of Bank Accounts

The bank reconciliation was not being done for a long period and the work is started recently. It is seen that the State Plan account is reconciled up to 5/2015, Deposit account upto 05/2015 and salary account upto 12/2012 which are also not in the proper manner. The list to be attached to the reconciliation statement are not seen written.

As per the reconciliation statement of deposit work, the amount deposited but not credited by bank is Rs.67,73,488/-; the amount credited by bank but not taken in cash book is Rs.63,81,669/- and interest credited by bank is Rs.39,63,826/-. The details of the interest credited into Non operative account for the period from 01/04/2015 to till date may be submitted to audit. Also the reconciliation of all accounts may be updated and copy submitted to audit.

VII. EMD Register.

The date of release of EMD not seen posted in the register in several entries. In some cases written as only released, no date or signature of officer and the contractor seen in the register. For eg. Tender No.180,184,186, and 196 of 2013-14.

23 numbers of EMD are kept in the office, as per the register, without releasing or forfeiting from 2013-14 onwards. (List attached separately.) Urgent action may be taken to forfeit the EMDs pending. As per code EMD shall not be kept in the office after 3 months of executing the agreement.

VIII. SECURITY DEPOSIT Register

The date of release of the SD is not written in several entries of SD release. 55 numbers of Security Deposit for the period upto 2012-13 is kept in the office, as per the register, without forfeiting. List attached separately. Action may be taken to forfeit the same immediately and the details may be submitted to audit.

On verification of the register it is seen that securities are released without proper direction from the Head of Office. The entry of release of the SD is acknowledged by the contractor only, and no signature of the sanctioning authority

and in some others signature of the contractor is not seen which implies the contractor has not received the SD.

For. Eg. Agt. No.33/2010-11 dated 11/05/2010 –NSC 4 Nos. for Rs.3500/- noted as released on 02/08/2013 in the register, but not seen by the Executive Engineer and the contractor or any other officer. (Sl.No.33)

Sl.No.34 & 35 not initialed by the officer but signed by the contractor. Also Sl. No. 61&62 (2011-12) marked as released but not initialed by any of the officer. Sl.No.63 & 64, the officer has signed but the contractor has not seen signed. For Agt. No. 52 & 53 and 198 & 199 of 2012-13 not seen by the Executive Engineer but signature of the contractor is seen.

The proper maintenance of the registers may be done with periodical verification.

IX. TRIAL BALANCE

Ledger and Register for trail balance are not keeping in this office. On verification of the Trial Balance for 03/2016 and 03/2017 following Head of account have debit balance which is irregular.

Account code	Particulars	Debit balance (Rs) as on 3/2016	Debit balance (Rs) as on 3/2017
1532	Imprest	2,911/-	2,911/-
1651	Traveling Allow advance	40,696/-	40,696/-
1659	Temporary advance to AE	1,21,464/-	1,11,464/-
2834	ST on Tender	5,65,550/-	5,55,071/-
2841	TDS contractors	12,78,648/-	14,02,809/-
2895	KCWFF	1,51,621/-	1,01,680/-
2811	Sundry Cr.s Contractors	1,58,13,651/-	2,05,87,282/-
9139	Contra	3,29,25,661/-	3,90,05,576/-
9219	Control A/c Cap. Exp. Others	57,32,769/-	57,88,513/-

The imprest and temporary advance are to be completely settled as on 31st March. ie. The end of financial year. But as per the trial balance of 03/2016, Rs. 1,21,464/- seen in debit balance and in 03/2017, it seemed decreased by Rs.20,000/- and became Rs.1,11,464/-. As per rule the temporary advance are given on the passed vouchers and each advance is to be settled before sanctioning next advance. A time limit of 3 months is prescribed for the presentation of the final bill. The balance kept without settling is to be charged 18% of interest from the date of drawal of advance to the date of refund of the amount. In case the adjustment bill is not submitted within the prescribed time, the entire amount of advance may be recovered in lump immediately on expiry of such time limit. (GO(P) No.1035/2000/ Fin dated 19/07/2000. & GO(P) No. 419/11/Fin dated 04/10/2011). Hence the reason for the huge amount pending in the Head of Account 1659 may be submitted to audit or the amount with interest as per the above GO may be recovered from the concerned.

Also Debit balance in 2834, 2841 & 2895 implies excess remittance in the tax and KCWWF . This may be explained to audit.

Code 9139 and 9219 may not project in the Trial Balance if the journalisation is done correctly. 9139 is not seen tallied in the CB 27 also. The same may be verified and the reason for the debit balance may be reported to audit.

Also huge amount in Credit balance is seen in the following Account code in the trail balance of 03/2016 and 03/2017, which is highly irregular, the details as follows:-

Account code	particulars	Credit balance (Rs) as on 3/2016	Credit balance (Rs) as on 3/2017
2825	LIC	86,38,120/-	1,07,82,492/-
2843	TDS Employees	1,09,84,951/-	1,39,75,569/-
2826	Pro. Tax	17,08,759/-	20,77,509/-
2829	Other Employees deduction	21,97,367/-	30,74,734/-

Consolidated Trial balance is not submitted to audit. Hence check the trial balances of the Sub divisions also for such defects and copy of consolidated trial balance rectifying the above may be submitted to audit.

X. REVENUE

P H Division, Kollam has a closing balance of **Rs.40.83 crore** (Rs.40,82,91,349/-) as per the DCB of 03/2017, of which **Rs.4.46 Crore** is to be

obtained from the JALANIDHI scheme n and Rs.22.50crore is from LSGD. Rs.13.87crore is the arrear as per DCB from the D/ND/IND consumers.

It is seen that Neendakara of Karunagappally Municipality (Chavara Section) and and Nooranad of Sasthamkotta section has not remitted any amount during 2016-17 while an amount of Rs.2.23 crore and 0.22 crore is pending as on 03/2017.

The action taken from the Division to collect the above may be reported to audit.

XI General Establishment and service book

Mandatory certificate related to Page No. is seen not written in the most of the registers.

Service Book Page No.107(annual verification) of service book is not seen updated.

Eg:- Sri.Gopakumar, UD Clerk, Sri.V.Jayakumar, D/man, Sri.Anil Kumar.C, OA and others. All service books may be updated and reported to audit.

Service Book Page No.108 Quinquinal verification of service is not seen updated. Eg. Sri.Dileepkumar, UDC, Sri.Madhuri, LDC, Smt.G.Rajasree, Draftsman. All service books may be updated and reported to audit.

New Photo – Photograph is not seen substituted by afresh one on completion of 10 years. PF number also not recorded in service book of some of the incumbents eg.Jayala, LDC, Sri.Maya, UDC

The latest residential address may be offered in the service books.

Irregular sanction of commuted leave

Sri.Anil Kumar.C, OA : All permanent employees and those who have completed three years of continuous service are eligible for commuted leave. The incumbent is seen availed before completing 3 years of service the same may be converted to other eligible leave and intimate to audit. The service book of all employees maybe verified and similar cases maybe reviewed . Annual increments sanctioned may also be verified and regularize the same.

XII. Travelling Allowance

TA Bill register is seen maintained but not as prescribed form mentioned in Accounts Manual. On verification of TA bills excess amount is seen sanctioned to several employees as detailed below.

TA claim is seen admitted not as per Part II of KSR. Hence all TA claims during audit period may be reviewed and excess amount paid may be recovered.

Daily Allowance for halt

1. Upto 6 hours : No DA
2. Above six hours upto 12 hours : Half DA
3. Above 12 hours upto to 24 hours : Full DA
4. Halt exceeding 24 hours : Apply principles 1 to 3

But full DA is seen admitted to Smt.Amminiamma and others for the halt above six hours and upto 12 hours. Hence all TA claims during audit period may be reviewed and excess amount paid may be recovered.

Room rent and DA seen admitted to Sri.Bineesh and others for halt at Thiruvananthapuram in connection with training. As per rule this can not be admitted.

When two journeys are performed within a period of 24 hours, the period of absence from HQ will be treated as one day irrespective of the fact that the journey was performed on two calendar days, and incidental expense is granted accordingly. Hence incidental expense for total journey may be limited as such.

On 26.02.2016 and 27.02.2016, Smt. Amminiamma has performed journey to attend meeting at Thiruvananthapuram. She had claimed $4 \times 690 = \text{Rs.}2760$ towards IInd AC fare, the same may be limited to $2 \times 690 = \text{Rs.}1380/-$ excess amount paid as such may be recovered.

Rs.1767/- TA admitted to Smt.Smitha K Overseer may be limited to Rs.887/- since she is eligible for IInd class train fare and TA from her office at Kollam.

XII. Works

Major irregularities

1. This Division having only deposited works from Local bodies and maintenance works only. There is no capital work. Most of the deposited works are laying pipeline and extension works which are on supplying and laying basis. On verifying the works files it is noted that GRS, MAS account and as laid map are not attached which is highly irregular. In supply and laying work, the above document are important and should be kept. So Executive Engineer may be replied fro upkeeping of these document with work file to audit.

2. Unnecessary transferring of materials to Section Office

The materials balance from works are seen transferred to section office instead of store and those materials are no need for maintenance works. For eg.The following material balance from the work – JICA Assisted Meenad Water Supply Project Package II -350mm D1 Transmission main – Dismantling and relaying pipeline along NH 47 near land slide portion – Ithikkara, Agreement No.148/15-16 dated 22.01.2016 transferred to Section Office, Chathannur.

1. 350mm D1K9 -Pipe – 2 Nos.
2. 350x350x80mm D/S and Flanged Tee – 2 Nos.
3. 80mm Air Valve – 1 No
4. 350 mm MS fabricated bend – 1 No
5. 350 mm Di socketed Heng – Tail piece – 1 No

The above materials are not needed for daily maintenance. So these may be transferred to Division Store with the stores account of Assistant Engineer and report to audit.

2. Name of work:-

Deposit Work – KSUDP – Laying 75 mm PVC pipeline in font of Vijaya Bank at Vadayattukotta in Kollam corporation

Agreement No : 65/15-16 Dated,28.05.2013

PAC : Rs.150249/-

Contractor : Sri.Saju

I. Excess payment were given for conveying and laying charge

Item No.7 of accepted schedule, the contractor had to conveying and laying 75 mm PVC pipe -360 mtr. On verifying the file he could execute only 354 meter PVC pipe. But he has been paid the conveying and laying charges for 357.5 mtr ie 3.5 meters excess. So the excess payment given for 3.5 m @ Rs.30.75/m may be recovered from the contractor and report to audit with specific remarks of Executive Engineer

II. Non – levy of the fine for belated execution of agreement

The Selection memo of subject work was despatched to the contractor dated, nil with a direction to execute the agreement on or before 01.04.2015. But the contractor is seen executed the agreement only on 28.05.2015. No fine is seen imposed for belated execution of agreement. As per NIT conditions, 1% of the PAC subject to minimum Rs.500 and maximum Rs.15000 should have been imposed. So an amount of Rs.1502/- may be recovered from the contractor and report to audit. Failing which it may be the liability of concerned.

3. Name of Work

Deposit Work – RWSS to Mynagappally and commissioning of new tube well of Edathra laying 90mm and source improvement work in Mynagappally.

Agreement No. : 33/16-17 Dated, 29.06.2016
PAC : Rs. 1484315/-
Contractor : Sri.Sujeer

Irregularities

1. Non imposing of fine for late execution of agreement

The work order of the above work has been sent to the contractor on 30.05.2016 with direction that the agreement should be executed on or before 13.06.2016. But the contractor failed to execute the agreement in due time. Agreement is seen executed on 29.06.2016 without fine which is highly irregular. Fine as per NIT condition 1% of the PAC subject to minimum Rs.500 and maximum Rs.15000 beyond the due date should have been imposed. As such an amount of Rs.14843/- may be realized from the contractor and report to audit with specific remarks of Executive Engineer for non imposing of fine for belated execution of agreement.

2. Non signing of supplementary agreement by the Executive Engineer

The contractor could not complete the work within stipulated time. So he requested for time of extension and the Executive Engineer granted it. But in the supplementary agreement for time of extension, the Executive Engineer has not signing which means he is not granted it. It may be clarified to audit.

General irregularities

Quantify of pipe laying is not mentioned in the As laid map. Pipe line pressure test report of newly laid pipes is not attached with file of several works.

4 Name of work

Deposit work – Mukhathala Block Panchayath – Extension of pipe line to various places in Nedumpana panchayath

Agreement No. : 62/16-17 Dated, 07.10.2016
Tendered PAC : Rs.627353/-
Accepted PAC : Rs.470515/-
Contractor : Sri.Sanal.S

Irregularities

1. Short levy of fine for belated execution of agreement

The selection memo of subject work was sent to the contractor on 11.08.2016 and directed him to execute the agreement on or before 26.08.2016. But he failed to execute the agreement in due time and is seen allowed to executed the agreement on 07.10.2016 by imposing a fine of RS.1000/- only which is irregular. As per NIT condition, 1% of the PAC subject to minimum Rs.500 and maximum Rs.15000 should have been imposed. As per an amount of Rs.6273/- had to be realized. So the short levy of fine Rs.5273/- may be released from the contractor and report to audit.

2. Short levy of find for extension of time of completion

As per the agreement condition the contractor should have been completed the subject work on or before 06.11.2016. But he could not complete the work in stipulated time and seen completed only on 27.12.2016 i.e., 51 days elapsed. The Executive Engineer has been extended the time of completion upto 27.12.2016 by imposing a fine of Rs.1000/- which is irregular. As per NITcondition 1% of the PAC subject to minimum Rs.500 and maximum Rs.15000 for the first three month had to be levied and recovered. As such an amount of Rs.6273 should have been recovered. So the difference amount of Rs.5273 may be recovered from the contractor and report to audit. Failing which it (both) will be the liability of concerned.

3. Name of work

Deposit work – Ithikkara Block Panchayath – Central Plan 2016-17 – SCP- pipeline extension to various places in Poothakkulam panchayath

Agreement No. : 22/17-18
Tendered PAC : Rs.571145/-
Accepted PAC : Rs.470515/-
Contractor : Sri.Shaji

Irregularities

4. Enhancement of Tendered and Accepted PAC after the execution of work

The subject work was tender for Rs.571145/- and assign to the contractor Sri.Shaji for estimated PAC. He has been executed the agreement for the same amount. He had executed the wrok for Rs.721841/- when completed. The bill were prepared and submitted to this division for verification and payment by Assistant Engineer. But during course of

scrutiny of bill in this office, enhanced the tendered PAC from 571145/- to Rs.733243/- by executing a supplementary agreement and collecting additional security amount. The bill was passed for Rs.707922/- and payment was made vide Cheque No.399403 dated, 02.10.2017 which is an excess of s.136777/- than the original PAC. On scrutiny of the work file, it is seen that

1. The contractor has never requested for the enhancement of PAC so far
2. The contractor has not been find out any mistake in the schedule at any stage of the work
3. Rectification of higher authorities has not been sought for this enhancement of Tendered APC which is in favour of the contractor

So the Executive Engineer may be replied with specific remarks for irregular enhancement of PAC in favour of the contractor after the execution of work which leads to a loss of 136777/- to Government.

WATER SUPPLY SUB DIVISION, KOLLAM

I. Improper maintenance of the registers.

- a) Daily collection register has no indication as to from which receipt No. to which receipt No. has the collection taken a day. Also the date of remittance of the amount collected is not recorded. This may be done with daily attestation of the Head of Office/AEE. Cancelled receipt details not seen in the scroll test checked. Copy of the cancelled receipt may be attached with the scroll with proper attestation.
- b) Remittance register- The remittance details of income tax of 09/2017 and 10/2017 are not seen entered
- c) Remittance register - The remittance details of the income tax of 09/2017 and 10/2017 is not seen entered in the register. From 11/2016 onwards this register is not seen authenticated .
- d) Cheque memo register - Bank charges and interest credited by the bank on SB account is not seen entered in the register.
- e) Cash Book - Mandatory certificate is not seen written the last three volumes. The Cash book is not authenticated in closing of each month with the signature of the writer, signature of another person who verifies the arithmetic accuracy. Abstract of the Closing Balance is not signed from 10/2016 onwards.
- f) Imprest register is not authenticated.

II. Late remittance of Income Tax.

The income tax recovered from the salary is to be remitted within the 7th working day from the date of disbursal of the salary and that deducted from contractors' payment is to be remitted within 7th working day of the next month.

On verification of the register it is seen that Rs.35,500/-recovered from the salary of 09/2016 is remitted on 21/10/2016 and Rs.53465/- deducted from the salary of 03/2017 is remitted only on 19/04/2017. Income tax deducted from contractor's payment for 03/2017 remitted on 19/04/2017 and that of 06/2017 remitted on 20/07/2017 . The fine if any imposed due to the late remittance of income tax may be the liability of the officer concerned.

III. Non closing of the Treasury account

Treasury account has a balance of Rs.3095/- which may be closed and the amount may be remitted in to Non operative account.

IV. Non remittance of the collection charge of KCWWF into Non operative account.

As per the KPWD Acode, 1% of the KCWWF collected from the contractors is the income of KWA. Hence this may be taken in the income code and to be remitted into Non operative account. This may be calculated from the previous periods and adjusted in future remittances of KCWWF .

V. Frequent issuing of Temporary advances to Asst. Engineers.

Temporary advances seen given to the Asst. Engineers without settling the previous advances. This is against the rules. As per GO(P)1035/2000/Fin dated 19/07/2000 and GO(P) No. 419/11/Fin dated 04/10/2011, temporary advance is given for passed vouchers; each advance is to be settled individually and the balance with AE should be returned within three months of the date of issue , otherwise an interest @ 18% is to be charged for the balance outstanding amount, from the date of drawal of the advance.

On verification of the register it is seen that Sri. P.Y.Johnson, AE has given temporary advance vide Ch. No. 474567 dated 06/11/2015 is settled only on 07/2016. But advances given on 11/11/2015, 16/12/2015, 08/07/2016, 13/07/2016 and 26/11/2016 respectively, all settled only on 31/03/2017. Also it is seen that Rs.75,000/- in 5 advances pending for settlement for the financial year 2017-18 at the time of audit. The reason for delay in settling the same may be reported to audit otherwise the interest as per GO may be imposed on the concerned officers.

VI. EMD & SD idling without forfeiting.

Several EMDs and security deposits are kept in the office without forfeiting as per the rules. These may be forfeited and amount may be remitted into non operative account.

VII. Non remittance of interest accrued in the SB account into the Non operative account.

Rs.15,958/- is seen as interest accrued in the SB account No.67153861658 for the period from 25/03/2017 to 25/09/2017. This and the interest for the previous years may be taken into the cheque memo register and credited into the non operative account and details may be intimated to audit.

VIII. **Bank reconciliation - Not done.**

The reconciliation of the operative and non operative account may be done and the copy of the recent reconciliation statement may be submitted to audit.

IX. **Huge arrears in water charge.**

Rs.4,86,29,106/- is the closing balance as per the DCB of 03/2017 from the total 36269 connections.

Meter reading status is very poor as per the proforma for March 2017; Meter reading of ND and IND consumers are not taken during the month.

Domestic consumers with arrears above Rs.25,000/- comes to 247 numbers with a total arrears from these consumers comes to Rs.4,18,42,221/-.

6 numbers of Industrial consumers and 348 numbers of Non domestic consumers have arrear above RS.50,000/- with total arrear Rs.19,41,91,074/- which shows a greater amount than the closing balance of the DCB.

Action taken for speedy settlement of arrears of water charge and result there of may be intimated to audit.

X. **Service Book**

- Sri.Madhu G, U S Worker: All permanent employees and those who have completed three years of continuous service are eligible for Commuted Leave. The incumbent is seen availed before completing 3 years of service the same may be converted to other eligible leave .
- Number of Earned Leave at credit is found not correct. (Smt.Sasikala C, LD Clerk, Smt.Sheeba UD Typist)
- 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). But in the case of Smt. Agnes , D/man II the same is seen granted w.e.f. 1-4-98 instead of 8-04-989. Excess pay and allowance may be recovered
- Half Pay leave is seen not debited from Earned Leave Account (Smt.Nisha R UD Clerk
- Some registers are seen not maintained in the Office – Audit Objection Register, Register for Service Book, TA Advance Register etc.
- Certificate related to number of pages not written or authenticated in several registers. Casual leave register, GPF register IT register
- Entries are seen not verified or authenticated by concerned officers – Casual Leave Register.
- Photograph is seen not substituted by a fresh one on completion of 10 years, PF Number umber not recorded or authenticated in service book of some incumbents page No 107 and 108 not updated.

P H SUB DIVISION KOLLAM

I. Improper maintenance of the cash book and cheque memo register.

(a) The registers have no title to identify the same with period of entry. Mandatory certificate of number of pages or authentication of the head of Office is not seen.

(b) Cash book closing of each month is not authenticated by the head of Office and the certificate of cash balance is not written with signature of the writer and the other person who verifies the arithmetic accuracy. Abstract also is not seen written in several months.

(c) Fund received entries and closing balance entries are seen written in pencil; Corrections in Cheque memo register are seen in pencil. Several corrections in closing balance written in pencil seen from 26/09/2016 to 30/1/2016.

(d) Variations seen in the closing balance of the Cheque memo register and that of Cash Book in some months.

For eg. Closing balance of CMR on 29/12/2015 is Rs.72915/- but the opening balance of cash book on 01/01/2016 is corrected as Rs.63,915/-. On 30/3/2016 Rs.58,981/- and Rs.5,000/- is added with closing balance of CMR no remarks in this regard seen.

(e) Non cancellation of cheque.

On 27/05/2016 ch. No. 11252 for Rs.28,000/- paid to the Asst. Engineer, Chathannoor, as per the CMR, which is not initialed by the Head of Office and the entry is not seen cancelled. This same cheque number is seen written for Sri.Haridasan, contractor. Next cheque issued entry is on 8/06/2016 with ch. No.011254. It may be cleared to audit whether the Ch. No. 011252 is issued to the AE without authenticating in the CMR or cancelled and also whether Ch. No. 011253 is issued to the contractor.

(f) Non crediting of the interest accrued in the SB account into the Non operative account and non reconciliation of the bank accounts.

The interest credited by bank in the SB account is not seen taken in the CMR and not credited into the Non operative account. This may be done and the reconciliation of the bank accounts may be done and copy submitted to audit.

II. Frequent issuing of the temporary advances to Asst. Engineers without settling the previous ones.

The register of the temporary advance is not maintained in proper form. Name of the AE, Ch. No and date of issue, Amount of advance, settlement date and CBV numbers, amount settled Initials of the Head of office etc. are to be entered in the register. As per the Trial balance code '1659' has debit balance Rs.6,26,091/- as on 3/2017 and imprest code '1532' has debit balance Rs.29,631/- which implies non settling of these advances. As per rule the non settling of the Temporary advance within three

months from the date of drawal will be charged with an interest of 18% per annum.

III. Daily collection register is not maintained.

The sub division has two collection centers. But no such register is maintained to watch the collection and remittance which is highly irregular.

IV. Long pending Security deposits kept without forfeiting.

23 numbers of SD for the period from 2010-11 to 2013-14, as per the register produced for audit, kept in the office without forfeiting. The previous registers may also be checked and if any pending SDs are kept may be forfeited and the amount may be remitted into the Non operative account.

V. DCB register is not maintained

VI. Poor achievement in revenue collection

As seen from the DCB of 3/2016 and 3/2017 closing balance has considerably increased which implies poor revenue collection

	As per DCB of 03/2016		As per DCB of 03/2017	
Category	No of connections	Closing balance (Rs.)	No of connections	Closing balance (Rs.)
D	46844	69,10,262/-	53991	4,60,06,917/-
ND	1573	23,93,168/-	1682	21,95,341/-
IND	92	9,21,428/-	103	14,23,505/-

From the 144 domestic consumers having arrears above Rs.25,000/-, the total arrear is Rs.74,30,116/-; From the 63 Nos of ND consumers with arrear above Rs.50,000/-, the total arrears comes to Rs.1,77,18,614/- and from the 13 Nos of IND consumers with arrear above Rs.50,000/- the total arrear comes to Rs.26,49,814/-. Action taken for the improvement of the revenue collection and recovery of the arrears may be reported.

VII. Service book general Establishment

1. Sri.Arun Shoori , Fitter Half Pay Leave at credit found not correct The service book of all employees may be verified and similar cases may be reported to audit. Leave account of some account seen not re-casted eg Sri.Shameer B Plumber, Sri.Shihabudheen Plumber, Sri. Vimal N Plumber and others. The service book of all employees may be verified and similar cases may be reported to audit.

2. Earned Leave at credit is could not correct eg Sri.Ajith LDC, Sri.Sreekantan Nair D/man and others. The service book of all employees may be verified and similar cases may be reported to audit.
3. Minimum amount (6% of Basic pay) is not subscribed towards GPF eg Sri.M Jose MR, Sri.Ansar Operator, Sri.Vimal N Watchman, Sri.Sajimon OA .
4. Some registers are seen not maintained in the Office – PF register Audit Objection Register, Register for Service Books etc.
5. Entries are seen not verified or authenticated by concerned officers – Income Tax Register Pay Bill Register Stamp Account Register etc..
6. Certificate related to number of pages not written or authenticated in several register salary certificate register
7. Casual Leave register not produced.
8. Photograph is seen not substituted by a fresh one on completion of 10 years, PF Number umber not recorded or authenticated in service book of some incumbents page No 107 and 108 not updated.

SUB DIVISION, CHAVARA

1. **Non reconciliation of the Non operative account.**

Non operative account No.67150822726 is not being reconciled. Cash book column for 9134 code is keeping blank but in trial balance the total figure in the non operative column is seen taken in 9134 code. 9134 column in cash book may be filled with the amount transferred to head office as per the bank statement of Non operative account. Net amount on deducting the figure from the total amount in the non operative column may be taken as the closing balance of N. O. column. This closing balance and the closing balance as per the N.O. bank statement are to be reconciled and reported to the Audit.

2. **Cheque memo register**

Cancelled cheque is not seen attested by the Head of Office. The entry of cancellation in the CMR and the cancelled entry in the cheque are to be signed by the Head of Office with seal. The balance column in the cheque memo register is seen written in pencil which is also irregular. This may be corrected.

3. **Cash Book**

Opening balance and closing balance of the Cash Book Non operative column and Treasury column seen left blank. It may be stated whether the treasury account is closed, if not, the same may be closed and the amount may be credited into non operative account. The opening balance and closing balance of NoP A/c should be entered in the cash book and reported to the audit.

4.EMD/ SD

14 numbers of long pending EMDs are kept in the office as per the register but reported as not in the custody of the Head Clerk. Hence the released details of the same may be entered in the register with proper attestation.

Security Deposit register is not produced before the audit. It may be verified whether time barred securities are kept in the office as per the register. If so action may be taken to forfeit the same and also explain the reason for not producing the security deposit register to audit party.

5. Temporary advance.

Temporary advance of AE's are not settled even in the end of the financial year. As per rule temporary advance is given on passed vouchers and each advance may be settled individually within 3 months of drawal of the advance. The unused balance amount is to be refunded with interest @18% per annum. Debit balance of Rs.1,04,363/- as per trial balance of 03/2016 and Rs.43,000/- as per 03/2017. This may be rectified and report to audit.

6. Revenue

As per DCB the closing balance for 03/2017 is as follows:-

		3/2016			03/2017
Category	No. of con.	Cl. balance	category	No. of Con.	Cl. Balance (Rs)
D	32212	8230407	D	34984	56,50,733/-
ND	948	395853	ND	972	66,13,544/-
IND	61	2192502	IND	59	18,96,601/-

As per the list of defaulters, the ND consumers with arrear above Rs.50,000/ ie. 45 numbers with total arrear –Rs.1,50,46,894/- and 11 IND consumers with arrear above Rs.25,000/- have a total arrear of Rs.14,84,607/-. Action taken for speedy settlement of arrears of water chrges and result there of may be intimated to audit.

More than this water charge pending from Jalanidhi scheme itself is Rs.11,45,18,950/-. Action may be taken to realize the arrears from Jalanidhi and reported to the audit.

7. Service book and general Establishment

- Photograph is seen not substituted by a fresh one on completion of 10 years, PF Number umber not recorded or authenticated in service book of some incumbents page No 107 and 108 not updated.

- On verification of salary bill minimum amount (Minimum subscription to General Provident fund is 6% of the emoluments and maximum subscription is equal to basic pay) is seen not subscribed (6%) towards GPF. Shaji C Driver, Stalin J Plumbing Inspector, Sathyaprakash Head Operator.
- Salary certificate register page No 1-4 seen missing .
- Certificate related to page No not written or authenticated b- Salary certificate register, Casual Leave Register.
- Entries are seen not verified or authenticated by concerned officers in the Stamp account register

P H SUB DIVISION, SASTHAMKOTTAH

1.Revenue collection register

Mandatory certificate of number of pages is not seen in the register. The receipt No. of each days collection (ie. From...To), amount, date of remittance, initials of the Head of office are to be entered in the register.

2.Cash book

Mandatory certificate is not written. Monthly abstract not written from 07/2016 onwards. Variations noted in the code 9134 amount as noted in the cash book and the bank statement for eg;- 07/2016 in cash book Rs.10,80,46/-, but in bank statement amount transferred to H O is Rs.11,61,000/-. Similarly in 11/2016 cash book code 9134 is Rs.14,29,577/- but in bank statement amount withdrawn to H O is Rs.14,31,000/-. This may be cleared and reported to audit.

3.Non remittance of interest accrued in Non operative account into Non operative account.

Interest for the period for 11/2012 to 03/2017 to be remitted into Non operative account, Rs.45,593/- is pending . The interest credited by bank in the SB account may be taken in the cheque memo register and remitted into Non operative account regularly .

4.Non reconciliation of Bank accounts.

As per the cheque memo register closing balance as on 31.03.2017 is Rs.35,45,122/-. But as per the bank statement it is Rs.39,74,725/-. Difference Rs.4,29,603/- may be reconciled and copy submitted to audit. Both SB account and the non operative account may be reconciled at the closing of each month.

5.Unsettled Traveling Allowance advance

Rs.5,000/- is in debit balance in the Trail balance which means TA advance pending to be settled. The reason for the non settling may be reported to audit.

6.Huge arrears pending in the ND category of consumers as per the DCB of 03/2017

As per the DC B of 03/2016 and 03/2017, arrears of ND category seems very high. Meter reading of the Non Domestic consumers may be taken more importance and special attention to collect the arrears may be taken. Comparative statement of the DCB for 03/2016 and 3/2017 for the closing balance is given below.

	Arrear as per DCB of 03/2016		Arrear as per DCB of 03/2017	
	No. of con.	Closing balance	No. of con.	Closing balance
D	18444	1,25,97,291/-	20014	85,24,532/-
ND	843	1,57,93,988/-	892	1,77,73,494/-
IND	8	3,977/-	9	23,635/-

Urgent necessary action may be taken to improve the meter reading and the revenue collection.

7. Service Book – Leave Account

Earned leave balance at credit of Sri.Bineesh, UDC not correct

Sri.Girilal, US Worker – irregular sanction of increment

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). But in the case of Sri.Girila, US Worker the same is seen grated with effect from 01.08.2010 instead of 12.08.2010

Photograph is seen not substituted by a fresh one on completion of 10 years, PF Number number not recorded or authenticated in service book of some incumbents page No 107 and 108 not updated.


INTERNAL AUDITOR

എസ്. ശിവാനന്ദൻ
ഇന്റേണൽ ഓഡിറ്റർ
ഇന്റേണൽ ഓഡിറ്റിംഗ് വിഷ്
ജലവൻ
കേരള വാട്ടർ അതോറിറ്റി
തിരുവനന്തപുരം-695033