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KERALA WATER AUTHORITY

Jala Bhavan
Thiruvananthapuram-695 033
Kerala, India

Dated: 06.08.2018

No. KWA/HO/IA1/10462/2018.

From
The Accounts Member

To
The Executive Engineer,
Project Division,
Kerala Water Authority,
Malappuram.



Sir,

Sub:- KWA- IA- ~~PA~~ ^{Project} Division, Malappuram for the period from 1.4.2011 to 31.3.2017 report forwarding of -reg.

Ref:- 1. Period covered by audit 1.4.2011 to 31.3.2017.
2. Audit conducted from 21.8.2017 to 2.9.2017.

I am forwarding herewith the audit report of project Division, Malappuram for the period from 1.4.2011 to 31.3.2017. you are directed to submit the reply to the audit observations made in the report with in a month positively.

Yours faithfully,


for Accounts Member
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Am & acc 1/2
8/9

ACC: Report

TR

La head (Emblem)

**INTERNAL AUDIT REPORT OF PROJECT DIVISION,
KERALA WATER AUTHORITY,
MALAPPURAM**

Regular audit report No. ~~1A/A~~ 1A/A/2017

PERIOD OF AUDIT: 01/04/2011 TO 31/03/2017

PERIOD COVERED: 21/08/2017 TO 02/09/2017

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

Double line border.

Here test checked monthly account of 3/2017 and found kept properly

VIII. Trial balance of 3/17.

Trial balance of 3/17 in 1531 an amount of Rs.7886847/- is seen which means cash in hand is wrongly came in Trial balance. This has to be cleared . Also 9219 and 9212 has came in trial balance which are to be journalised to respective accounts.

Also following head of accounts have debit balance in trial balance of 3/072825 LC
Rs.24772

2826 Pro. Tax	Rs. 2500
2834 Other Tax	Rs.20607
2835 VAT	Rs. 2498423
2841 IT	Rs.922334
2895 KCWWF	Rs.357896

which implies over payment

Following have credit balance shows non remittance of the same in time Statutory recovery for outside remittance.

2829	Rs.557201
2843 IT Staff	Rs.54454

Reason for this may be intimated to audit.

IX. Deposit Register

Mandatory certificate has not been furnished. The same may be furnished and intimate to the audit.

X. Tender Register

All the tenders are seen opened by the EE. DA or HD are not signed in most of the pages the register

XI. Quotation Register

Maintained properly

XII. EMD Register

1. WA staff co-operative society deposit taken as EMD.
2. Date of release of EMD is not often mentioned in the register along with EE's signature and contractors signature. Tender no. 2/14-15, 4/14-15, 10/14-15, 11, 12 13/14-15 single tender sale and one EMD.

3. Following EMD's are kept without forfeiting as per reports.

a. Tender no.7/10-11 ARWSS to Angadipuram & adjoining villages phase II & III.

1. DD No.364227 dt 22.9.2010 from Canara Bank upon KM Pappachan, M/s.Leonardo Electricals, Manjeri Rs.15000/-.
2. DD No.364189 dt 28.7.2010 Canara Bank M/s.Technomate Engineer Co., Nagar, Coimbatore Rs.15000/-

b. Tender No.4/2012-13 ARWSS to Angadipuram

Sri.K.Basheer, Contractor

Call deposit EC 2609/12 dt 7.7.2012 for Rs.2250/- from MD WA Co-operative society, Manjeri.

c.Tender No.10/12-13 – NRDWP SLSSC, Perinthalmanna.

1. C.H.Sasindhran, Vengara TDR 1701041 dt 26.12.2012 for Rs.5300/- from M/s.Oriental Bank, Malappuram.

bank is allowing interest on amount account. This may clarify to audit. Also the current account may be converted into SB account and intimate to audit.

Closing balance as on 31.3.2017 is Rs. 13,03,978/-.

2. SB account no.67149405127 NABARD.

The fund allotted to the current account is seen regularly transferred to this SB account upto 1/14 for the payment of salary and others and thus kept the current account with a balance around 5000/-. but this practice has been discontinued in 2015 and as on 31.3.2017 balance in this account is Rs.4368/- and current account is Rs.1303978/-. Rs.326929/- is seen credited as interest by bank as per CMR from 5/13 to 6/14 but not seen credited into Non operative account. The details of remittance of the interest in non operative account may be intimated to audit.

3. Deposit account 6718093235.

It is seen on test check of CMR RS.265793/- credited as interest from bank from 5/11-5/14. Details of remittance of interest in Non operative account from 1.4.2011-31.3.2017 to be intimated. CB as on 31.3.2017 Rs.2345770/-.

4. ARP Account No.67214019569

Details of interest accrued and remitted in NO account needed. An amount of Rs.1,07,638/- is taken in CMR 5/13 to 5/14 as interest assured by bank for the period from CB on 31.3.2017- Rs.5,53,878/-.

All entries in CMR are to be initialed by the EE. But it is seen that cheque issued on 23.3.2017 is not authenticated by EE. Similarly the fund received entry are also to be authenticated by Head of office.

5. World Bank account no.67278399985.

CB Rs.1000/-.

6. Non operative account no.67095200047

The 1% collection charge deducted from KCWWF may be taken in the account code 7299 in receipt side of cash book and remittance in NO account and

counter entry in receipt side shall be in 9139 in cash book. Similarly interest may be credited in 7131 in receipt side of cash book and remittance and contra entry in receipt side shall be in 9139 code.

Fund transfer is seen from ARP account to NABARD account several times the purpose of transfer must be shown in CMR.

III. CB2 receipt book registers

No mandatory certificate in the beginning of the register. 7 nos of CB2 receipt book are in the custody of JS book No.8004-8010.

CB2 receipt book register

Receipt no.800194 dt 6.2.2014 for Rs.420/- towards the cost of tender form of tender no. 10/2013-14 seen cancelled, but the cancellation is not authenticated by the HO and no remarks for the cancellation is entered. Similar is the case with Rt no.800217 dt 4.9.2014 for Rs.2,00,000/-.

IV. Temporary Advance Register

1. Mandatory certificate is not written.
2. Rs. 10,000/- given as temporary advance to Sri.P.K.Rasheedali, AE vide chelan no.425293 dt 3.12.2016 is not seen settled as per register. Rs.42,323/- is again given to the AE vide order no.532250 dt 6.6.2017. This may be clarified.
3. The details of settlement of temporary advance Rs.3000/- given to AE, Sri.T.S.Bhaskaran is not entered in the register. Ch. No.259516 dt 14.1.2016.

V. Non Operative Control Register.

Though the register started on 27.10.2009 not updated. Regular entries given from 09.06.2014 only.

VI. Bank reconciliation

Bank reconciliation done properly but the details of List A, List B,C,D are not properly maintained in the file. Eg. 31.3.2017.

VII. Monthly accounts

2.V.Shahul Hameed TDR No.1701040 dt 26.12.2012 for Rs.5300/- from M/s.Oriental Bank, Malappuram.

XIII. SD Register not produced before audit. The long pending security deposits are to be forfeited and amount remitted into NO account.

Monthly accounts 9/2016

1. Schedule of NPS deduction in 2828 is not seen with the receipts abstract sheet.
2. 2811 has no abstract sheet in the bundles (CB-28) CB nos are not seen in some vouchers of 2811.

for eg.2811- Rs.8291003 span CBV No. & Payment details.

2811 – Rs.12802946 span CB3 has CBV No. Nil, not signed and sealed or no payment details by EE.

2811 – 6888999- no payment details CBV No. 70 of 7/15 seen in monthly account of 9/2016.

2811 – 15215955 no payment details & sign of EE CBV No.54 of 5/15 with account of 9/16.

2811- CBV No.81 of 9/13 is in m/c 9/16 Rs. 14129966 Ch No.070388 dt 13.9.2013.

2811 CBV No. Ch No.059073 dt 28.3.2013 Rs.16485013 in 9/16.

2811- 28844262 ch no. 008691 dt 24.12.2012 in 9/16 accounts.

CB no.31 of 9/16 voucher attached in the accounts. 1669 voucher are all mingled and mixed not in an order.

3. For HO payment the details of Head of payment date not written.

4.3318- Bonus @ Rs.3500/- overseer Gr..II, Binuraj drawn, Shanavas P, Driver, C. Kalyani, PTS no bonus calculation statement seen attached.

These may be rectified and for future compliance.

Project Division, Malappuram.

Balakrishnan.P, D/man he has filed WP(C) 29882/16 before Hon'ble High Court against KWA in connection with service benefit. As per the judgment dated 8.9.2016, he has attended hearing at head office and claimed Rs.2510/- towards travelling allowance. The amount cannot be admitted.

- Several registers to be maintained as per account manual are seen not maintained or not as per the format eg. Travelling allowance cum advance register.
- Paternity leave is seen debited from earned leave account of some employees eg. Binuraj Driver.
- Leave without allowance is seen entered (63+17+63) in page 132 of service book of Binuraj Driver.
- Memorandum of verification of service (page 107 of service book) and quinquennial verification of service (page 108 of service book) not recorded or updated in the service book eg Sri.Binuraj Driver eg. Sri.Abdul Rahoof (D/man) Abdul Jabbar (D/man) PA Shamsudheen (AE) or others.
- Smt.Sreeja UD Typist commuted leave for 6 days from 1.11.2012 to 6.11.2012 not seen entered in the body of service book.
- Earned leave account at credit is seen not correct Smt.Sreeja, UD Typist, KT Jayakumar, D/man.
- Earned leave account is seen not rounded and recasted eg service book of Smt.Sreeja, UDT
- Page no.107 (memorandum of verification of service) page 108 quinquennial verification of service not recorded or updated eg service book of smt. Sreeja UDT.
- Fresh photograph is seen not pasted on completion of 10 years in the service book of several employees eg. Sri.Jayakumar, AE.
- Stamp account register not authenticated.

- Mandatory certificate not writer or authenticated in several register eg. Deposit register, incumbency register, work contract register.

XIII. Name of Work

SLSSC – 2014 - water supply scheme to Moorkanad and adjoining villages Phase -I High level zone part – II- laying distribution system- Moorkanad village in Malappuram District.

Agreement No. SE/PH/MPM/03/2015-16 dtd 24.4.2015

Accepted PAC Rs.12057500

Contractor Sri.T.A.Meethiyan

Irregularities

1. Non-recovery of the cost balance materials

On verifying the MAS-account of the subject work, it is noted that the cost of the balance materials with the contractor- after the completion of the work – has not been recovered. The details of materials are as follows.

1. 140mm PVC CI5	-	12m
2. 110mm PVC CI5	-	6m
3. 90mm PVC CI4	-	4m
4. 63mm PVC CI5	-	20m
5. 63mm PVC CI3	-	12m
6. 80mm G1 (Medium)	-	9m
7. 65mm G1 (Medium)	-	3m
8. 65mm G1 (Medium)	-	16m
9. 65mm GM Valve	-	2 nos

The cost of above materials may be calculated and recovered from the contractor concerned and details may be report to audit otherwise it may be the personnel liability of concerned.

2. The physical status of the materials transferred is unknown.

On verifying the subject work's file it is seen that certain materials has been transferred to section office vide MASTN No.108 dated 30.12.2016. But the present physical status of the materials is unknown. The details of the materials are as follows.

1. 140mm PVC C1-5 - 24m
2. 75mm PVC C1-5 - 24m
3. 75mm PVC C1-3 - 72m
4. 125mm G1 (Medium) - 24m
5. 160mm G1 (Medium) - 60m
6. 80mm G1 (Medium) - 36m
7. 65 mm G1 (Medium) - 120m
8. 50mm G1 (Medium) - 30m

Executive Engineer may be directed to inspect the materials and action may be taken for transferring the materials to Division store through MRN.

3. Non-supply -of specials (valves) for future maintenance.

As per NIT volume II- Clause-5.5, the necessary spare valves (--- valve, air valve, non-return valve) one each under each category shall be handed over to the Engineer in charge on completion of the work for future maintenance . But the contractor has not seen supplied the same and taken in to his custody 2 nos of 50mm GI valve which came as excess in work. So the Executive Engineer may be explained with specific remarks for non- comply with NIT conditions to audit.

XIV. Name of work

10-ARWSS NRDWP - 19th SLSSC- CARWSS Moorkanad and adjoining villages
Phase I – Low level zone – supplying and laying distribution system.

Agreement No.SE/PHC/KKD-47/2013-14 dtd 11.12.2013.

PAC Rs. 4792315

Contractor Sri.M.Asharaf.

Irregularities

1. Non-recovery of the cost of balance materials.

On verifying the final bill modules and MAS – account of the subject work, it is noted that certain materials were balance with contractor but the cost of the same has not been recovered. The cost of the materials are seen calculated and Executive Engineer has ordered for recovery. But when the CB3 was prepared it was deliberately excluded. The cost of materials will come to Rs.17919/-. So it may be realised from AB, DA and Executive Engineer concerned proportionally.

Details of materials are as follows.

1. 63mm 6 kg PVC	74m	Rs. 4717.50
2. 110mm 6kg PVC	36.4m	Rs. 6142.50
3. 140mm 6Kg PVC	37.8m	Rs. 7059.15

TOTAL

Rs.17919.15
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2. Non- accounting of materials got from work.

As per item -2 of accepted schedule the contractor has to carry out 780m³ – Excavation in medium rock for trenches for laying pipes including strong blasting stacking useful materials for measurement. On verifying the work file it is seen that no materials are recorded as got from work. So concerned Assistant Engineer be explained the non accounting of quantity of rock materials to audit.

S.M.
INTERNAL AUDITOR

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