

**INTERNAL AUDIT REPORT OF  
WATER SUPPLY DIVISION  
THALIPARAMBA**

**FOR THE PERIOD FROM 01-04-2012 TO 31-03-2017**

**DURATION OF AUDIT 08-01-2018 TO 22-01-2018**

**AUDIT TEAM**

SRI. S. SIVANADAN, INTERNAL AUDITOR

SMT. R. RAJESWARY, DIVISIONAL ACCOUNTS OFFICER

SRI. P.S.REGHU, HEAD CLERK (HG)

SRI. B. MANOJ, HEAD CLERK

## INTERNAL AUDIT REPORT OF WATER SUPPLY DIVISION THALIPARAMBA

### Introduction

Internal audit was conducted in Water Supply Division, Thaliparamba from 08-01-2018 to 22-01-2018 covering the period from 01-04-2012 to 31-03-2017.

This Division consists of three Sub Divisions – Water Supply Sub Division, Thaliparamba, Payyannur and Irikkur.

### Incumbency details of Officers

Sl No.	Name of Officer	Designation	From	To
1	K.P.Manoharan	Executive Engineer	28.6.2017	Continued
2.	Gopalan.P	Executive Engineer	01.08.2015	03.06.2017
3.	Sudeep K	TA (Additional charge)	01.08.2015	04.02.2016
4.	Pavithran.P.K	TA	05.02.2016	12.10.2016
5.	Noufal.T.V	TA	13.10.2016	Continued
6.	Jayapal.K.V	DAO	01.08.2015	14.09.2015
7.	Balakrishnan.A.P.K	DAO	14.09.2015	07.11.2016
8.	Abdul Rahim Kutty.P	JS (DAO Add. Charge)	08.11.2016	14.11.2016
9.	Kunhiraman.K.V	DAO	15.11.2016	Continued
10.	Smitha Narayanan	AE(Store)	01.08.2015	13.03.2017
11.	sheeba	AE (Store Addl Chag)	14.03.2017	06.01.2018
12.	Smitha Narayanan	AE (Store)	07.01.2018	Continued

## MAJOR IRREGULARITIES - NIL

Other irregularities

### I. Internal control mechanism is not satisfactory for the following reasons-

1. Correction using whitener is seen in salary Cheque Memo register during the period of 14/09/2015 to 04/11/2015
2. Fund received entries are not seen initialed by the Head of Office.
3. Timely checking of the bank statement with the fund requisition may avoid missing credits; for eg. Fund allotted for medical reimbursement on 07/12/2015 and GPF temporary advancement on 01/01/2016 Rs.74,000/- are taken in Cheque Memo Register only on 25/04/2016.
4. During 07/16 balance column in CMR is written in pencil which is ~~not~~<sup>not</sup> regular.
5. Entries of cancelled cheques are not authenticated.

For eg. Ch. No.406287 dated 02/02/2017, 307304 dated 22/09/2015, 406232, 406233 etc.

6. Fund received in Deposit Account vide Ch.No.642937 dt 18/05/2017 for Rs.43,000/- has no details of its purpose for which it is to be utilized.
7. Blank columns are seen in test check of the Attendance Register of 2016 during 09/2016, 11/2016 and 12/2016.

### **II. The Treasury Account has not closed yet.**

The Treasury A/c has a balance of Rs.2617/-. This may be closed and amount may be credited to the Non Operative A/c under intimation to audit.

### **III. Non remittance of Interest credited by bank in S B A/cs into Non Operative account.**

The interest credited by Bank for the following S B A/cs maintained in that office for the period from 11/2015 to 12/2017 are not seen credited into Non Operative Account except for that of 25/06/2017 and 25/09/2017.

1. A/c No.67332450296 Salary - Rs.92,046/-
2. 67338447391 on line - Rs. 782/-
3. 67338447404 Deposit - Rs.1,51,692/-
4. 67336088669 C.work - Rs.2,24,248/-
5. The details of remittance of the same into N O A/c may be submitted to audit.

#### **IV. Bank reconciliation**

Reconciliation of the Non Operative account is not being done in this office.

S B A/cs are seen reconciled but the lists attached to it are not properly done. The List D should show the subsequent cashed on date of the cheque produced for payment in a belated date. This may be complied for future reconciliation.

#### **V. Water charge of LSGD**

The water charge of LSGD are receiving as DD/Cheque/Online . But no register is kept for this purpose in this office. In order to watch the regular remittance and the long pending arrears of each panchayat/municipality a separate register with a page for each panchayat/municipality is necessary clearly showing the OB, Demand, Fine, total, and remittance, date, amount and balance with initials of the Head of office.

#### **VI. Trial Balance**

Debit balance is seen in the following Head of accounts which shows excess remittance or irregular accounting which may be regulated and intimated to Audit.

1532 Imprest 16423

2843 Income Tax Employees 859006

1651 TA Advance 2250

1659 Temporary Advance to AE 448671

9133 IOA Treasury A/c -611129

9219 Control A/c Cap. Exp. 7311854

Also credit balance in 9211 Rs.354966 /- is also irregular. These are to be cleared under intimation to Audit.

## VII. TRAVELLING ALLOWANCE

1. On verification of the TA bills it is seen that Smt. Prajitha P P, Overseer has performed journey to Thiruvananthapuram for attending Training. TA claim is admitted not as per Part II KSR.( ie. She is eligible for Rs.2576/- and admitted Rs.1916/-)
2. Room rent is seen disbursed in TA claim of Sri. Sudheep , Asst. Exe. Engineer for halt at Thiruvananthapuram.
3. Hence TA claim may be reviewed and ensure that the claims are admitted as per TA Rules.

## VIII. SERVICE BOOK

In several service books photos of the incumbents <sup>are</sup> is not replaced <sup>by</sup> by new one after the service of 10 years. Also GPF account number is not recorded in the space provided for it with due authentication.

## IX. Works

### Name of works

NABARD-RIDF-XXII-WSS to Pattuvam and adjoining villages (JICA aided) balance distribution net work phase-I Appendix IX Kurumathur and chapparapadavu Grama Panchayath.

Agreement No.19/17-18-SE/PHC/KNR dtd 19.4.2017

PAC Rs.9587872/-

Contractor Sri.Aboobacker.

### Irregularities

#### 1. Non-imposing of <sup>fine</sup> time for belated execution of agreement.

The selection memo of the subject work was sent to the contractor on 15.3.2017 and directed that the agreement should be executed within 15 days from the date of receipt of the order. But the contractor has ~~been~~ executed the agreement only on 19.4.2017. No <sup>fine</sup> time is seen levied against him for belated execution of agreement as per NIT condition. As per NIT clause the contractor has to execute the agreement within 20 days from the

date of despatch of the work order. Further 10 days will be given as grace period and allow to execute the agreement by realising a fine – 1% of PAC subject to minimum Rs.500 and maximum of Rs.15000. But in the above case no fine as such has been imposed which is highly irregular. So an amount of Rs.15000 may be recovered from the contractor as ~~fine~~ <sup>fine</sup> and details of the recovery may be reported to audit.

## 2. Non- imposing fine for the extension of time of completion.

The subject work was awarded to the contractor with the time of completion of 45 days from the date of work order ie on or before 29.4.1997. But the contractor could not complete the work in stipulated time and requested to extend the time of completion of work upto 30.10.2017. The reason put forwarded by the contractor for delay is due to the non-availability of pipe from the manufacturing company. As per the recommendations of Executive Engineer, the Superintending Engineer has been extended the time of completion up to 30.10.2017 without imposing any ~~fine~~ <sup>fine</sup> as per NIT- which is highly irregular. Fix as per NIT ie 1% of the PAC subject to minimum Rs.300 and maximum of Rs.15000 for the first 3 months and 2% of the PAC subject to minimum of Rs.600 and maximum of Rs.3000 for subsequent each month should have been imposed. As such a fine may be calculated and recovered in the following ways.

Total period extended – 6 months

Fine for the Ist three month – Rs.15000

Fine for the next 3 months – Rs. 30000

Total Rs. 45000/-

The recovery details may be intimated to audit.

### Name of work.

DRW-2016-KWA-RWSS to Payyannoor- RWSS to Kandangali- Inter connection of existing tanks with UDISSMT Scheme Payyannur.

Agreement No. 71/16-17/WSD/Thalipu dtd. 15-6-16

PAC Rs.244588/-

Contractor Sri.Jithesh.K.V

### Irregularity

#### Non-imposing of fine for belated execution of agreement.

Work order of the subject work was sent to the contractor on 17.5.2016 with the direction that the agreement should be executed within 15 days. But the contractor is seen executed the agreement only on 15.6.2016 ie 14 days elapsed from the due date. Fine for belated execution of agreement as per NIT has not been imposed. An amount of Rs.2445 (1% of the PAC) should have been levied. So the same amount may be recovered from the contractor and report to audit.

### Name of work

NABARD – RIDF-XXII-WSS to Pattuvam and adjoining villages (JICA aided) balance distribution network – phase I Appendix VII- Kannapuram Grama Panchayath.

Agreement No.8/2017-18/SE dtd 19.4.2017

PAC Rs.10784175/-

Contractor : Sri.M.Aboobaker.

### Irregularity

#### Non-imposing <sup>fine</sup> fine for belated execution of agreement.

The work order of subject work was issued to the contractor on 13.3.2017 and directed that the agreement should be executed within 15 days on receipt of this order. But the contractor has been executed the agreement only on 19.4.2017 on expiry of due date. No fine as per NIT has been imposed for belated execution of agreement. As per item No 7-B- of work order says that 1% of PAC and subject to minimum of Rs.500/- and maximum of Rs.15000 may be realised for granting 10 days extension beyond the due date of 15 days. As such an amount of Rs.15000/- may be recovered from the contractor for belated execution of agreement and report to audit.

## W S Sub Division Thaliparamba

### 1. Cash Book

Abstract of monthly accounts and certificate regarding the verification of cash balance is not regularly seen in cash book. Authentication of the certificate is also not seen in several months.

### 2. Cheque Memo Register

(a). Maintenance account No.5743404412 has a balance of Rs.22597/- as on 03/2017 which is seen not operating for a long period. If so the account may be closed and amount may be credited into non operative account.

(b) Account No.57043440495 is now operating, in which the consumer deposit for water connection and monthly balance of KWA fund are noted together. This may be noted separately so as to make it clear from the register itself. As per the bank statement, closing balance as on 12/2017 is Rs.1,26,67,176/-. The consumers deposit and KWA balance may be separately noted in the Cheque memo register and the same may be intimated to audit.

(c). The interest credited by bank in SB account for the period 30/11/2015 to 25/12/2017 may be credited into non operative account and the details may be submitted to audit.

### 3. Daily collection register

Receipt number of each day's collection and the date of remittance <sup>are</sup> not written and not authenticated from 09/2017 onwards. Proper attention in remittance may be made in future. The short remittance of Rs.230/- on 02/03/2017 is seen remitted on 29/03/2017 and that of Rs.270/- on 04/03/2017 remitted on 08/03/2017. Such delay and shortage may not occur in future.

### 4. Attendance Register

Total casual leave is not seen calculated and entered in 11/2017 and 12/2017. Also several columns in the register is remaining blank. Eg. Radha Pole taken C/L 16 No.s up to 10/17; 11/12/2017 to 16/12/2017 columns



remaining blank. Report whether the incumbent was on C/L or any other eligible leave during this period. Also check similar cases and report to Audit after rectification.

## 5.Reconciliation

Reconciliation of operative account is done upto 10/2017 but entered upto 11/2016. The list A, C are not in proper form. As per list D , Ch. No.659521 dated 02/06/2016 for Rs.388/- and Ch. No.659487 dated 12/04/2016 for Rs.700/- are to be credited back in Cheque Memo Register as the validity of cheque has expired.

In 03/2017, Rs.19,825/- is seen credited by bank but not accounted in cash book yet. The details of cheque, such as No. date , date of crediting in bank etc. are not seen specified. This <sup>shall</sup> may be traced out and entered in CMR.

~~Rs.7110/- is seen~~ In the reconciliation of 05/2017, <sup>Rs.7110/- is seen</sup> as deposited but not credited by bank. Of this Rs.6,617/- is not cleared even in 10/2017.

The above said <sup>shall</sup> may be rectified and the reconciliation for 12/2017 <sup>shall</sup> may be submitted to audit.

## 6.Trial balance

Debit balance is seen in the following Account codes <sup>are</sup> is irregular.

- 1651- TA Advance- Rs.2250/-
- 1659- Temporary advance to AE -Rs.1,03,995/-
- 2843-TDS employees -14,87,378/-

## 7.Revenue

As per DCB of this sub division for 12/2017 <sup>(K)</sup> the closing balance is Rs.43,06,714/- <sup>(K)</sup> (for the total connection of 12964.) The defaulters with arrears above Rs.5,000/- comes to 52 Nos , for which the total arrear comes to Rs.8,16,853/-

## 8.Service Book

- i. Commuted leave entered in the body is not seen accounted in Half Pay Leave account. Eg. Sudhan.K P, US Worker.

- ii. Earned Leave account is not found correct. Eg. C.Ramesan, L D Clerk.
- iii. As per GO(P) No.75/2007/Fin dated 27.02.2007, the employees who have completed 3 years of service will be eligible for earned leave @ 1/11 for the period spent on duty for the first year of service as admissible to permanent employees. On verification of the SB of several employees, EL is not seen recasted on completion of 3 years.

Eg.C.Ramesan, LD Clerk; Ratheesh, UD Clerk

- iv. New photo is not pasted in the service books of the employees after the service of 10 years and GPF account number is not entered in the space provided for it with proper authentication, quinquennial verification of the service is not recorded in several service books. The above may be verified and rectified with intimation to audit.

## 9. Works

Temporary Advance Register

### Irregularity

#### Non-settling of Temporary Advance.

On verifying the above register it is noted that an amount of Rs.41720/- was given to Sri.Damian.d.Selva, AE on 18.7.2015 vide cheque No.696061 towards temporary advance. He was retired from service 31.12.2015. But the above amount was <sup>not</sup> ~~not~~ been settled so far. No action has been taken by this office for recovering the amount till date which is highly irregular. So the amount with interest should be recovered from the incubment and report to audit. Failing which, ~~it~~ <sup>on</sup> will be treated as the liability of concerned.

## W S SUB DIVISION PAYYANNUR

Mandatory certificate of number of pages is not seen in Cash Book and other registers. All registers need this certificate with proper authentication.

1. Pencil entry is not at all encouraged in official records . But in Cheque Memo Register the balance column is seen written in pencil in page No.26,27 and 28.
2. From 03/2016 onwards the closing of the monthly transactions in Cheque Memo Register is not seen done as in the earlier months with a short narration of reconciliation.
3. Signature of the Head of Office is not seen in several Cheque issued entries. Eg. 31/03/2017 Ch No.499845, on 14/07/2017 four nos cheque, on 08/09/2017, Ch. No.623356.
4. Reconciliation of Non op. A/c is not correct. Closing Balance of Bank statement and that of Cash Book are to be reconciled.
5. Interest credited by bank in SB A/cs is to be remitted into N. OP. A/c. This is not seen done in this office.
6. Register of Receipts book is not ~~properly~~ <sup>properly</sup> maintained in this office. Initials of the receiving person and balance after each issue is to be done in the register. Proper physical verification may be done periodically and a certificate regarding number of the balance receipt books ~~may may~~ <sup>shall</sup> be put in the register with proper attestation.
7. Following registers are not maintained in this sub division. Traveling Allowance register, Audit objection register, Trial balance register etc. Mandatory certificate related to number of pages not seen written and entries are not seen authenticated by concerned officers in the Income Tax register, stamp account register casual leave register, salary certificate register.

### 8. TRIAL BALANCE

Following Heads of account shows debit balance in trial balance for 03/2017, which is irregular.

1659 Temp.Advance to AE	-Rs.75000/-
2825 LIC/SLI	-Rs.7,65,979/-
2826 Profession Tax	-Rs.43,950/-
2843 IT employees	-Rs.6,87,745/-

## 9. Revenue

The closing balance as per DCB for 03/2017 of this sub division is Rs.4,91,263/- the total no of 6003 connections.

## 10. Service books

- i. As per GO(P) No. 75/2007/Fin dated 27/02/27, Employees who have completed 3 years of service will be eligible for Earned Leave @1/11 for the period spent on duty for the first year of service as admissible to permanent employees. On verification of service books of several employees, it is seen that EL is not recasted on completion of three years. Eg. Priya T V , UD Clerk, Dhanya K V, Overseer GrIII, Bhaskaran K V, Head operator, Maya K N, UD Typist Suresh kumar P V , Overseer Gr III, Sheba M, Asst. Engineer, Sudheesh M G, Operator Sreejith MP ,Fitter, Preetha P, Office Attendant)
- ii. New photograph is to be pasted in the service book on completion of 10 years of service. GPF No. is to be recorded on the space provided for it with proper authentication. Quinquennial verification of of service is to be recorded in the service book. These are not done in several service books. Eg. Sri. Sreedharan P, UD Clerk.
- iii. As per GO(P) No. 26/16/WRD dated 27/09/2016 , the accounts officer is directed to check <sup>the</sup> entries related to the fixation of ~~the~~ pay in the revised scale and indicate in the service book, the fact of having checked the pay fixation. This is not seen done in some service books.

## HEAD WORKS SUB DIVISION, IRIKKUR

1. Signature of the writer and the other person who verifies the arithmetic accuracy <sup>shall</sup> may be done in the Cash Book.
2. The dated initials of the receiving person may be put in the Receipt issue Register.

3. The daily collection register/ Non operative control register may be maintained. The Daily Collection Register should reflect the date of receipt of the amount, CB1/CB2 receipt no. from .... To, amount details as 9211,7299,2791 etc. and total, date of remittance of the amount and initials of Head of Office.

4. Bank reconciliation done properly . The interest credited by Bank in SB A/c Rs.22157/- up to 12/2017 is not seen remitted into Non operative account.

5. In the Cheque Memo Register, water connection working charge deposit may be shown in separate column also so as to get a correct picture of the consumers deposit balance and KWA fund balance.

6. In DCB, fine is not seen charged for opening balance . Reason for this may be reported to audit.

### **TRIAL BALANCE**

The Head of account 2825 and 2843 shows debit balance which is irregular.

2825 -Rs.4,16,414/-

2843 -Rs.5,53,718/-

*SRM*  
*19/10/18*  
INTERNAL AUDITOR