

**INTERNAL AUDIT REPORT OF PROJECT DIVISION ADOOR**

**PERIOD COVERED IN AUDIT 1/04/2012 TO 31/03/2017**

**DURATION OF AUDIT 20/02/2018 TO 28/02/2018**

**AUDIT TEAM**

Sri.Sivanandan, Internal Auditor

Smt.Rajeswary.R, Divisional Accounts Officer

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

Sri.G.Manoj, Head Clerk

**The internal Audit of Project Division, KWA, Adoor has conducted during the period from 20/02/2018 to 28/02/2018. The period of audit covered from the last audit, ie , from 01/04/2012 to 31/03/2017**

The incumbency details of officers (Annexure I)

(Annexure 1)

**KERALA WATER AUTHORITY**

**PROJECT DIVISION, ADOOR**

<b>Executive Engineer</b>		
1.	Sri.P.N.Swaminathan	13.04.2010 AN to 12.01.2015 FN
2.	Sri.Sajeev.C (Full additional charge)	120.01.2015 FN to 27.04.2015 FN
3.	Sri.Maria Gorette Fernades	27.04.2015 FN to 06.07.2015 FN
4.	Sri.Sajeev.C	06.07.2015 FN
<b>Divisional Accounts officer</b>		
1.	Smt.N.Lali	12.03.2012 AN 23.01.2013 AN
2.	Sri.P.K.Anirudhen	23.01.2013 AN to 11.12.2014 FN
3.	Sri.Saju.S	11.12.2014 FN to 07.11.2016 FN
4.	Sri.Sivasankarakurup	07.11.2016 FN to 29.06.2017 FN
5.	Sri.Jose.K.Jacob	29.06.2017 FN
<b>Junior Superintendent</b>		
1.	Smt.K.E.Buhara Beevi	11.08.2011 FN to 08.12.2014 AN
2.	Smt.R.Sugathan	08.12.2014 FN to 31.05.2016 AN
3.	Sri.Venukuttan.G	31.05.2015 AN to 29.09.2016 AN
4.	Sri.Shyn.T.S	29.09.2016 AN

Outstanding paras of previous audit also (Annexure II)

**Annexure II**

**Outstanding Paras in Local Audit**

**2005-06:-**

**Part II.B**

Para I :- BAWASS to Kundra and adjoining Panchayaths construction of 16 mld WTP at Elampal. Non realization of risk and cost of termination of contract

**2006-07:-**

**Part II.B**

Para II BAWSS to kundra and adjoining panchayaths delay in commissioning  
Para IV:- Physical verification of store liability on shortage of stores Sri.Abdul Karim, AE (Rtd)

**2011-12:-**

**Part II.B**

Para I Non Recovery of excise duty exemption from work bill

**2013-14**

**Part II B**

Para IV Delay in completion of work  
Para.V Lapse in internal control:-  
Para.VI Excess expenditure over Administrative sanction – WSS to Konnithazham

**2014-15**

**Part II B**

ParaII. Water Supply scheme – non commencement  
Para v Dues from Panchyath and Municipality.  
Para Vi 1) Internal control  
2) Non subscription to State Life Insurance (SLI)  
3) Non Closure of TP A/c

**2015-16:-**

**Part II.B**

ParaI Delay in implementation of schemes – unfruitful expenditure  
1. RWSS to Ezhumattoor Panchayath Phase I  
2. WSS to Kozhencherry  
3. CRWSS to Nedumpuram, Niranam, Kadapra, and Peringara Panchyaths

4. RWSS to Elanthoor Mallappuzhssery Village – Sources sustainability work;\_
5. RWSS to Elanthoor Mallppuzhssery Villages – Phase II

Para II Non – Payment of dues to contractor – Interest liability of Rs.5.85 Lakhs to KWA

Para 1V Income tax on Medical Allowance

Following registers and files relating to accounts, establishment and work were test checked and remarks offered as follows:-

**Mandatory certificate is not seen written in following registers**

Increment control register, Travelling Allowance Register, Remittance Register, Imprest Register and Temporary Advance Register. The same may be offered and intimate to audit

**Following registers are not maintained in this office**

Retention Register, , Trial Balance Register, Ledger , register of receipt books, daily collection Register, Register for pending paras of audit etc. The above said registers may be maintained and intimated to audit.

**1. CASH BOOK**

The writer of the cash book and other person who verify the arithmetic accuracy of the cash book has not seen signed in the register from 05/2016 onwards. The abstract of the cash book is not signed by the Head <sup>of</sup> Office.

In 05/2012, SD forfeited for Rs.28566/- and seen credited into SB A/c. Also Rs.8560/- seen as receipt on 31/03/2017 towards settlement of LAR 2014. The amount received thus may be remitted to Non Operative Account. This may be done otherwise the reason, if any, for non remittance may be informed to audit.

**2. CHEQUE MEMO REGISTER**

Several Cheque leaves seen cancelled and new cheque issued in lieu. But the cancellation entries are not authenticated by the Head <sup>of</sup> Office.

For eg.Ch.No.400317, 400320,400321, 400323,400325 & 400326 are seen cancelled and new cheque No.191106,191107,191108,191109 & 191100 seen issued . Also Ch.No.846517 dated 29/08/2017 ,444503 dated 22/01/2018 is also seen cancelled but the entries not attested by the Head of Office. The reason for cancellation may be entered as remarks and same may be authenticated.

Overwriting, corrections using whitener, entries with pencil etc are to be avoided in Cheque Memo Register. Such corrections if any should be attested by the Head of Office

In the deposit Cheque Memo Register, Ch No.173897 dated 19/01/2018 for Rs.4,30,000/- is written as transferred but no reason is stated. But actually Rs.3,55,000/- is seen transferred. This may be cleared to audit.

### 3 BANK RECONCILIATION

Following SB Accounts are operating in this Division

57067797460 salary	Balance as on 31.01.2018 Rs. 14,79,086/-	As per bank Rs.27,82,711/-
67215937373 ARP		RS.5,24,359/-
	Rs.7,46,517/-	
67242270973 SPAN		Rs.713/-
	Rs.288	
57067797641 Deposit		Rs.89,434/-
	Rs.10,810/-	
67232383582 Tax remittance		
57067589405 Non Operative account.	The reconciliation is done up to date	

### 4 SECURITY DEPOSIT REGISTER

Several entries are not seen by the Head <sup>of</sup> Office

Security Deposit Rs.51,000/- for Agt.No.04/13-14 dated 18/05/2013.-FD receipt No.67223912315 of SBT Kowdiar- entry is not authenticated. This SD is not yet released. It may be reported whether the work was completed and the SD is idling in the office.

Entries in Page No.86 to 103 are also not authenticated.

Performance guarantee vide page No.94 to 95 is written as valid upto 09/09/2016 but not seen renewed. This entry is not authenticated.

### **3. Temporary Advance Register**

As per rule, temporary advance is given to passed vouchers and each temporary Advance is distinct and rendered separately. The unspent balance should be remitted back to the officer issued after expiry of 3 months; the unutilized portion of the Temporary Advance after 3 months should charge interest @ bank rate from the date of advance to the date of refund as per G.O.(P) No.1035/2000/fin dated 19/07/2000 and it is enhanced to 18% under G.O.(P) No.419/11/Fin dated 04/10/2011 and Amendment of Article 99 KFC Vol.I

Temporary advance is seen given regularly without settling the previous ones. Temp Advances are not closed even in the end of the financial year. For eg.Rs.425/- seen carried over to the financial year by Smt.Soumya, AE of Rs.1454/- is written as “ balance with AE may be remitted into N.O.A/c no.09/11/2017”. If the amount has already received from the AE, the CB2 receipt No. and date, the details of remittance into Non Operative account with Chelan No and date may be noted in the register.

Similar is the case with Rs.56/- seen carried over to 2017-18 by Sri.Biju.S.I, Assistant Engineer

### **7. TREASURY ACCOUNT**

Rs.936/- is still remaining in the treasury account. This account may be closed and amount may be deposited into Non Operative account under intimation to audit.

### **8. Trial balance**

On verification of the trial balance for 03/2017 following irregularities are noted. Debit balance seen in following Head of Accounts, which is irregular and same may be corrected if it is due to mistake in accounting

1651	TA Advance	Rs.11000
2841	Income Tax deducted from contractors	Rs.5,92,839/-
9211	Control account collection	Rs.96,101/-

1659 Temporary advance to AE has a credit balance of Rs.38,099/- which is irregular.

Also credit balance in 2835 WCT Rs.1,22,218/- and 2843 TDS employees- Rs.82,905/- shows amount pending for remittance. This may be corrected and reported to audit.

### **9. INCREMENT CONTROL REGISTER**

Scale of pay may be written in detail in the increment register

## **10. SERVICE BOOK REGISTER**

Service book register is not maintained in the proper form. The date of receipt of the SB, Name of office from where it is received, date of transfer to which office the SB is transferred and reason for transferring may be noted against the Name and designation of the incumbent . Entries may be signed by the Head of Office.

## **11. INCUMBENCY REGISTER**

The reason for relieving the incumbent may be noted in the remarks column and the entries may be authenticated.

## **12. SERVICE BOOK**

Following irregularities are found in test check of the service books;

The latest residential address may be entered in all service books

The photo in the Service Book may be submitted by new one completion of every 10 years of service. GPF account number may be recorded in the space provided for it and the entry may be authenticated. The Earned Leave for the first year of service may be recasted @ 1/11 of the duty days on completion of three years of service. The same is not seen done in several service books. These may be done in the service books if not already done.

### **T.S.Shyn, Junior Superintendent**

1. Probation in the cadre of JS declared on 28/03/2017 but in service book increment date is given as 01/03/2017. The excess pay and allowances drawn already for the period from 01/03/2017 to 27/03/2017 may be recovered and fact reported to audit.
2. Correction is seen done in pencil in leave account page No.118 & 119 of Vol.II of SB and over writing and correction using whitener is seen in Page No.70 & 71. Column 3 of page 16 of SB Vol.II is seen erased and kept blank; in page 18 column 2 is corrected by overwriting.

### **Jayesh.V, LD Clerk**

1. Date of birth may be attested in the SB with reference to the document produced as proof of date of birth. Column 3 of SB may be filled with date of relieving
2. The transit period (07/05/2013-12/05/2013) may be noted to joining the new station
3. Earned leave availed for 3 days from 4/08/2011 to 06/08/2011 is not deducted in EL calculation for 01/04/2011 to 31/03/2012

### **Geetha.C.Typist**

1. Joined duty on 23/05/2008 and probation declared w.e.f 23/05/2010. But the second annual increment which should be sanctioned with effect from the date of declaration of probation is seen given with effect from 01/05/2010 as per the SB. The excess pay and allowances, if any, already given may be recovered.
2. In the Earned Leave calculation for 01/07/2013 to 31/03/2015, the commuted leave taken for 23 days not seen deducted.

### **Sobhanakumari.P, P.T.Sweeper**

The revised salary of the incumbent has not yet disbursed in spite of Court judgment; clarification of regularization date correction is awaiting from the Managing Director

The incumbent was selected from Employment Exchange for 179 days and joined duty on 10/11/2010 as per order dated 04/11/2010 of the Executive Engineer . As such she was relieved on 07/05/2011 FN on completion of 179 days. But the incumbent approached Court and as per judgment joined duty again on 13/10/2011. As per the Court order, she was regularized with effect from 04/11/2010 by the Managing Director. Clarification is sought from the Head office whether the salary may be disbursed wef 04/11/2010 and also the whether salary may given for the break period of 07/05/2011 to 13/10/2011.

### **13.Travelling Allowances**

Several Officers (Executive Engineer, AEE, Divisional Accounts Officer) are given travelling allowance but on verification of the trial balance ledger, the same is not seen accounted in the Head of 3514. Also on verification of the TA file it is seen that Smt.Karthika, AEE, has paid TA Advance Rs.10,000/- and it is settled. But in the Tally Statement Rs.10,000/- is seen not settled.

### **WORKS**

#### ***General Irregularity***

#### **1. Irregular releasing of retention Money**

This office has released the retention money to the contractors during the course of work which is highly irregular and caused financial loss to KWA in terms of interest.

For eg:-

Name of work:-**WSS to Quality affected habitations and CWSS to Nedumpuram, Nirnam, Kadapara in pathanamthitta District. Phase 1 – Construction of 9 mtr dia intake well cum pump house 14 mld water Treatment Plant and 450 mmD1K-9 raw water pumping main.**



Agreement No. 14/2014-15/SE dated 22.09.2014

PAC:Rs.10,39,96,500/-

Contractor: M/S Chicago Construction International Pvt Ltd

In the above work, an amount of Rs.80,19,720/- is seen recovered towards retention and Rs.54,94,135/- against other deposit recovered from the contractor upto cc 5th bill. Out of that Rs.20,32,412/-and Rs.9,56,435/- has been released on 31.08.2017 and 25.09.2017 respectively. In addition to that an amount of Rs.67,89,424/- is also seen released on 26.10.2016. The work was completed on 23.08.2014. Releasing of retention recovered from CC bills without complying NIT conditions is highly objectionable. As per the NIT, out of 8 % of retention, 5% can be released after 6 months from the date of completion of work and the remaining 3% can be released amount had been retained in KWA, a good amount would have been got as interest. So the interest amount may be calculated and recovered from the concerned as KWA has not sustain the loss.

Likewise, retention is seen released in the following work to the same contractor.

WSS to Perunadu – Athikkayam villages – Phase I

In the above work an amount of Rs.70.68 lakhs was released on 05.02.2015

**II. Non maintenance of Material Transfer Register**

On verification it is seen that huge quantities of materials has been transferred to Maintenance Division. But no proper records or registers has seen maintained. So the volume of quantity transferred cannot be ascertained.

**III. Using of computer copy of MRN**

As per rule, Material Return Note should be pre machine numbered and it should be in a book form and should be issued from Division Office. But ~~the~~ contrary this office has been using computer generated copy of MRN for material transfers. This practice may be stopped forthwith.

  
എസ്. ശിവാനന്ദൻ  
ഇന്റേണൽ ആഡിറ്റർ  
ഇന്റേണൽ ആഡിറ്റിംഗ് വിഷ്  
ജലഭവൻ  
കേരള വാട്ടർ അതോറിറ്റി  
തിരുവനന്തപുരം-695033