

**AUDIT REPORT ON THE AUDIT OF RECORDS AND REGISTERS  
OF WATER SUPPLY DIVISION, KERALA WATER AUTHORITY,  
ATTINGAL**

**Part – I**

**A. INTRODUCTION**

Water Supply Division, Attingal deals with the maintenance work and deposit work of Attingal Municipality, Varkala Municipality and adjoining Panchayaths. This Division is consisting of two Sub Divisions viz. Water Supply Sub Division, Attingal and Water Supply Sub Division, Varkala under PH Circle, Thiruvananthapuram. The audit was conducted during the period from 04.07.2019 to 16.07.2019 covering the period from 04/2014 to 03/2019.

**B. OFFICERS IN CHARGE**

Incumbency details of Executive Engineer, Divisional Accounts Officer and Technical Assistant during the above period is shown below.

**Executive Engineer**

2013 to 23-08-2016	:	Sri.Saji. V.
23-8-2016 to 10-11-2016	:	Sri.Rajeev. V.K.
10-11-2016 to 13-9-2017	:	Sri.Saji. V.
13-09-2017 to 6-11-2017	:	Sri.Jayaraj. S.L. (Addl. Charge)
6-11-2017 to 30-4-2018	:	Sri.Sunil. S.
01-5-2018 to 23-7-2018	:	Sri.Jayaraj. S.L. (Addl. Charge)
23-7-2018 to 31-8-2018	:	Sri.Sasikumar. D. (Addl. Charge)
01-9-2018 to 30-9-2018	:	Sri.Sasikumar. D., (Addl. Charge)
01-10-2018 to 20-6-2019	:	Smt.Lekshmy. M
21-6-2019 to 07-07-2019	:	Sri.Satheesh Sharma. M.,(Addl. charge)
08-7-2019 to continuing	:	Sri.Byju. V.

### **Divisional Accounts Officer**

2/2014 to 19-1-2016 : Sri. Shaji. A.  
19-1-2016 to 23-6-2017 : Smt. Indira. L.  
24-6-2017 and still continuing : Sri. K.A. Rakeshkumar

### **Technical Assistant**

2/2014 to 7-9-2015 : Sri. V. Santhosh  
16-9-2015 to 23-7-2018 : Sri. Jayaraj. S.L.  
27-7-2018 and still continuing : Sri. Satheesh Sharma.M

### **C. INTERNAL CONTROL MECHANISM**

1. No internal audit of the Sub Divisions has been conducted by the Divisional Accounts Officer
2. Due to this Cash Book, Bank reconciliation and Service Books were not properly maintained
3. The post of Revenue Officer is lying vacant from.....onwards
4. More effort is needed to mobilize the revenue collection
5. Sub Divisions does not maintain cheque remittance register for registering the cheques received from consumers towards water charges etc.
6. Huge amount is retained under deposit head
7. Centage charge has not been remitted to Non-Operative Account for long period (This amount remitted during the conduct of audit)
8. No control on e-abacus system in the Division

### **Part II**

**A. Major irregularities Nil**

**B. Other important irregularities**

## **I WS DIVISION ATTINGAL**

### **1. Non remittance of interest credited by Bank**

As per KWA manual the interest credited by bank shall be remitted to non-operative account. This practice was not done by the Division. On verification it is seen that an amount of Rs.25,25,392/- has been entered into the cash book as interest from bank during the period from 4/15 to 3/2019 (List separately attached). This amount shall be remitted into non-operative account and intimate to audit. Similar case, if any, shall also be remitted to Non-Operative Account.

11/2015	:	Rs.132638/-
03/2016	:	Rs.65351/-
04/2016	:	Rs.96450/-
10/2016	:	Rs.6060/-
12/2016	:	Rs.33634/-
03/2017	:	Rs.177827/-
04/2017	:	Rs.32533/-
05/2017	:	Rs.41148/-
06/2017	:	Rs.139651/-
07/2017	:	Rs.38395/-
08/2017	:	Rs.39320/-
09/2017	:	Rs.354791/-
10/2017	:	Rs.39320/-
11/2017	:	Rs.381590/-
03/2018	:	Rs.437699/-
04/2018	:	Rs.37755/-
06/2018	:	Rs.349719/-
07/2018	:	Rs.33675/-
09/2018	:	Rs.40807/-
11/2018	:	Rs.2275/-
12/2018	:	<u>Rs.44754/-</u>
<b>Total</b>	:	<b>Rs.2525392/-</b>

## 2. Non-Deduction and non-remittance of KCWWF

As per KWA manual 1 percent of the amount deducted towards KCWWF shall be retained in KWA as collection charges and this amount shall be remitted to Non-Operative Account. This practice was not done by the Division. On verification, it is seen that an amount of Rs.3910684/- is collected towards KCWWF during the period from 4/2015 to 3/2019. But the amount retained in KWA is only 12570/-. Balance amount to be retained from the future payment towards KCWWF. Moreover the collected amount shall be remitted to Non-Operative account under intimation to audit. The details of the amount deducted is as shown below.

Period	KCWWF Amount	Amount to be retained	Amount retained but not remitted
4/15 to 3/2016	1034361	10344	.....
4/16 to 3/2017	559016	5590	.....
4/17 to 3/2018	1131205	11312	6506
4/18 to 3/2019	1186102	11861	6054
Total	3910684	39107	12570

## 3. Retaining of huge amount under the Deposit Head

On scrutiny of Cheque Memo Register of Deposit Account No.57034854429, it is revealed that an amount of Rs.3,66,53,118/- is lying unutilized. As per Circular No.0038/2012/DYAM/FIN/KWA dated, 25-10-2013 of the Managing Director, it was directed that the whole funds lying in the deposit account maintained by the field officer shall be transferred to Head Office by drawing a Cheque in favour of FM and CAO, KWA Account No.3340868329 with State Bank of India, Althara Junction, Branch Vellayambalam on or before 10-11-2013.

In this Circular it is also mentioned that the total funds under deposit works of a particular Division or an amount of Rs.25.00 Lakhs whichever is lower will be allotted to the field officer as imprest towards Deposit Works. Hence maximum amount that can be retained in a Division is Rs.25.00 lakh only. But this Division has retained an amount of Rs.3,66,53,118/- This is a clear violation of the Circular dated, 25-10-2013. The reason

for the non-adhering to the directions in Circular dated 25-10-2013 shall be intimated to audit.

#### **4. Non conducting Inspection by Divisional Accounts Officer**

As per Para 4 . 2. 13 of KPW 'A' Code, it is specified that the Divisional Accounts Officer is further required to inspect atleast once a year under the orders of and at in some time as the Divisional Officer, the accounts and records of Sub Divisional Officer and check a percentage of the initial accounts. The defects noticed should be reported to the Executive Engineer for orders, but the DAO will be responsible, as far as possible for explaining personally the defects of procedure and for importing necessary instructions thereon to the Sub Divisional officers and their staff. This Division have two Sub Divisions under their control. On verification of the records it is understood that any inspection has not been conducted as specified in Para 4 . 2 . 13 of KPW 'A' Code by the Divisional Accounts Officer. Reason for the same shall be intimated to audit.

#### **5. Non crediting of time barred Security Deposits**

As per Para 15. 4. 1 of KPWA Code, it is specified that the balance under deposit unclaimed for more than three completed years should be credited into Revenue as lapsed deposit Many time barred FDR worth Rs.244200/- received as SD from contractors were seen not forfeited/credited into Non-operative account which is highly objectionable. Such type of lapsed deposit shall be listed out and credited into NOP with intimation to Audit (List separately attached)

#### List of Unclaimed Securites/time barred Securities

Agreement No.	Ch. No.	Date	Amount
1. Nil	DD No.463129	19-10-09	Rs.12500/-
2. 77/09-10	FD No.1898	24-09-09	Rs.1900/-
3. 48/10-11	No.379858	04-02-10	Rs.25000/-
4. 61/10-11	Vijaya Bank	13-1-11	Rs.10500/-
5. 95/11-12	FD No.0128-02876049	23-3-2012	Rs.5000/-
6. 2/12-13	F.DR.No.10032	29-4-12	Rs.4000/-
7. 48/12-13	M/s KTP San/Traders No.139646	23-12-13	Rs.32500/-
8. 17/13-14	719122	26-4-13	Rs.17500/-

9.	22/13-14	885	03-5-13	Rs.2000/-
10.	35/13-14	887	03-5-13	Rs.1300/-
11.	73/13-14	13200324	05-7-13	Rs.13000/-
12.	21/14-15	511400129	02-5-14	Rs.21500/-
13.	28/14-15	0128-01527729-11001-19	31-5-14	Rs.4000/-
14.	70/14-15	M1808/14	25-8-2019	Rs.12500/-
15.	83/14-15	6729300725	24-9-14	Rs.13500/-
16.	113/14-15	MI 1174/14	6-11-14	Rs.13000/-
17.	64/2015-16	67336369923	14-9-15	Rs.27000/-
18.	87/2015-16	67354926780	29-2-16	Rs.5000/-
19.		67354772761	26-2-16	<u>Rs.18500/-</u>

**Total :** **Rs.244200/-**

## 6. Non remittance of centage charge

On scrutiny of deposit register, it is noticed that centage charges collected from the deposit work has not been remitted to Non Operative account for a long period. The total amount collected as centage charge shall be remitted to Non-Operative account under intimation to audit.

## 7. Huge Expenditure on Hire charge of Vehicle

On verification of trial balances it is noticed that huge amount expended on hire charge of vehicle from 3/15 to 2/19. The details are as shown below.

3/215	:	Rs.969193/-
3/2016	:	Rs.708194/-
3/17	:	Rs.991645/-
3/18	:	Rs.1046672/-
3/19	:	Rs.829733/-

The reason for the huge expenditure shall be intimated to audit.

## 8. Non Settlement of Temporary Advance

On verification of trial balance, it is seen that an amount of Rs.61316/- exist as credit balance from 31-3-2015, it reveals the non settlement of Temporary advance. Urgent action is needed to settle the amount and intimate to audit.

## 9. Huge water charge arrears

On verification of DCB statement as on 31-3-2019, it is seen that huge water charge arrears amounting Rs.1223.27 lakhs exist in various categories including street taps. The details are as follows:

Domestic	:	263174
Non-Domestic	:	1404561
Industrial	:	505486
Panchayat	:	27778745
Municipality	:	66351001
		-----
		122357254
		=====

Necessary action shall be taken to collect the pending water charge arrears under intimation to audit.

## 10. Non maintenance of Register

On verification, it is seen that the following registers are not maintained properly.

1. Imprest Register
2. Stock Register of Receipt book
3. Audit objection register
4. Trial balance register
5. Trial balance ledger
6. Asset register
7. Non-Operative Control register
8. Income Tax register
9. KCWWF register
10. Sales Tax register

The above registers shall be maintained and also intimate the reason for non maintaining the registers.

## 11. Improper maintenance of Imprest file

On verification of the Imprest files, it is seen that several settlements have been made without noting the name of Firms/Suppliers from which the items are

purchased/procured. But the date and amount only is noted. This practice is highly irregular and against code provision. The reason for the passing the bills without noting the name of firm and name of articles shall be intimated to audit.

**12. Non entering of leave deducted on service book**

On verification of the Service Book of Smt. Rekha. K.R., U.D. Clerk (HG), it is seen that the incumbent has availed commuted leave for 41 days w.e.f. 6-11-2017 to 16-12-2017 with permission to suffix the holiday on 17-12-2017. Necessary HPL is seen debited in the leave account, whereas in page No.61 of the Service Book, it is noted as 13 days. This mistake shall be corrected and authenticated and intimated to Audit.

**13. Non recording of LWA taken**

On verification of the Service Book of Smt. Hija.G, Office Attendant it is seen that Maternity Leave for 140 days w.e.f 29/04/2015 to 28/06/2015 was sanctioned and in continuation to the Maternity Leave two month LWA w.e.f 29/06/2015 has been sanctioned. The LWA period is not seen recorded in the appropriate pages of Service Book. This must be recorded and authenticated and intimated to Audit.

**14. Cancellation of work without obtaining permission from Panchayath Authorities**

On Scrutiny of the file no.DB1-318/16/WSDN/ATL, it is seen that Secretary Cherunniyoor Grama Panchayath had deposited an amount of Rs. 1,50,000/- vide DD No. 121465 dtd: 29.03.2016 for the “Deposits works – providing drinking water facilities to Santhivila Police road, Pallikkal Kuzhivila – Nadappatha Thannimoodu Elavanampoika in Cherunniyoor Panchayath”. Accordingly the work was tendered and awarded to Sri. B.Unnikrishnan Nair, Contractor at 33% below E/R. The contractor executed the agreement on 13/06/2016.



As per the agreement condition, the contractor had to start the work on 14/06/2016 and complete within one month. Even after a lapse of 3 years, the work is not seen started. On a detailed examination, it is seen that, the Executive Engineer reminded to the contractor on 09/06/2017 and 30/07/2018 respectively to resume the work. But the contractor has not turned up to start the work. As per the codal provision, the performance guarantee and Security Deposit has to be forfeited. On 22/06/2019, the Executive Engineer, Water Supply Division, Attingal has issued a proceedings stating that as per the recommendation of the Assistant Executive Engineer, Water Supply Sub Division, Attingal, the work is cancelled and also ordered to release the security deposit. In this regard the following points are to be clarified.

- a) Why the work was cancelled without obtaining the concurrence of the Panchayath authorities.
- b) Why the Security Deposit and performance guarantee was not forfeited.
- c) Under which circumstances the Divisional Officer has ordered to release the security.
- d) Why the road restoration provision was provided in the original estimate.
- e) Whether any alternative arrangement was provided to solve the shortage of water in that area.

#### **15. Maintaining of fixed deposit**

On a scrutiny of the records, it is seen that the following amounts are deposited by Water Supply Division, Attingal in the State Bank of India, Attingal Branch.

<u>Sl.No.</u>	<u>Account No.</u>	<u>Amount</u>	<u>Interest</u>	<u>Maturity Period</u>
1	67163363507	6000000	6.25%	12.01.2019
2	37084429596	5350497	5.75%	02.02.2019
3	37084428219	5350497	5.75%	02.02.2019

As per the account manual, any revenue collected by the ARU shall be remitted into NOP A/c in favour of FM and CAO. Hence the Divisional Officers action of maintaining the Deposit (Term Deposit) is highly irregular. As per PWA code the term deposit / DD shall be treated as cash and hence the DD must be routed through the Cash Book. This item is not seen recorded in the Cash Book. In this regard the following points shall be clarified.

- (a) Date from which the deposit was started.
- (b) The authority which ordered to deposit the amount as Term Deposit.
- (c) Why the deposit is not renewed after the expiry of maturity period.
- (d) An amount of Rs. 2,47,526/- is lost to KWA by the way of non renewal of term deposit.

#### **16. Treasury Account**

On scrutiny of cash book, it is seen that an amount of Rs.23492/- exist as balance in the Treasury Account from 3/2015 onwards. There is no transaction in the Treasury Account for a long period. Hence action shall be taken to close the account and the amount with upto date interest shall be remitted into Non-operative Account under intimation to audit.

#### **17. Non authentication of cash book**

On a scrutiny of the Cash Book, it is noticed that the entries in the Cash Book for the period from 01/04/2017 to 29/12/2017 is not seen authenticated by the Executive Engineer. It should be authenticated and reported to audit.

#### **18. Cancellation of work without sufficient reason**

Secretary, Cherunniyoor Panchayath had deposited an amount of Rs. 1,00,000/- vide DD No. 121467 dtd: 29.03.2016 for providing water supply facilities to Ambedkar Colony in Cherunniyoor Panchayath and accordingly the work was tendered and

awarded to Sri. B.Unnikrishnan Nair, Contractor at 3% below E/R. The contractor executed the Agreement on 13/06/2016. As per the Agreement conditions the contractor has to complete the work within one month from the date of issuance of the work order. The work order was issued to the selected contractor on 07/06/2016. As per letter no. DB1-318/16/WSDN/ATL dtd: 01/07/2019, the Divisional Officer asked the Assistant Executive Engineer, Water Supply Sub Division, Varkala to inform the present stage of the work. No further action was taken from the part of Division for completing the works. On 22/06/2019, the Executive Engineer, Water Supply Division, has issued a proceedings stating that the works is cancelled and also ordered is release the scrutiny deposit. The cancellation of the works without sufficient reason is irregular.

#### **19. Non adhering of tender condition**

Name of Work: - SC / ST Corpus Fund CWSS to Varkala Municipality –  
Providing drinking water supply facilities to  
Cherukunnam, Thekkuvila, Kakkodu, Papanasam –  
Pandaravilakom Colony.

Agreement No. 83/2017-2018 dtd: 24/07/2017.

The above subject works has been tendered on 12/06/2017 and awarded to Sri. B.Unnikrishnan Nair, Contractor at 1% below E/R. The contractor executed the necessary agreement on 24/07/2017. As per the agreement condition the contractor has to complete the work on 4/09/2017. But the contractor completed the work only on 31/05/2018. Based on the request of the Contractor and recommendation of the Sub Divisional Officer, the Divisional Officer extended the time of completion up to 31/05/2018 without imposing the fine. The reason mentioned in the application is delay in getting the ownership. This reason is not genuine for the delay in completing the work.

As per the additional tender condition para 4.40, it is specified that liquidated damages @ 0.5% of the cost of the balance works per week or portion thereof subject

to a maximum of 10% of the total value of contract will be realised from the contractor beyond the agreed date of completion of the work. These condition has not been satisfied by the Divisional Officer while granting the time of extension. The reason for non adhering the condition shall be reported to Audit.

## **20. Retaining of huge amount**

On verification of various accounts which are maintained by the Water Supply Division, Attingal, it is revealed that an amount of Rs. 12.73 crore is idling. The details are furnished below

Account No. 57034854429	Rs. 30375799
Account No. 57034853549	Rs. 1387220
Account No. 67151527367	Rs. 3590114
Account No. 67222693563	Rs. 69381925
Fixed Deposit	Rs. 16000000
<b>TOTAL</b>	<b>Rs. 120735058</b>

Action shall be taken to transfer the amount as prescribed in the circular No. 0038/2012/DYAM/FIN/KWA dated: 25/10/2013 of the Managing Director.

## **21. Careless dealing of file**

Name of Work: - Deposit works – Pipe line extension to various places of Chemboor ward No. 12 in Mudakkal Panchayath.

Agreement No. 97/2018-2019 dtd: 24/12/2018.

The above work was awarded to Sri. Arunkumar, Contractor with the PAC of Rs. 10,04,526/- and completed within the firm period. The payment of the bill has been effected. While preparing the closing note it is seen mentioned that “excess can be granted within the power of Executive Engineer ie, 4.99%.” The pass order of the bill amount is only Rs. 9,08,880/- ie below the accepted PAC. Hence the remark is

unnecessary. It is observed that this has occurred due to the careless dealing of the file. This must be avoided.

## 22. Late remittance of collection to NoP Account

On verification of non operation account, bank statement, remittance chellan and receipt book CB1 & CB2, the following defects were noticed.

1. Timely remittance of the collection amount is not done. As per Article 7 of KFC, it is envisaged therein that the daily collection of each officer should be remitted in to treasury, the next working day. When this is not possible owing to distance from the Treasury or any other case, the money should be remitted periodically ie, at least once in a week or the last working day
2. More over the CB1 receipt is used for collecting other income. Usually CB1 is used for collecting water charges. List of amount collected and remitted from 7/04/2017 to 25/05/2017 is noted below.
3. Stock register of CB1 & CB2 receipt are not maintained.

Action shall be taken to regularise the remittance and maintenance of registers under intimation to audit.

### LATE REMITTANCE DETAILS – NON- OPERATIVE ACCOUNT NO. 57034853797

I

Sl.No.	Date	Receipt No.	Purpose	Amount
1	07-4-2017	148503	Agreement Book	11.00
2	07-4-2017	148504	”	33.00
3	10/4/2017	148505	”	11.00
4	11/4/2017	148506	”	44.00
5	11/4/2017	148507	”	11.00
6	12/4/2017	148508	”	11.00
7	17/4/2017	148509	”	11.00
8	18/4/2017	148510	”	11.00
9	20/4/2017	148511	”	11.00
10	20/4/2017	148512	”	33.00
11	20/4/2017	148513	”	22.00

12	20/4/2017	148514	”	22.00
13	21-4-2017	148515	”	11.00
14	21-4-2017	148516	”	44.00
15	25-4-2017	148517	”	22.00
16	27-4-2017	148518	”	11.00
17	29-4-2017	148519	”	<u>11.00</u>
TOTAL				<u>330.00</u>

**29/04/2017 credited Rs. 280/-**  
**Difference – Rs. 50/-**

## II

Sl.No.	Date	Receipt no.	Purpose	Amount
1	02-05-2017	148520	-	22.00
2	03-05-2017	148521	Renewal of License	4000.00
3	03-05-2017	148522	Agreement book	11.00
4	03-05-2017	148523	Agreement book	33.00
5	03-05-2017	148524	Agreement book	50.00
TOTAL				4116.00

**05/05/2017 Credited Rs. 4110/-**

## III

Sl.No.	Date	Receipt no.	Purpose	Amount
1	06-05-2017	148525	Agreement book	15.00
2	12-05-2017	148526	Agreement book	11.00
3	15-05-2017	148527	Renewal of License	2100.00
4	15-05-2017	148528	Renewal of	250.00
5	15-05-2017	148529	Plumbing License Renewal of	150.00
6	19/05/2017	148531	Plumbing License Agreement book	33.00
7	19/05/2017	148532	Agreement book	22.00
TOTAL				2581.00

**20/05/2017 credited Rs. 2105/-**  
**Difference – Rs. 476/-**

## IV

Sl.No.	Date	Receipt no.	Purpose	Amount
1	23-05-2017	148533	Agreement book	11.00
2	25-05-2017	148534	Agreement book	33.00
3	25-05-2017	148535	Agreement book	11.00
TOTAL				55.00

**(Credited Rs. 550/- on 31/05/2017)**

**(Balance Rs. 50 +476 +6)**

**Total Rs. 532/- (532 + 55)=587/-**

**Credited Rs. 550/- dtd: 31/05/2017**

**Balance to be remitted Rs. 37/- up to 25/05/2017.**

**23. Non remittance of cost of materials recovered to NoP**

Name of Work: - Deposit work to Vakkom – Anjango – Laying 63 mm pvc pipe line at various places in Kadakkavoor Panchayath.

Agreement No. 148/2014-2015 dtd: 30/03/2015.

The above work was tendered and awarded to Sri. B. Unnikrishnan Nair, Contractor at 37% below estimate rate. The contractor has completed the work and payment made on 13/10/2015. On scrutiny of the file it is seen that 2000 m of 63 mm pvc pipe 6kg, 8 nos. of 75 x 63 mm pvc Tee and 2.5 kg of solvent cement is issued vide Gate pass no. 55/15-16 dtd: 08/05/2015. The total cost of materials comes to Rs.1,51,200/-. The materials procured and stocked in the KWA Store is by utilising the State Plan fund / KWA fund and is intended to be issued for KWA's own works and maintenance work.

Hence the cost of materials recovered through this Deposit works shall be remitted into Non. Operative Account. This amount is not seen remitted into NOP account. The amount should be remitted into NOP and fact shall be reported to Head Office.

Name of Work: Deposit Work – District Panchayath, Tvpm. – Supplying and laying 90mm PVC pipe at various places of Chirayinkil area in Kadinamkulam Grama Panchayath

(Agmnt. No.151/2017-18 dated, 21-12-2017)

The above subject work was awarded to Sri. B. Unnikrishnan Nair, Contractor at 23.70% below Estimate Rate. The contractor was completed the work on 3/2/2018 which is within the agreed time and payment made on 05-7-2018. On scrutiny of the bill it is seen that the contractor has carried out all the items except the

construction of valve chamber. Divisional Officer has admitted the bill based on the clarification of the Assistant Executive Engineer. The Assistant Executive Engineer concerned reported that the construction of valve chamber and fixing sluice valve had not been done in the work due to newly laid BM/BC Road and no tar cutting permission for 5 years.

The construction of valve chamber was included in the original estimate as per the site condition and control the flow of water and any broken or interruption occurred if any in the line. The action was to be taken by the Section Officer/Sub Divisional officer to provide the valve chamber in any other suitable places of newly laid pipe line area. It may please be inform the present condition and the status of pipe line without providing the valve chamber.



## II. Water Supply Sub Division, Attingal

### 1. **Non retaining and non remittance of 1% of KCWWF recovered**

On verification of cash book it is noticed that the amount recovered towards KCWWF for the period from 5/18 to 7/18 is completely paid to KCWWB on 13/8/18. As per KWA manual one per cent of the amount collected shall be retained in KWA and remitted into non operative account. This practice was not done by the Sub Division. Urgent action taken to identify the similar cases and shall retain the arrear one percent amount from the future payment towards KCWWB under intimation to audit.

### 2. **Non settlement of temporary advance**

On verification of the Temporary Advance Register , it is seen that the following amount have been disbursed to the Assistant Engineer towards Temporary Advance

Sl. No	Name	Cheque No.	Date	Amount in Rs
1	Smt.Ruxana	191373	10/10/2018	20000.00
2	Sri.Nandu.R.Nair	48325	27/6/18	5000.00
3.	Sri.Nandu.R.Nair	483218	29/6/18	6000.00
4.	Sri.Nandu.R.Nair	191266	1/7/18	8000.00
5.	Sri.Nandu.R.Nair	191281	24/7/18	25000.00
6.	Sri.Nandu.R.Nair	191342	17/9/18	5000.00
7	Sri.Nandu.R.Nair	191347	22/9/18	15000.00
8.	Sri.Nandu.R.Nair	191371	8/10/18	6000.00
9.	Nissar., Asst.Engineer	768448	19/3/19	90000.00

As per the GO(P) 419/11/Fin dated 4/10/2011, it is specified that the Temporary advance sanctioned to meet contingent expenditure of specified kind or any specific occasion granted to the Government Officials should be adjusted by

detailed bills and vouchers as soon as possible and not being more than 3 month. In case of default , interest at the rate of 18% per annum will be charged on the unutilized portion of the advance. In case where the adjustment bill is not submitted within the prescribed time limit, the entire amount of advance may be recovered in lump on the expiry of such time limit. Interest at the rate of 18% will be charged to the entire amount of the advance from the date of drawal to the date of recovery. Hence necessary action shall be taken to settle the amount and recover the interest as specified in Government order dated 4/10/2011. Reason for non settlement within the time limit shall be explained.

List of Non settlement of temporary advance

Sl. No	Name of Officer	Cheque No.	Cheque date	Amount	Settlement	Unsettled amount	Page No.
1.	Ruxana, AE	191373	10/10/18	20000.00		20000	14
2.	Sri.Nandu.R.Nair	483215	27/6/18	5000.00	4870	130	23
3.	Sri.Nandu.R.Nair	483218	29/6/18	6000.00	Nil	6000	23
4.	Sri.Nandu.R.Nair	191266	11/7/18	8000.00	Nil	8000	23
5.	Sri.Nandu.R.Nair	191281	24/7/18	25000.00	Nil	25000	23
6.	Sri.Nandu.R.Nair	191342	17/9/18	5000.00	Nil	5000	24
7.	Sri.Nandu.R.Nair	191347	22/9/18	15000.00	Nil	15000	24
8.	Sri.Nandu.R.Nair	191371	8/10/18	6000.00	Nil	6000	24
9.	Nissar, AE	7684448	19/3/19	9000.00	Nil	90000	35
	Total					175130	

IMPREST

Sl.No.	Name of Employee	Amount	Page No.
1.	Nandu.R.Nair , Ch.No.483215 dt.27/6/18	5000	29

Unsettled imprest

Rs.5000/-

=====

**3. Non maintenance of connectivity Down Time Log Register**

The e-Abaccus system has been introduced in Water Supply Sub Division, Attingal during the period 2015-16. Usually the e-Abaccus system shall

interrupted/ damaged frequently . As per the Head office direction, all revenue unit Heads shall keep the connectivity Down Time Log Register. The register is not seen maintained in the Sub division. The reason for the non maintaining the connectivity down time Log Register shall intimated to Audit.

#### 4. Non reconciliation of Bank accounts

On scrutiny of the Bank statement and cheque issue register as on 30/4/2019 it is noticed that the balance amount is not tallied each other . It reveals the lack of reconciliation of bank accounts. The details are as shown below.

Bank account No.	Balance as per bank statement	Balance as per cheque issue register	Difference
67260951825	2629957	2494376	135581
57034967170	1787199	737859	1049340
57034853232	26652	27301	-649

Urgent action shall be taken to reconcile the bank accounts and intimate to audit.

#### 5. Non entering and non remittance of interest credited by bank

As per KWA manual the interest credited by bank shall be entered in the cash book and remitted to non operative account of FM & CAO. On verification of the cash book it is seen that the interest credited by bank is not entered in the cash book. For example the details of interest credited by bank is as shown below .

Bank account No.	Month	Interest credited by bank	Remarks
57034967170	25/9/18	14165	Not entered
67260951825	25/9/18	16499	Not entered

Urgent action shall be taken to enter similar cases in the cash book and remit the same to Non operative account under intimation to audit.

## 6. Huge Water Charge Arrears

On verification of DCB statement it is seen that an amount of Rs.301 Lakhs is pending towards water charge arrear. The details are shown below.

Domestic	-	29448190.00
Non Domestic	-	291546.00
Industrial	-	361060.00
Total	-	----- 30100796.00 =====

Urgent action shall be taken to collect this amount and intimate to audit.

## 7. Faulty Water Meters

On verification it is seen that the total No. of connection as on 31/03/2019 is 47086. Out of this 1513 connections have faulty water meter. This may cause revenue loss to KWA. Hence urgent action is needed to replace the faulty water meters under intimation to audit

## 8. Non maintenance of Trial Balance Register

As per KWA manual and circular trial balance register, ledger and journal register should be maintained. But the Sub Division has maintained the trial balance register only upto 3/2015. Urgent action is taken to maintain the register and intimated to audit.

## 9. Treasury Account

On verification of Cash book it is seen that Rs.299/- exist as treasury account balance for long period. Since there is no transaction on treasury account action shall be taken to close the account and transfer the amount with uptodate interest to Non Operative Account and intimate to audit.

## 10. Non deduction of leave from leave account

On verification of Service Book it is noted that the leave account of Sri.Hari Sankar is mistake due to non deducting of Half Pay taken from 14/10/14 to 15/11/14. While calculating the earned leave, instead of deducting 33 half pay leave only 17 days is seen deducted. The details of calculation is shown below.

### Leave Account of Sri.Hari Sankar.M.S., Operator.

Earned Leave balance as on 31/3/2013	= 23 4/11 days
01/04/13 to 31/3/14	- 365 days
(Less CML from 9/7/13 to 20/7/13)	- 12 days
	-----
	-353 days
$=353/11 = 32 \frac{1}{11} + 23 \frac{4}{11} = 55 \frac{5}{11}$ days	
Earned leave surrender for 30 days	$=55 \frac{5}{11} - 34 = 25 \frac{5}{11}$ days
1/4/14 to 31/3/15	= 365 days
Less CML from 1/8/14 to 7/8/14	= 7 days
Less HPL 14/10/14 to 15/11/14	= 33 days
	-----
	365 - 40 = 325 days
	325/11 = 29 6/11 days
	$26 \frac{6}{11} + 25 \frac{5}{11} = 54 \frac{11}{11}$ days - 55 days

Earned Leave surrendered for 30 days as on 1/4/2015 =  $55 - 30 = 25$  days

1/4/2015 to 31/3/16 = 366 days -  $366/11 = 33 \frac{3}{11}$  days

$33 \frac{3}{11} + 25$  days =  $58 \frac{3}{11}$  days

E/L surrender for 30 days as on 1/4/2016 =  $58 \frac{3}{11} - 30 = 28 \frac{3}{11}$  days

Balance leave in A/c as on 31/3/16 - 28 3/11 dated

Action shall be taken to recalculate the leave account and intimate to audit.  
Service Book shall be produced before the Audit for verification.

**11. Non deduction of leave**

On verification of Service Book of Sri.Manikantan.V., Plumber, it is noted that he has availed 20 days commuted leave during the period from 15/12/2016 to 31/8/2016. The same is not deducted from the total leave account. Hence it shall be re-casted and reported to Audit. Service Book shall be produced for verification.

**12. Recasting of earned leave**

On verification of Service Book, it is noticed that the recasting of leave account is not done as per vide GO(P) No.75/2007/Fin dated 27/7/2007. Urgent action shall be taken to recalculate the leave account and intimate to audit.

**13. Non entering of joining duty**

On scrutiny of the Service Book of Smt.Kavitha, UD clerk, it is noticed that she has been transferred from WS Division, Attingal to WS Sub Division, Attingal and relieved on 26/11/2018 FN. But the joining entry is not recorded on SB. Urgent action is taken to enter the joining details and intimate to audit.

**14. Huge debit balance seen on the Account Code – 1532 and 1659**

On verification of trial balance it is noticed that an amount of Rs.20298/- exist as debit balance in Account code 1532 and Rs.437986 in Account code 1659. It reveals the non settlement of imprest and temporary advance. Necessary action shall be taken to settle the imprest and temporary advance immediately and intimate audit.

**15. Huge Expenditure towards HR Wages**

On verification of records it is seen that an amount of Rs138 lakhs expended as HR wages during the year 2018-19. It is also noted that the amount increases from 3/2016 to 3/19. The details are as shown below.

3/2016	-	12181897
3/2017	-	13389388
3/2018	-	13132699
3/2019	-	13879271

The reason for the huge expenditure shall be intimated to audit.

### **III. Water Supply Sub Division, Varkala**

#### **1. Discrepancies in cash book**

On verification of the Cash Book, the following defects were noticed

1. Cash balance certificate is not written from 2014 onwards
2. Authentication of the higher authorities are not recorded
3. Signature of writer of the Cash Book is not seen
4. Verification of the Cash Book is not done by a person other than writer
5. Monthly abstract is not entered.

Necessary action shall be taken to rectify the defects under intimation to audit.  
Cash Book shall be produced for verification.

#### **2. Non reconciliation of bank accounts**

On verification of the Cash Book and Bank Statement it is noticed that the balance as on 31/03/2019 is not tallied each other. It reveals the lack of reconciliation of bank account. The details are as follows.

Account No	Balance as per Cash Book	Balance as per Bank Statement	Difference
67162430511	336319	725676	389357
57023195955	1566216	1.12	1566214.88

Necessary action shall be taken to reconcile the bank accounts immediately and intimate to audit.

#### **3. Cheque Memo Register**

On verification of the Cheque Memo Register it is noticed that timely recording of the fund received from Division and consumers are not done. Totalling of the amount credited and debited are also not done. Necessary action shall be taken to rectify these defects and intimate to audit.



#### 4. Non Maintenance of Trial Balance Register

As per the KWA manual and circular it is specified that all ARU's should maintain Trial Balance Register, Ledger and Journal Register for strengthening of KWA accounting system. The Sub Division has not maintained the above mentioned registers. Action shall be taken to maintain these registers and intimate to audit.

#### 5. Time barred security deposits

As per para 15: 4: 1 of KPWA code, it is specified that the balance under deposit unclaimed for more than three completed years should be credited into revenue as lapsed deposit. Many time barred, Fixed deposit receipts worth Rs. 86,550/- received as security deposit from contractors were seen not forfeited / credited into non operative account which is highly objectionable. Such type of lapsed deposit shall be credited into NOP under intimation to audit. Details as shown below.

##### Time barred security deposit

Sl No	Name of Contractor	Name of securities & date	Security Amount
1	M/s. Delta Engineering Company, Ernakulum	Agmt No. 20/12-13 No 667836 Karnadaka Bank	6500
2	G. Suresh	Agmt No. 78/12-13 No 001423 dtd 26/12/12	10000
		1. Agmt No. 84/12-13 No. 10894 dtd 22/02/13	3500
3	S. Dileep Kumar	2. Agmt No. 10853 dtd 18/03/13 S.Co- Op-Bank, Vettoor	100
4	Dileep Kumar	Agmt No. 3/13-14 No. 67219602423 dtd 8/04/13 of SBT	5000
5	Suresh .G	Agmt No. 19/13-14 No. 1236990 dtd 10/04/13 of UBI	5000
6	Dileep Kumar	Agmt No. 41-11-12 9472 dtd 27/03/12 DC-OP-Bank	2100

7	Dileep Kumar	Agri No. 65/13-14 No. 67236551191 Agri No. 65/13-14 No. 67036551191 6723655149 dtd 31/07/13	5000
8	B. Dileep Kumar	Agri No. 106/14-15 Dtd 15/11/2014 FD No. 67300468153 dtd 6/11/2014	5500
9	B. Dileep Kumar	Agri No. 115/11-15 dtd 27/12/14 FD Rt No 67306318055 Dtd 25/12/14	1500
10	B. Dileep Kumar	Agri No. 116/4-15 dtd FD Rt No. 6730 6317726 dtd 22/12/14	1500
11	G. Suresh	Agri No. 117/14-15 dtd 29/12/14 FD Rt No. 67307210855 dtd 29/12/14	2200
12	G. Suresh	Agri No. 118/14-15 dtd 29/12/14 FD No. 67307216321 Dtd 29/12/14	2200
13	Sreekumar	Agri No. 120/14-15 FD No. 459040 dtd 05/01/15	5000
14	Sreekumar	Agri No. 121/14-15 FD No. 459041 dtd 05/1/15	4200
15	Sreekumar	Agri No. 122/14-15 FD No. 457037 dtd 05/1/15	2700
16	Sreekumar	Agri No. 123/14-15 FD No. 459038 dtd 05/1/15	4400
17	Sreekumar	Agri No. 124/14-15 FD No. 459039 dtd 05/1/15	2600
18	Rahim .S	Agri No. 127/14-15 FD No. 47513 02009 / 814630013 dtd 23/01/15	1500
19	K.V Rajesh Kumar	Agri No. 128/14-15 FD No. G. 221245 dtd 03/02/15	1500
20	B. Dileep Kumar	Agri No. 133/14-15 FD No. 67314799588 dtd 24/02/15	9500
21	B. Dileep Kumar	Agri No. 9/15-16 FD No. 67325474704 dtd 13/06/15	5050
		Total	86550

## **6. Recasting of Earned Leave**

As per G.O (P) No. 75/2007/Fin dtd 27/02/2007 Government have ordered that the recasting of earned leave at the rate of 01/11 for the first year is permissible only after an officer is confirmed in service. On scrutiny of the service book, many of the employees have not seen extend this benefit . Such officer's earned leave for the first year service shall be recasted @ 1/11 and the fact shall be intimated to audit.

## **7. Non deduct of commuted leave**

On scrutiny of the Service Books it is noted that commuted leave taken by the employees have not been deducted from the leave account. Similar cases are to be identified and necessary correction shall be made in the service book under intimation to audit.

## **8. Non remittance of centage charges**

On verification of the cash book from 01/04/2014 to 31/03/2019, it is seen that huge amount of centage charge collected(Rs.209005) have not been remitted to Non-Operative Account. Necessary action shall be taken to remit the amount and intimate to audit.

## **9. Huge debit balance in account codes 1532 & 1659**

On verification of the Trail Balance as on 31/03/2019 it is noticed that Rs. 25,088/- and Rs. 10,73,257/- exists as debit balance in the account code 1532 and 1659 respectively. It reveals the non settlement of Imprest and Temporary advance. Temporary advance register and Imprest register were not properly maintained. As per G.O (P) 419/11/Fin dtd 04/10/2011, it is specified that the Temporary Advance sanctioned to meet contingent expenditure of specified kind or any specific occasion granted to the Government Officials should be adjusted

by detailed bills and voucher as soon as possible and not being more than 3 months. In case of default, interest at the rate of 18% per annum will be charged on the unutilized portion of the advance. In case where the adjustment bills is not submitted within the prescribed time limit, the entire amount of advance may be recovered in lump on the expiry of such time limit. Interest at the rate of 18% will be charged to the entire amount of the advance from the date of drawal to the date of recovery. Hence necessary action shall be take to settle the amount and recover the interest as specified in Government order dtd 04/10/2011. Reason for the huge debit balance shall be intimated to audit. Pending details as per available records are as shown below.

#### **Non Settlement of Temporary Advance**

1. Smt. Sindhu S.S, Assistant Engineer	Rs. 20000/- up to 12/2018
2. Sri. Sabu S.L, Assistant Engineer	<u>Rs. 20000/- up to 03/2019</u>
<b>Total</b>	<b><u>Rs. 40000/-</u></b>

#### **Non Settlement of Imprest**

1. Smt. Sindhu J.S, Assistant Engineer	Rs. 5000/- dtd 10/03/2015
2. Sri. Sabu S.L, Assistant Engineer	Rs. 5000/- dtd 09/08/2017
3. Sri. Sabu S.L, Assistant Engineer	Rs. 4200/- dtd 30/12/2017
4. Sri. Sabu S.L, Assistant Engineer	Rs. 10000/- dtd 08/05/17
5. Sri. Sabu S.L, Assistant Engineer	Rs. 15000/- dtd 10/08/18
6. Sri. Sabu S.L, Assistant Engineer	<u>Rs. 5000/- dtd 03/10/2018</u>
<b>Total</b>	<b><u>Rs. 44200/-</u></b>

#### **10. Non deduction of SLI Premium**

On verification of Pay Bill Register it is noticed that SLI premium has not been recovered from the following employees

1. Smt. Maya A.L, Overseer Gr. II
2. Sri. Sanil .S. D'Man Gr. II
3. Smt. Sindhu S.S, AE, WS Section No. II
4. Smt. Salini. G, Overseer Gr. III

Necessary action shall be taken to recover the SLI from the above officers under intimation to audit

**11. Non remittance of 1% of KCWWF to NoP**

As per KWA Manual one percent of the KCWWF recovered from the contractor should be retained in KWA and the same to be remitted into Non-Operative Account. This practice is not done by the Sub Division. Necessary action shall be taken to recover the up-to-date one percent amount from the future payments towards, KCWWF and remitted into Non-Operative Account under intimation to audit

**12. Huge expenditure towards HR Wages**

On verification of the Trail Balance it is seen that huge amount expended towards HR wages. The details of expenditure as on 03/15, 03/2016, 03/2017, 03/2018 and 03/2019 as shown below

1. 03/2015	=	9071860
2. 03/2016	=	8919119
3. 03/2017	=	9388853
4. 03/2018	=	9255558
5. 03/2019	=	9934023

The reason for huge expenditure towards HR wages shall be intimated to audit.

**13. Disbursement of ineligible leave salary**

On scrutiny of the Service Book of Smt. Sowmya M.S, Overseer Gr. III, it is seen that she has availed commuted leave for 30 days from 01/06/2017 to 30/06/2017 and maternity leave for 178 days from 12/12/2017 to 08/06/2018. While calculating the earned leave of the above period, these leave availed by the incumbent was not seen deducted. Earned Leave surrender for 30 days as on

01/04/2019 of arrears to the incumbent is not in order. Hence the irregular Earned Leave sanctioned to her shall be recovered and intimated to audit

#### 14. Huge Water Charge arrears

On verification of the DCB Statement it is seen that an amount of Rs. 90.55 lakh exist as water charge arrears as on 31.03.2019. The details are as shown below.

Domestic	4497400.00
Non Domestic	3948755.00
Industrial	<u>609218.00</u>
<b>Total</b>	<b>9055373.00</b>

Necessary action shall be taken to collect the arrears of water charge and intimate to audit.

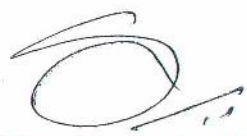
#### 15. Service Book

On scrutiny of the Service Book, the following defects were noticed.

1. Opening of the Service Book is not proper
2. Annual increment entry is not correct
3. Leave account not authenticated by AEE
4. Leave taken is not entered in the body of Service Book
5. Commuted leave, half pay leave, maternity leave, paternity leave and LWA were not deducted while calculating Earned Leave
6. Due to the non deduction of leave, irregular sanctioning of the earned leave surrender have been done in many cases.

Necessary action shall be taken to verify all service book and rectify the defect under intimation to audit.

  
Internal Auditor

  
For Accounts Member  
FM&CAO(i/c)