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KERALA WATER AUTHORITY

Jala Bhavan
Thiruvananthapuram-695 033
Kerala, India

Dated, 12.2019

No.KWA/HO/IA-10584/2019

From

The Accounts Member

To

The Project Co-ordinator,
JNNURM Project Circle,
Kerala Water Authority
Thiruvananthapuram.



Sir,

Sub:- KWA – Internal Audit of JNNURM Project Circle, Thiruvananthapuram
for the period from 01.04.2013 to 31.03.2019 – Report forwarding of -
Regarding

Ref:- 1. No.KWA/HO/IA-/TP/1360/2008 dated, 01.11.2019 of the Accounts
Member, KWA, Thiruvananthapuram
2. Para No. 4.5.3. of KPWA Code
3. Article 63(c) of the KFC Volume I

The report of Internal Audit conducted from 25.11.2019 to 10.12.2019 for the
period from 01.04.2013 to 31.03.2019 is forwarded herewith for further necessary
action. The para-wise replies to the audit remarks to be furnished within 4 weeks from
the date of receipt of the report.

Acc: Audit report – 1 No.

Yours faithfully,


For Accounts Member
FM&CAO(i/c)

Copy submitted to the Managing Director/Technical Member, CE(HRD&GL) Kerala
Water Authority for favour of information.

**AUDIT REPORT ON THE AUDIT OF RECORDS AND REGISTERS OF
THE JAWAHARLAL NEHRU NATIONAL URBAN RENEWAL MISSION
(JNNURM), PROJECT CIRCLE, THIRUVANANTHAPURAM FOR THE
PERIOD FROM 01.04.2013 TO 31.03.2019**

Part – I

A. INTRODUCTION

The Jawahar Lal Nehru National Urban Renewal Mission(JNNURM) is a mission that was launched in December 2005 by the Government of India under the Ministry of Urban Development to focus on the integrated development of basic services to the urban poor in selected cities and to enhance civil amenities and utilities to the urban poor.

The Project Circle of the mission in Thiruvananthapuram district was formed in 2007 for the implementation of water supply projects, construction of sewerage treatment plants etc. in Thiruvananthapuram Municipal Corporation and adjoining panchayaths. The Project Co-ordinator (Superintending Engineer) is the head of the institution. Two divisions viz. Water Supply Division and Sewerage Division headed by Executive Engineers are functioning under this Circle.

B. OFFICERS IN CHARGE

PROJECT CO-ORDINATOR

| No. | NAME | DESIGNATION | PERIOD | REMARKS |
|-----|----------------------|-----------------------|-----------------------------|----------------------|
| 1 | R .CHANDRABOSE | P C | 28/12/2012 to 2/09/2013 | |
| 2 | G. SUDEV | EXECUTIVE ENGINEER | 2/09/2013 to 21/10/2013 | FULL ADDL. CHARGE |
| 3 | G. SOMASEKHARAN NAIR | P C | 21/10/2013 to 30/11/2013 | |
| 4 | SARABINDHURANI. T.A | EXECUTIVE ENGINEER | 30/11/2013 to 09/12/2013 | FULL ADDL. CHARGE |

| | | | | |
|----|-------------------|---------------------|--------------------------|-------------------|
| 5 | J. PRASANNAKUMARI | TECHNICAL ASSISTANT | 09/12/2013 to 11/12/2013 | FULL ADDL. CHARGE |
| 6 | H. JALALUDEEN | P C | 11/12/2013 to 17/12/2015 | |
| 7 | NEENA MAJEED. E E | E E | 17/12/15 to 1/01/16 | FULL ADDL. CHARGE |
| 8 | V .K . AJAYAN | P C | 01/01/2016 to 08/01/2016 | |
| 9 | E. V RAJADOPALAN | P C | 14/01/2016 to 29/02/2016 | |
| 10 | K. AJAYAKUMAR | P C | 29/02/2016 to 01/03/2016 | |
| 11 | E. V RAJAGOPALAN | DCE PLANNING | 02/03/2016 to 13/02/2017 | FULL ADDL. CHARGE |
| 12 | JOHN KOSHY | EXECUTIVE ENGINEER | 14/02/2017 to 29/12/17 | FULL ADDL. CHARGE |
| 13 | K. AJAYAKUMAR | DCE(SR) | 30/12/17 to 12/01/2018 | FULL ADDL. CHARGE |
| 14 | NEENA MAJEED. C | EXECUTIVE ENGINEER | 12/01/2018 to 30/01/2018 | FULL ADDL. CHARGE |
| 15 | K .AJAYAKUMAR | DCE(SR) | 30/01/2018 to 21/02/2018 | |
| 16 | E. V. RAJAGOPALAN | DCE PLANNING | 21/02/2018 | |

DIVISIONAL ACCOUNTS OFFICER

| SL NO: | NAME | DESIGNATION | PERIOD | REMARKS |
|--------|-------------------|-----------------------|----------------------------|------------------------|
| 1 | C K AJITHA KUMARI | DA | 07/10/2011 to 30/01/2013 | |
| 2 | S AMBILI KUMAR | JUNIOR SUPERINTENDENT | 30/01/2013 to 02/05/2014 | FULL ADDITIONAL CHARGE |
| 3 | SUBHASHKUMAR S | DA | 02/05/2014 to 21/11/2017 | |
| 4 | B SANAL KUMAR | JUNIOR SUPERINTENDENT | 21/11/2017 to 10/12/2017 | FULL ADDITIONAL CHARGE |
| 5 | SASIKALA S | DA | 11/12/2017 to 31/01/2019 | |
| 6 | S R BIJU | DA | 31/01/2019 to 30/08/2019FN | FULL ADDITIONAL CHARGE |
| 7 | VINOD JACOB | DA | 30/08/2019 to till date. | |

JUNIOR SUPERINTENDENT

| SL NO: | NAME | DESIGNATION | PERIOD | REMARKS |
|--------|---------------|-------------|--------------------------|------------------------|
| 1 | S AMBILIKUMAR | J S | 18/08/2011 to 03/05/2014 | |
| 2 | B SANAL KUMAR | J S | 03/05/2014 to 21/11/2018 | |
| 3 | S SAJEEV | L D CLERK | 21/11/2018 to 18/12/2018 | FULL ADDITIONAL CHARGE |
| 4 | P MOHANAKUMAR | J S | 18/12/2018 to 24/12/2018 | |
| 5 | S SAJEEV | L D CLERK | 25/12/2018 to 02/02/2019 | FULL ADDITIONAL CHARGE |
| 6 | P MOHANAKUMAR | J S | 03/02/2019 to 30/06/2019 | |
| 7 | S SAJEEV | L D CLERK | 01/07/2019 to till date | |

EXECUTIVE ENGINEER

| SL NO: | NAME | DESIGNATION | PERIOD | REMARKS |
|--------|-----------------------|------------------------------|--------------------------|------------------------|
| 1 | G.SUDEV | Executive Engineer | 09/06/2008 to 21/10/2013 | |
| 2 | GRACE JOHN | Assistant Executive Engineer | 21/10/2013 to 06/12/2013 | |
| 3 | G.SUDEV | Executive Engineer | 06/12/2013 to 09/12/2013 | |
| 4 | GRACE JOHN | Assistant Executive Engineer | 09/12/2013 to 19/02/2014 | |
| 5 | G.SUDEV | Executive Engineer | 19/02/2014 to | |
| 6 | G.SUDEV | Executive Engineer | 20/04/2015 to 29/05/2015 | |
| 7 | GRACE JOHN | Assistant Executive Engineer | 30/05/2015 to | |
| 8 | SUDEV | Executive Engineer | 30/05/2015 | |
| 9 | GRACE JOHN | Assistant Executive Engineer | 06/07/2015 | |
| 10 | Smt NEENA MAJEED | Executive Engineer | 31/05/2018 | |
| 11 | VIPIN CHANDRAN P.R. | Assistant Executive Engineer | 31/05/2018 to 28/07/2018 | Full Additional charge |
| 12 | NARAYANAN NAMBOOTHIRI | Executive Engineer | 28/07/2018 to 05/10/2018 | |
| 13 | VIPIN CHANDRAN.P.R. | Assistant Executive Engineer | 05/10/2018 to 08/10/2018 | Full Additional charge |
| 14 | SHEEJA RANI.C.R. | Executive Engineer | 08/10/2018 to | |

| | | | | |
|----|------------------|--------------------|---|--|
| 15 | SUJITH KUMAR | Executive Engineer | 01/01/2019 01/01/2019 to 18/03/2019 | |
| 16 | SHEEJA RANI.C.R. | Executive Engineer | 18/03/2019 to till date | |

C. INTERNAL CONTROL MECHANISM

The Internal Control System in the Division is not satisfactory due to following reasons

1. Monthly accounts submitted only upto 10/2018
2. Maintenance of 9 bank accounts
3. Absence of Non Operative account
4. Retaining huge balance in Bank
5. Improper maintenance of Cash Book

Part – II

A. Nil

B.

1. Termination of Works

Name of works – JNNURM improvement to Water Supply Scheme to Thiruvananthapuram Municipal Corporation and adjoining Pt. - Strengthening Distribution net works – Supplying, Laying, Testing and Commissioning of PVC Pipe line for Powdikonam Zone package WP 8.

Agreement No.- 18/08.09 dated 24.09.2008

The above subject work was awarded to M/s.U.Ramakrishna Contractors (P) Ltd. 404. Veeru Castic Durga Nagar, Hyderabad – 82 with the accepted contract price of the equivalent of Rs. 5,33,47,728/- As per the Agreement condition, the Contractor shall complete the work on or before 15-09-2009. But the firm was failed to complete the work within the agreed time and several time of extension have been granted the firm for completing the work. Finally the work has been terminated vide order No.KWA/JNNURM-PIU/WS-52/Pack-VIII/08 Thiruvananthapuram dated 07-07-2014 of the project coordinator, JNNURM

Project, Thiruvananthapuram. In the order it was also ordered that the balance work as per the above contract will be rearranged at the risk and cost of the original contract.

Subsequently the work has been re arranged and agreement executed on 04-10-2018 by the contractor Sri.G.Suresh, Sunitha Bhavan, Avanavanchery, Attingal, Thiruvananthapuram at the quoted amount of Rs.4,74,00,000 /- with the time of completion of 12 months from 24-09-2018 ie the date of the issuance of work order and the contractor has been started the work during 12/2018 and 2 CC bills have been paid upto 6/2019. In this regard the following information shall be make available to audit.

1. On verification of the file, it is seen that an amount of Rs.53,34,772/- has been paid to M/s. Ramakrishna Contractors (P) Ltd. towards mobilization advance.
2. As per clause 48.3 of NIT, the advance payment shall be rejoined by deducting proportionate amounts from payments otherwise due to the contractor, following the schedule of completed percentages of the works on a payment basis and accordingly whether the mobilization advance has been adjusted, if so furnish the details.
3. Whether the final bill has been prepared if so the following details shall be furnished to Audit.
 1. Liability fixed due to pre clause the work
 2. Whether the cost of unused materials fully adjusted
 3. Details of unused materials returned to store
 4. Present status of the work
 5. Tentative date of commissioning of the Scheme

2. Slow Progress of Scheme

Sub:- KWA Improvements to Water Supply Thiruvananthapuram Municipal Corporation and adjoining Panchayaths- State plan 2017-18, supplying laying jointing testing and commissioning of PVC balance work for Thiruvallam zone(WP 10).

The subject work was awarded to the contractor Sri.D.Manoharan, TC.20/17351 Attukal Bhavan, Sasthri Nagar, Karamana P.O, Thiruvanthapuram with accepted PAC Rs:21300000/- which is 0.45% below the tendered PAC. vide No.KWA/JNNURM-PIU/WP10/2017 Dated:18/02/19 and he had executed the agreement on 06/03/2019. As per the agreement condition the work should be completed in all respects within 12 months from the date of work order. Meanwhile the amount Rs:3798501/- has been paid to the contractor towards advance payment on loan basis on 07/09/2019. Since 9 months have been elapsed after executing the agreement no work has been commenced so far and three months are remaining for the completion of the work as per agreement condition.

On scrutiny of the file it is seen that request is sent to FM & CAO for releasing the road restoration charge for Rs:13220911/- vide letter No.KWA/JNNURM/PIU/JS/Funds-11/2010 dated 27/05/2019. Till date neither fund received nor road cutting permission is received. This will affect the commissioning of the scheme in the targetted time and the residents of the local area will suffer. This must be avoid in future and the reason for delay in moving the road restoration charge will be reported to Audit.

3. Non completion of scheme

Name of work:- Improvements to water supply scheme to Thiruvananthapuram Municipal Corporation and adjoining Panchayaths- Strengthening Distribution network supplying ,laying, testing and commissioning of PVC pipeline for New Central Zone Package(WP2). Increase of stage payment for supply of pipes.

Agreement No:32/08-09 dated:03/03/2009

Name of Contractor M/S P.P Gogad Engineers and Contractors.

The work was awarded to M/S PP Gogad Engineers and Contractors on 03/03/2009. The time of completion of the work was 12 months, that is upto 15/02/2010. Though the contractor complete the supply of pipes in full quantity he couldn't complete laying works with in the original time of completion. The main reason for the non-completion of the works was the inability of KWA to make available for tar cutting permission from various authorities. As per the approved project report, the provision given for road restoration was only Rs:705 Lakh and subsequently the amount increased to Rs:4654 Lakh. Hence it is difficult for getting road cutting permission. The extension of time of completion was sanctioned several times upto 31/07/2014. Now final bill Rs:10482860/- paid to the contractor on 05/03/2019. In this regard the following information shall be furnished to audit.

1. Whether the objective of the scheme can be fulfilled.
2. Reason for not giving enough provision in the road restoration charges in the project report.
3. Whether any benefit achieved to the urban population by utilizing Rs:103174817/-
4. **Delay in completion of work**

Name of work:- Improvements to Water Supply Scheme, Thiruvananthapuram Municipal Corporation and adjoining Panchayaths - strengthening distribution network Powdikonam Zone (WP8).

Name of Contractor - Sri .G. Suresh

Agreement No: 12/2018-19 Dated:04/04/2018

As per order no KWA/CE(SR)/PHT/3084/2017 Dated:29/08/2018 of the Chief Engineer(SR), Thiruvananthapuram, the work was awarded to Sri.G.Suresh and Selection notice issued on 24/09/2018 and agreement executed on 04/10/2018

with the date of completion of work is 24/09/2019. The above work has not completed till now. On verification it is seen that the delay was occurred due to non obtaining the road cutting permission from PWD. Any effort is not such taken from the officials of Kerala Water Authority. This practice is highly irregular and it will be affect the commission of the scheme in the targeted time. Reason for non completion of the work shall be intimated to audit.

5. Retaining of huge amount under deposit head

On scrutiny of cheque memo register of various accounts it is noticed that huge amount of Rs:41072988/- retaining as balance as on 26/11/2019. The details are as shown below.

| | NAME OF BANK | ACCOUNT NO: | PURPOSE WHICH MAINTENANCE | BALANCE AS ON 26/11/2019 |
|----|---|-------------------------|---------------------------|--------------------------|
| 1. | PANJAB NATIONAL BANK MEDICAL COLLAGE , THIRUVANANTHAPURAM | A/C No:3624001800000028 | JNNURM WORKS | Rs:13190228/- |
| 2. | PANJAB NATIONAL BANK MEDICAL COLLAGE , THIRUVANANTHAPURAM | A/C No:3624001800000055 | DEPOSIT | Rs:8728150/- |
| 3 | STATE BANK OF INDIA , KOLLAM BRANCH | A/C No:32085629261 | PAYMENT RELATED TO ADB | Rs:19154610/- |
| | | | TOTAL | Rs:41072988/- |

As per circular No:0038/2012/DYAM/FIN/KWA Dated:25/10/2013 of the managing director 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 which ever in lower will be allotted to the field officer as imprest towards deposit work. Hence maximum amount that can be retained in a division is RS:25.00 Lakhs only. But in this Division retained an amount of Rs:41072988/-.This practice is violation of the

circular Dated:25/10/2013. The reason for the non adhering the circular shall be intimated to audit.

6. Maintenance of 9 Bank Accounts

On verification, it is seen that JNNURM Project circle office has maintained 9 Bank Accounts. It is also noticed that more than one account maintained for same purpose. The details are as shown below.

| SL NO | NAME OF BANK | TYPE OF ACCOUNT | PURPOSE FOR WHICH MAINTAINED | BALANCE AS ON 26/11/2019(as per cheque memo register) | LAST TRANSACTION DATE |
|-------|--|--------------------------------------|------------------------------|---|------------------------------|
| 1 | PANJAB NATIONAL BANK MEDICAL COLLEGE, THIRUVANANTHAPURAM | A/C No:3624001800000028 Savings Bank | JNNURM WORK | Rs:13190228 | 22/11/19 |
| 2 | PANJAB NATIONAL BANK MEDICAL COLLEGE, THIRUVANANTHAPURAM | A/C No:3624001800000046 Savings Bank | payment related to ADB | Rs:1498221 | 22/11/19 previous (18/12/15) |
| 3 | PANJAB NATIONAL BANK MEDICAL COLLEGE, THIRUVANANTHAPURAM | A/C No:3624001800000055 Savings Bank | Deposit | Rs:5637550/- | 03/10/18 |
| 4 | PANJAB NATIONAL BANK MEDICAL COLLEGE, THIRUVANANTHAPURAM | A/C No:362400C100000207 Savings Bank | JNNURM WORK | Rs:1072441/- | 06/09/19 |
| 5 | STATE BANK OF INDIA KOLLAM BRANCH, KOLLAM | A/C No:32085629261 Savings Bank | Payment related to ADB | Rs:19154610 | 09/10/18 |
| 6 | SYNDICATE BANK STATUE, THIRUVANANTHAPURAM | A/C No:40002010047971 Savings Bank | Payment related to ADB | Rs:37271/- | 10/12/15 |
| 7 | STATE BANK OF TRAVANCORE KOWDIAR, THIRUVANANTHAPURAM | A/C No:67049989114 Savings Bank | Salary | Rs:2916928/- | 23/11/19 |
| 8 | STATE BANK OF TRAVANCORE KOWDIAR, THIRUVANANTHAPURAM | A/C No:38125625045 Savings Bank | State plan and Deposit work | Rs:5025/- | 05/10/19 |
| 9 | STATE BANK OF INDIA KOWDIAR | A/C No:38041960733 Savings Bank | Tax | Rs:3029/- | No Cheque memo |
| | | | TOTAL | Rs:46605903/- | |

It reveals that the total cash balance of JNNURM Project circle Thiruvananthapuram as on 26/11/2019 is Rs:46605903/- . Out of 9 Account, three of them were maintained for ADB related work and two Account for JNNURM works. More over some of the Accounts are not been operated for more than a year. Hence necessary action shall be taken to close the Accounts which are not utilized and maintain one Account for one purpose.

7. Bank Reconciliation

On verification of Bank Statement and cash book as on 31/10/2019, it is seen that huge difference exists in the balance of various accounts (9 Nos). The details are as shown below.

| | BANK A/C NO: | BALANCE AS PER CASHBOOK as on 31/10/19 | BALANCE AS PER BANK STATEMENT as on 31/10/19 | DIFFERENCE |
|---|------------------|--|--|------------------|
| 1 | 67049989114 | Rs:2962960/- | Rs:4505727.50/- | Rs:1542767.50/- |
| 2 | 38125625045 | Rs:5025/- | Rs:307809.50/- | Rs:302784.50/- |
| 3 | 32085629261 | Rs:19154610/- | Rs:22186391/- | Rs:3031781/- |
| 4 | 3624001800000028 | Rs:13193440/- | Rs:21136486.46/- | Rs:7943046.46/- |
| 5 | 362400C100000207 | Rs:1072441/- | Rs:5862659.14/- | Rs:4790218.14/- |
| 6 | 3624001800000046 | Rs:1526757/- | Rs:5260297.14/- | Rs:3733540.14/- |
| 7 | 3624001800000055 | Rs:5637556/- | Rs:8846523.14 | Rs:3208967.14/- |
| 8 | 38041960733 | No Cheque Memo | Rs: 3029/- | Rs: 3029/- |
| 9 | 40002010047971 | Rs: 37271/- | Rs:196611.18/- | Rs:159340.18/- |
| | Total | Rs:43590060/- | Rs:68305534.06/- | Rs:24715474.06/- |

It reveals the lack of bank reconciliation of various accounts. As per accounts manual volume V Chapter III E (6&7) Bank reconciliation shall be done on a monthly basis. Such reconciliation shall be prepared in form CB25 by a person other than cashier/ person doing banking. Reconciliation in form CB25 and post reconciliation entries shall be verified by DA/ Superintendent. Hence urgent necessary action shall be taken to complete the up-to-date reconciliation of all accounts and intimated to audit.

8. Irregular Bank charges

On verification of bank statement of Account No:3624001800000028, it is seen that the following amounts are debited as bank charges . The details are as shown below.

04/04/2009 = 825/-
13/07/2009 = 50/-
10/10/2009 = 825/-
06/11/2009 = 55/-
17/11/2009 = 55/-
01/12/2009 = 55/-
05/01/2010 = 825/-
15/03/2010 = 55/-
17/03/2010 = 55/-
05/04/2010 = 825/-
13/04/2010 = 55/-

Even though KWA is an autonomous body the services is purely bonafied for public interest and hence the KWA is bound to get all concession just like government departments.

Urgent necessary action shall be taken to identify the total debited amount up to 10/2019 (that is for 8 bank accounts) and re credited the same. Action shall also be taken to avoid such debiting in future.

9. Non maintenance of non operative account

As per KWA Account manual the collection other than revenue from CB2 receipt should be recorded in the receipts and payments scroll in the Form CB6. This collection is transferred to Head office through Non operative account. The JNNURM office has not maintained Non-operative account. On verification it is seen that the amount collected through CB2 receipts is remitted into three various operative accounts. This practice is highly irregular and against the cod provision. Urgent necessary action shall be taken to quantify the amount collection through CB2 upto 30/11/19 to transfer the collection amount to Head office through Non-

operative account. This practice is highly irregular and against the code provision.

10. Non maintenance of Trial Balance Register

As per KWA manual and circular it is specified that all ARU'S should maintain Trial balance register, Ledger and Journal Register for strengthening of the KWA accounting system. The JNNURM project circle Thiruvananthapuram has not been maintain the above mentioned registers. The reason for the non maintenance of the register should be intimate to audit.

11. Discrepancies noticed in the Cash Book

On scrutiny of the cash book from 4/2008 to 3/2019, the following omissions/defects were noticed.

1. Verification of the cash book by a person other than the writer is not seen from 1/16 to 2/16, 8/16 to 7/17 etc.
2. Monthly abstract of cash book is not written from 2/10 to 5/11,10/11 to 2/12, 3/12 to 9/13,4/15 to 12/15 ,3/18 to 3/19
3. Cash balance certificate is not written from 5/14 to 3/15, 8/17 to 2/18.
4. No authentication of head of office is not seen from 8/16 to 7/17, 8/17 to 2/18 etc.
5. Leaving of pages of cash book blank without cancellation and attestation.
6. Cash book was written only up to 31/10/19
7. Overwriting is seen on many pages Cashbook was written with pencil on many pages(closing balance)

Urgent necessary action shall be taken to rectify these defects under intimation to audit.

12. Debit balance in head of account 9219

On verification of trial balance form 03/2015 to 03/2019, it is seen that the following amounts are exist as debit balance in head of account 9219. The details are as shown below.

3/15:49236
3/16:49236
3/17:49236
3/18:270970
3/19:19289339

It reveals that the journal entry has not been done during the preparation of trial balance. Urgent necessary action shall be taken to rectify these defects under intimation to audit.

13. Huge Debit balance in various head

On verification of trial balance from 3/15 to 3/19, it is noticed that the following amounts are exist as debit balance in head of account 1532 and 1659. It reveals the non settlement of Imprest and temporary advance.

| CODE NO: | YEAR | AMOUNT | CODE NO: | YEAR | AMOUNT |
|----------|-------|------------|----------|-------|-------------|
| 1532 | 03/15 | Rs:44015/- | 1659 | 03/15 | Rs:87198/- |
| 1532 | 03/16 | Rs:59015/- | 1659 | 03/16 | Rs:158691/- |
| 1532 | 03/17 | Rs:67015/- | 1659 | 03/17 | Rs:273261/- |
| 1532 | 03/18 | Rs:25015/- | 1659 | 03/18 | Rs:397761/- |
| | | | 1659 | 03/19 | Rs:299691/- |

As per GO (P) 419/11/Fin: dt: 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 three months. In case of default, interest at the rate of 18% per annum will be charged on the unutilized portion of the advance from the date of drawal to the date of

refund of advance. In case where the adjustment bill not submitted within the prescribed time limit, the entire amount of advance may be recovered in lump on the expiry of each time limit. Interest at the rate of 18% will be charged in the entire amount of the advance from the date of drawal to the date of recovery. Hence the reason for the non settlement of temporary advance and Imprest shall be intimated to audit.

14. Non remittance of statutory recoveries

On verification of monthly abstract from 01/2015 to 07/2019 , it is seen that there is difference in the collection and remittance of statutory recoveries such as Income tax ,sales tax and KCWWF . The details are as shown below.

| Code | Receipt 01/2015 | Payment 01/2015 | Receipt 02/2015 | Payment 02/2015 | Receipt 03/2015 | Payment 03/2015 | Receipt 04/2015 | Payment 04/2015 |
|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2835 | 449209 | 611015 | 453159 | 288611 | 980153 | 374201 | 1359526 | 849628 |
| 2841 | 174463 | 269445 | 93434 | 194399 | 272130 | 467027 | 695499 | 248682 |
| 2843 | 79800 | 79800 | 123800 | 123800 | 396024 | 396024 | 77300 | 77000 |
| 2895 | 105694 | 152002 | 115244 | 72733 | 220403 | 174930 | 303656 | 193678 |

| Code | Receipt 05/2015 | Payment 05/2015 | Receipt 06/2015 | Payment 06/2015 | Receipt 07/2015 | Payment 07/2015 | Receipt 08/2015 | Payment 08/2015 |
|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2835 | 891805 | 2251331 | 332029 | | 1173993 | 595346 | 241177 | 719302 |
| 2841 | 338965 | 1033417 | 84949 | 763 | 220199 | 109732 | 317382 | 445951 |
| 2843 | 84600 | 79900 | 84600 | 89600 | 80600 | 80600 | 148200 | 75600 |
| 2895 | 179871 | 483047 | 84949 | 763 | 145829 | 131340 | 59541 | 107890 |

| Code | Receipt 09/2015 | Payment 09/2015 | Receipt 10/2015 | Payment 10/2015 | Receipt 11/2015 | Payment 11/2015 | Receipt 12/2015 | Payment 12/2015 |
|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2835 | 128897 | 283436 | 478141 | 143376 | 1240137 | 1393900 | 1808545 | 1492893 |
| 2841 | 53459 | 334286 | 189619 | 57181 | 429378 | 524818 | 537379 | 413517 |
| 2843 | | 72600 | 78800 | 76800 | 73800 | 75800 | 76400 | 76400 |
| 2895 | 27679 | 67992 | 96796 | 31256 | 260427 | 279178 | 384445 | 309661 |

| Code | Receipt 01/2016 | Payment 01/2016 | Receipt 02/2016 | Payment 02/2016 | Receipt 03/2016 | Payment 03/2016 | Receipt 04/2016 | Payment 04/2016 |
|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2835 | 183868 | 481545 | 273482 | 328801 | | | 95366 | 63818 |
| 2841 | 51117 | 181338 | 102445 | 110374 | | | 39555 | |

| | | | | | | | | |
|------|-------|-------|--------|--------|--|--|-------|-------|
| 2843 | 71100 | 66100 | 100425 | 100425 | | | 42700 | 42700 |
| 2895 | 38433 | | 60695 | 197940 | | | 20482 | |

| Code | Receipt 05/2016 | Payment 05/2016 | Receipt 06/2016 | Payment 06/2016 | Receipt 07/2016 | Payment 07/2016 | Receipt 08/2016 | Payment 08/2016 |
|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2835 | 2741595 | 2371918 | 47681 | 672140 | 170775 | | 1371844 | |
| 2841 | 995594 | 911534 | 19577 | 224264 | 69031 | 1366 | 526529 | |
| 2843 | 42000 | 46700 | 42800 | 42500 | 45300 | 45300 | 45300 | 45300 |
| 2895 | 566082 | 493502 | 10041 | 150127 | 37458 | 1352 | 276249 | |

| Code | Receipt 09/2016 | Payment 09/2016 | Receipt 10/2016 | Payment 10/2016 |
|------|--------------------|--------------------|--------------------|--------------------|
| 2835 | 1205500 | 2748119 | 834640 | 657935 |
| 2841 | 448902 | 1043489 | 312235 | 240427 |
| 2843 | 40800 | | 45300 | 45300 |
| 2895 | 241802 | 548990 | 168307 | 131840 |

| Code | Receipt 11/2016 | Payment 11/2016 | Receipt 12/2016 | Payment 12/2016 | Receipt 01/2017 | Payment 01/2017 | Receipt 02/2017 | Payment 02/2017 |
|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2835 | 229689 | | 98367 | | 55902 | | 180537 | |
| 2841 | 910 | | 40205 | | 14854 | | 73126 | |
| 2843 | 51800 | 92600 | 61300 | 61300 | 74820 | 74820 | 70820 | 70820 |
| 2895 | 46848 | | 20371 | | 14854 | | 37018 | |

| Code | Receipt 03/2017 | Payment 03/2017 | Receipt 04/2017 | Payment 04/2017 | Receipt 05/2017 | Payment 05/2017 | Receipt 06/2017 | Payment 06/2017 |
|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2835 | | 646333 | 185120 | | 3080661 | 1573957 | 104437 | 1593457 |
| 2841 | 1225 | 164673 | 63274 | | 1122185 | 601156 | 41683 | 584303 |
| 2843 | 228279 | 145479 | 70000 | 152800 | 70000 | 70000 | 70000 | 70000 |
| 2895 | 1225 | 137078 | 42160 | | 627242 | 434573 | 22011 | 325429 |

| Code | Receipt 07/2017 | Payment 07/2017 | Receipt 08/2017 | Payment 08/2017 | Receipt 09/2017 | Payment 09/2017 | Receipt 10/2017 | Payment 10/2017 |
|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2835 | 3408 | 104437 | 98366 | 3408 | | 98366 | | |
| 2841 | 1395 | 41683 | 40627 | 1395 | 864 | 40627 | 975 | |
| 2843 | 67000 | 67000 | 132500 | 62000 | | 70500 | 70500 | 70500 |
| 2895 | 1395 | 21791 | 20955 | 1381 | 864 | 20745 | 975 | |

| Code | Receipt 11/2017 | Payment 11/2017 | Receipt 12/2017 | Payment 12/2017 | Receipt 01/2018 | Payment 01/2018 | Receipt 02/2018 | Payment 02/2018 |
|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2835 | 49183 | | | 49183 | | | 55495 | |
| 2841 | 79855 | 1603 | 503 | 79044 | 511 | | 197900 | 271400 |
| 2843 | 71100 | 71100 | 66500 | 66500 | 73500 | | 28255 | |
| 2895 | 40509 | | 503 | 39301 | 511 | | | |

| Code | Receipt 03/2018 | Payment 03/2018 | Receipt 04/2018 | Payment 04/2018 | Receipt 05/2018 | Payment 05/2018 | Receipt 06/2018 | Payment 06/2018 |
|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2835 | | | | | 749 | | 4773 | 55586 |
| 2841 | 1377 | 58070 | 55184 | | | 73500 | 70500 | 60500 |
| 2843 | 337265 | 337265 | 70500 | 70500 | 73500 | 73500 | 4773 | 28063 |
| 2895 | 1377 | 32173 | 27944 | | 749 | | | |

| Code | Receipt 07/2018 | Payment 07/2018 | Receipt 08/2018 | Payment 08/2018 | Receipt 09/2018 | Payment 09/2018 | Receipt 10/2018 | Payment 10/2018 |
|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2835 | | | | | | | 289455 | 215641 |
| 2841 | 84870 | | 15535 | | 856889 | | 252746 | 1020889 |
| 2843 | 159500 | 69000 | 104000 | | 6000 | 210000 | 147203 | 137203 |
| 2895 | 41603 | | 752 | | 480961 | | 152044 | 578228 |

| Code | Receipt 11/2018 | Payment 11/2018 | Receipt 12/2018 | Payment 12/2018 | Receipt 01/2019 | Payment 01/2019 | Receipt 02/2019 | Payment 02/2019 |
|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2835 | | 127692 | 102071 | | 79876 | 181947 | | |
| 2841 | 748 | 194359 | 68743 | | 42299 | 111042 | 615 | |
| 2843 | 64000 | 74000 | 64000 | 57000 | 52000 | 59000 | 35000 | 35000 |
| 2895 | 748 | 95534 | 51754 | | 40571 | 91402 | 615 | |

| Code | Receipt 03/2019 | Payment 03/2019 | Receipt 04/2019 | Payment 04/2019 | Receipt 05/2019 | Payment 05/2019 | Receipt 06/2019 | Payment 06/2019 |
|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2835 | 570123 | 524143 | 289476 | | 31579 | 289476 | 566338 | 364416 |
| 2841 | 261194 | 210272 | 145320 | | 13302 | 144738 | 463081 | 262017 |
| 2843 | 88700 | 88700 | 51500 | 51500 | 55079 | 55079 | 48500 | 48500 |
| 2895 | 128427 | 104390 | 145320 | | 6986 | 143291 | 283881 | 181940 |

| CODE | RECEIPT 07/2019 | PAYMENT 07/2019 |
|------|--------------------|--------------------|
| 2835 | 98288 | |
| 2841 | 9906 | |
| 2843 | 48500 | 48500 |
| 2895 | 49918 | 39748 |

It reveals the non remittance of statutory recoveries regularly. As per rule Income tax should be remitted on or before 7th working day of next month. The sales tax and KCWWF should also be remitted in the next month itself. Reason for the non remittance shall be intimated to audit. Urgent necessary action shall be taken to avoid delay and non remittance in future.

15. Non releasing of establishment charges

As per paragraph 06.02.17 of MOU between Thiruvananthapuram Corporation, KWA, LSGD and Water Resource Department, Corporation has to provide establishment expenses to KWA, as KWA is the principal agency providing technical services to the Corporation to implement the water supply/sewerage scheme. On verification of the file it is seen that correspondence to Thiruvananthapuram corporation has done only up to 12/2014.i.e An amount of 1649.47Lakh incurred as establishment expenses up to 31/10/14 and the same has submitted to Secretary. TMC on 12/2014 and informed to MD KWA, No action is seen taken to collect the balance amount from 01/11/2014 onwards.

Hence necessary action shall be taken to collect the establishment charges upto 18-19 and intimated to audit.

16. Non remittance of interest credited by Bank

On verification of Bank statement and cash book, it is revealed that the amount credited by Bank towards interest for the period up to March 2019 against various Accounts of this office is not seen accounted in cash book. As per the existing norms any amount collected towards interest from bank by account rendering units shall be credited into Non operative account. This practice is not done by the JNNURM project circle. This is due to the Non reconciliation of bank accounts. The amount collected as interest shall be remitted into Non operative account and intimated to audit.

17. Non remittance of 1% KCWWF collected as Income as KWA

As per Kerala Water Authority manual one percentage from each bill of the contractor shall be recovered towards Kerala Construction Workers Welfare Fund and the amount collected shall be remitted to the Welfare Board. Out of the collected amount one percent should be retained in Kerala Water Authority towards collection charges. But this practice was not done by the JNNURM

project circle Thiruvananthapuram. One percentage of KCWWF collected shall be remitted into Non operative account and intimated to audit.

18. Non crediting of time barred security deposits

As per paragraph 15:4:1 of Kerala public works account 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 receipt relieved as security deposit from contractors were not seen credited into non operative account. Which is highly objectionable. Such type of lapsed deposit shall be listed out and the same may be credited into non operative account with intimation to audit.

19. Improper maintenance of Bank Guarantee register and security deposit Register

On verification it is noticed that the Bank Guarantee and Security Deposit are maintained in one Register. More over the register is not maintained in proper form. As per accounts manual chapter VI ,the security deposit register should be maintained in Form FA5 and that of Bank Guarantee register in Form FA6.

Necessary action shall be taken to maintain separate registers and intimate audit.

20. Non renewal of Bank Guarantee

On scrutiny it is noticed that 12 Bank Guarantees in favour of M/S. Ramakrishna Contractor (p) Ltd amounting Rs:24456361/-are not encashed till date. This is due to the existing stay order of Honourable High Court of Kerala. It is also stated that all the 12 Bank Guarantees are not renewed further and expired by September14.

Two Bank Guarentees in favour of M/S Abhiram Infra Project pvt Ltd, amounting Rs:46981770/- are not encashed till date. The validity of Bank Guarantee is 30/06/2019.

Urgent action shall be taken to vacate the stay and get favourable orders from the Honourable High Court to invoke the Bank Guarantee. Urgent action shall also be taken to encash the Bank Guarantee in favour of M/S. Abhiram Infra Projects pvt Ltd.

21. Non recovery of GIS/SLI

As per Rule 22A Part1 KSR and GO(P)No: 556/08/Fin: Dated 16/02/2008, all new entrants in Government Service shall subscribe to SLI policy within one month of joining duty. GIS was extended to the employees of public Sector undertakings and Semi Government bodies as per GO(P)No: 26/04/Fin: Dated 12/01/2004. On verification of salary bill for 2018-19 and 2019-20, it is observed that premium towards SLI and GIS is not recovered from the salary of the following staff.

| SL NO: | NAME AND DESIGNATION | SLI | GIS |
|--------|--|-----|-----|
| 1 | Sheeja Rani C R [EE] | | |
| 2 | Grace John [AEE] | | |
| 3 | Vipin Chandran P R [AEE] | 600 | |
| 4 | Roy George [AEE] | | |
| 5 | Shiras S L [AE] | 500 | |
| 6 | Joseph Arogyaraj V [AE] | | |
| 7 | Santhosh S T [AE] | 500 | |
| 8 | P. Mohanakumar [JS] | | |
| 9 | Sajeev [LDC] | 500 | |
| 10 | Janardhanan Nair S [D'man Grade1] | | |
| 11 | Sajeev P M [D'man Grade1] | 300 | |
| 12 | Poulose P K [D'man Grade1] | | |
| 13 | Subramanya Pillai[D'man Grade1] | | |
| 14 | Jothy S [overseer GradeIII] | 300 | |
| 15 | Sharmeela F [overseer GradeIII] | 300 | |
| 16 | Nisha A [overseer GradeIII] | 300 | |
| 17 | Deepthi Mol I K [overseer GradeIII] | 300 | |
| 18 | Sheeba R S [overseer GradeIII] | 300 | |

| | | | |
|----|---------------------------------|-----|--|
| 19 | Reenadas C S [Office Attendant] | 300 | |
| 20 | Sheeba Senam C [D'man Grade1] | | |

Reason for non-recovery towards SLI/GIS in respect of the above officers shall be intimated to audit urgent action may be taken for admission of the above employees to GIS and SLI and intimated to audit.

22. Irregular disbursement of special allowance for cash handling

Special allowance for handling Cash was introduced by Government considering the risk involved in handling of cash drawn from treasuries (Bank in the case of KWA) in bulk, mainly for payment of salaries. But due to the introduction of electronic methods of transaction, cash transaction has undergone drastic changes and now almost all Salary payments and other claims including contingent claims are transferred electronically to Bank Account of employees and other beneficiaries. Thus officers are not dealing with physical cash. Government, as per GO (P) No: 125/2017/81/Fin: Dated: 23/09/2017 discontinued with effect from 01/04/2017, the special allowance allowed to various categories of employees.

On verification of pay Bill registers it is seen that the above allowance is disbursed to Sri Sanalkumar J S.

Sri. Sanalkumar J S @ Rs:500/- p.m from 6/2014 onwards till his incumbency in this office and @ Rs:350/- p.m from his date of joining in this office to 5/14.

It may be ascertained whether the Sanalkumar J S had actually dealt with physical cash during the above period. If not, the erroneous payment made shall be recovered and intimated to audit.

23. Irregular extension and Abnormal increase for hired vehicles

On verification of file, it is noticed that the tender was invited for hiring of vehicle for use in JNNURM dated: 23/10/2013 and was awarded to Mrs:Sridevi for vehicle registration No:KL01BB472 at a negotiated rate of Rs:13.75/- per K.M per month for a period 1 year. The contract was further extended six times upto

10/11/18 as per request of the contractor that she is willing to continue the contract at the agreed rate and other terms and conditions. Letter dated:05/10/18,the contractor requested to enhance the rate or to relieve her from the contract considering this request the rate enhanced to Rs:19.75/- vide proceedings No:KWA/JNNURM/PIU/DB2- 28/2013 dt04/04/19 of Project Coordinator. This contract was continued up to 09/08/2019 till new contract was awarded to Sri. Pratheep.B at the rate Rs:18.90/- per K.M. Reason for the irregular extension and allowing abnormal rate increase to the contract shall be intimate to audit.

24. Non entry of LWA in concerned page of Service book

Sri Shiras S.L, AE has availed LWA for 5 years with effect from 24//08/2003 and the leave extended for further 5 years from 24/08/2008 for better employment in abroad. He has rejoined duty on 19/01/2013 FN after cancellation of unavailed portion of LWA sanctioned to him. But the same is not entered in the appropriate page of the SB. This shall be entered in LWA column of the service book and intimate to audit.

25. Recasting of Earned Leave

As per GO(P) No:75/07/Fin : dated: 27/02/2017 the leave earned by an employee @ 1/22 for the period spend on duty can be recasted at 1/11 for the period spend on duty, on completion of 3 years service. But in the cases of the following employees, Earned Leave is not seen recasted.

1. Sri. Santhosh. S T. Assistant Engineer
2. Sri. Shiras. S L . Assistant Engineer
3. Smt. Deepthi mol. I K. IIIrd grade Overseer.
4. Smt. Nisha. A IIIrd grade Overseer

Action may be taken to recast the Earned Leave of the above employees in view of government order cited and intimated to audit.

26. Erroneous sanctioning of increment.

Sri. Poulouse .P.K Ist Grade D'man

The incumbent has entered in service as on 06/04/1996 FN as IIIrd grade Overseer and his probation has been declared with effect from 06/04/1998 FN. His second increment can be sanctioned only after the declaration of the satisfactory completion of probation that is 06/04/1998. But the increment irregularly sanctioned with effect from 01/04/1998. Hence the excess salary drawn by the employee shall be recovered from the salary and report to audit.

27. Leave Account

1. Sri. Poulouse .P.K Ist Grade D'man

He has availed Commuted Leave for 47 days from 13/01/03 to 28/02/03 and entered in page No.19 of the SB. But in page No.123 of leave column it is calculated as half pay leave. Hence the details of actual leave availed shall be report to audit. He has availed total 337 days of half pay leave and commuted leave. While calculating the Earned Leave 307 days of leave only deducted. Accordingly Earned Leave account shall be recalculated and excess if any will be recovered.

2. Sajeev. S. LDC

During the period from 12/05/2011 to 30/12/14 the incumbent has availed 89 days of commuted leave. While calculating the Earned Leave surrender only 53 days of Commuted Leave deducted.

3. Sri. Subramanian Pillai. IIIrd Grade D'man

He has availed 159 days of Commuted Leave. While calculating the Earned Leave surrender 124 days of Commuted Leave only deducted. Re calculate the earned leave account of the above incumbents and intimated to audit.

28. Increment control register

On verification of the Increment Control Register following omissions are noted.

1. Smt.Sheeba Senan.C, 1st grade D'man

The annual increment of the incumbent was fall due on 08/19 and sanctioned but on verification of the pay bill register of the same month it is entered as Rs:40800/- instead of Rs:41800/- with the remarks as increment. From this it is seen that the enhanced basic pay has not been paid to the employee. The reason for the non disbursement of the enhanced rate of basic pay, shall be intimated to audit.

29. Stamp account register

On verification it is seen that Stamp account register is not maintained properly. The register is not closed on a daily basis. Hence the amount of Stamp issued on a particular date in the Stamp account register do not agree with the value of Stamp as per the despatch register on that date. The above defects shall be rectified and intimated to audit.

30. Delay in submission of monthly accounts

As per Para 22.4.15 of KPWA Code the monthly accounts is due to reach the Accountant Generals office by Such date between 7th and 10th of the month. But the JNNURM PH Circle has submitted the accounts upto 10/2018 only. This practice is highly irregular. Delay in submission will be affect the closing of the finalization of accounts in the head office level. The delay must be avoided in future and the reason for the delay in submission of the monthly accounts shall be intimated to audit.

31. Improper payments towards HR

On verification it is seen that monthly accounts of 04/18 it is seen that an account of Rs:20,000/- paid towards HR wages as cash. Further verification of cash book

it is noticed that this amount is paid as settlement of temporary advance taken by Ajith Kumar.J. AE. HR wages are paid through March software from head office. More over the voucher wise details of settlement are not recorded in cash book. Settlement from CB12 is not seen attached along with the vouchers.[for example ; Santhosh S J temporary advance Rs:29070/-,Santhosh .S.J Imprest 5000 ,5000 & 5000, Shiras.M temporary advance Rs:71413/- ,Shiras imprest 5000]. Reason for the payment towards HR wages from temporary advance shall be intimated to audit. Urgent action shall be taken to rectify the defects in cash book and account.

32. Non remittance of centage charges

On verification of trial balance it is noticed that Rs:1054968/- is remitted in favour of FM&CAO, as centage charge as on 31/03/2015 . No centage charge is seen collected or remitted to FM and CAO from 04/15 to 03/2019 .Reason for the non collection of centage charge from 04/2015 to 03/2019 shall be intimated to audit.

33. Deposit Works register

On verification, it is seen that JNNRUM PIU has not maintained the Deposit Work Register. The JNNURM project has received huge amount of funds from corporation and other various agencies for implementing schemes for urban population. Proper implementation of scheme utilization of fund received, balance of fund utilized etc can not be identified due to the non maintenance of Deposit Work Register. Urgent action shall be taken to maintain the Deposit work Register under information to audit.


Internal Auditor


For Accounts Member
FM&CAO(i/c)
10/1/20