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KERALA WATER AUTHORITY

Jala Bhavan
Thiruvananthapuram-695 033
Kerala, India
Dated, 24.06.2019

No.KWA/HO/IA/4204/2019

From
The Accounts Member

To
The Executive Engineer,
Public Health Division South,
Observatory Hills,
Vellayambalam, Thiruvananthapuram.

Sir,

Sub:- KWA – Internal audit of PH Division South, Thiruvananthapuram for the transaction period from 01.03.2016 to 31.03.2018 – Report forwarding of - Regarding

Ref:- 1. No.KWA/HO/IA-TW/1369/2008 dated, 12.04.2019 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 Audit report of Internal Audit conducted from 24.04.2019 to 10.05.2019 for the period from 01.03.2016 to 31.03.2018 is forwarded herewith for further necessary action. The replies to the audit remarks to be furnished within 4 weeks from the date of receipt of the report.

Yours faithfully,


For Accounts Member
FM&CAO(i/c)

Copy to the Secretary, PA to MD, TMI

AUDIT REPORT ON THE AUDIT OF RECORDS AND REGISTERS
OF PUBLIC HEALTH DIVISION(SOUTH),
KERALA WATER AUTHORITY, THIRUVANANTHAPURAM

Part – I

A. INTRODUCTION

The PH Division(South), Thiruvananthapuram is newly formed Division. Formation of this division was on 1st March 2016. There are three sub divisions under this division viz. Water Works East Sub Division, PTP Nagar, WW South Sub Division, Kuriyathy and H.Q. Sub division, Jala Bhavan Campus. The audit conducted during the period from 24.04.2019 to 10.05.2019 covering the period from 01.03.2016 to 31.03.2018

B. OFFICERS IN CHARGE

Incumbency details of Executive Engineer, Divisional Accounts Officer and Technical Assistant for the period from 01.03.2016 to till date

Executive Engineer

1. Smt. Anitha Puthiya Purayil : 01.03.2016 to till the date

Divisional Accounts Officer

1. Sri.K.V.Muraleedharan Nair : 18.08.2017 to 31.01.2018
2. Sri.P.V.Selvaraj(Full Additional Charge) : 01.02.2018 to 20.05.2018
3. Sri.B.Justus : 21.05.2018 to till the date

Technical Assistant

1. Sri.Sooraj Sukumar : 01.03.2016 to 26.09.2018
2. Sri.Amrutharaj.B.J : 27.09.2018 to 21.10.2018
3. Smt.Shabida.J : 22.10.2018 to till the date

C. INTERNAL CONTROL MECHANISM

The Internal control system in the Division is not satisfactory due to following reasons.

1. No internal audit of the sub divisions has been conducted by the Divisional Accounts Officer from the date of its inception
2. Earnest effort is required to be mobilized for the collection of revenue
3. Sanctioning of a post of Revenue Officer is needed for monitoring the revenue collection
4. Non-Operative control register and cheque remittance register were not maintained by Sub Divisions
5. Daily inspection and verification of revenue collection centres by concerned officers have not been done.

I PH DIVISION SOUTH, THIRUVANANTHAPURAM

1. Discrepancies noticed in the Cash Book

On scrutiny of the cashbook and connected records the following defects were noticed.

- a) Monthly closing of the cashbook have not been done.
- b) Authentication of writing person and head of office have not been done
- c) Certificate for physical verification of cash balance have not been recorded.
- d) Entries have not been checked by higher officers ie; by person other than who has written the cashbook.
- e) Monthly abstract of the cash book have not been recorded under proper authentication by the head of office from 1.3.2016 onwards.

2. Reconciliation

On verification of reconciliation statement of various A/c as on 31.03.2019, it is seen that there is huge difference exist between the bank statement and cash book balance. The details are as shown below.

A/c No.	Balance as per bank statement	Balance as per cash book	Difference
67356084445	3740201	577348	3162853
67290755382	1583514	1351687	231827
67357291097	7850385	4174421	3675964
67357424891	7625737	1667118	5958619

Urgent action is needed to rectify the differences in list "A" "C" & D and necessary entries should be made in the cash book, so that the balance in bank and cash book tallies each other and make necessary corrections in trial balance accordingly.

3. Non Remittance of interest credited by Bank

On verification of Bank scroll, it is revealed that an amount of Rs.1443990/- have been credited by bank towards interest during the period from 4/2016 to 31.3.2019 against the 67356084445,67290755382 and 67357291097. The details of interest received is as shown below.

A/c No.	Month	Amount
67356084445	4/16	20656
	7/16	49553
	10/16	120572
	12/16	105541
	3/17	162861
	12/17	243395
	12/18	51849
	3/19	54414
		808846
67290755382	10/16	18803
	9/18	17446
	12/18	41894
	3/19	26467
		104610
67357291097	4/16	1096
	7/16	25012

10/16	15201
12/16	19807
3/17	36586
9/17	45672
3/18	68409
9/18	95299
12/18	133419
3/19	90038
	530539

As per the existing norms any amount collected by ARU's shall be credited in to Non Operative Account. This practice is not done by the PH. Division (S). This is the violation of Rules. Hence this amount should be remitted in to Non Operative Account and intimate to Audit.

4. Retaining of huge amount under Deposit Head

On scrutiny of cheque memo register A/c No.67357291097 of Deposit A/c it is revealed that an amount of Rs. 1,13,75,948 is retained in the Division. As per circular No.0038/2012/Dy.AM/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&CAO, KWA, Account No.3340868329 with State Bank of India, Althara Junction Branch, Vellayambalam. In this circular it was also mentioned that the total funds deposit works of a particular division or an amount of Rs.25 lakhs whichever is lower will be allotted to the Field officer as an imprest towards Deposit works. Hence maximum amount that can be retained in a division is Rs.25.00 lakhs only. But the Division has retained an amount of Rs.11375948/-. This practice is violation of the circular dated. 25.12.2013. The reason for non adhering the circular dated. 25.2.2013 shall be intimated to Audit.

5. Recasting of Earned Leave

Smt.Sunitha George has been advised by the KPSC and appointed as 3rd Grade Overseer vide order No.KWA/JB/E2(B)/16061/2013 dated. 28.09.13 of Deputy CE(GL),KWA,HO,Tvpm and she joined duty on the FN of 1.10.2013.

On scrutiny of the earned leave account it is seen that the Earned leave for the first year is recasted at the rate of 1/11. As per G.O(P)No.75/2017 dated.

27.2.2007, it is specified that those who have completed 3 years of service will become eligible for earned leave at the rate 1/11 for the period spent on duty for the 1st year of service as admissible to a permanent employee.

Smt.Sunitha George ,3rd Grade Overseer completed the three years of service only on 30.9.2016. The earned leave recasted before completing three years of service is violation of the Government Order dated .27.2.2007.Hence the earned leave recalculated and credited should be cancelled. The incumbent has been availed 11 days CML w.e.f.6.11.2017 to 16.11.2017. While calculating the earned leave during the period from 1.3.2017 to 28.2.2018, the 11 day CML was not deducted. Hence the earned leave for the above period shall be recalculated and intimated to Audit.

6. Trial Balance Register

As per KWA Manual and circular all ARU's should maintain Trial balance Register, Ledger, and Journal register. But the Division has not maintained the same. Urgent action taken to maintain the trail balance register and shall be intimate to audit.

7. Deduction of Commuted leave

Smt. Rani.D.D, Selection Grade Typist has availed 2 days commuted leave on 2.9.14 and 11.9.2014. While calculating the earned leave during the period 1.4.2015 to 31.3.2015 4 days leave is seen deducted. This is irregular and hence the earned leave shall be recalculated and intimated to audit.

8. Centage Charges

On scrutiny of the file No.PHDN(T)/DB3/1536/12-13 it is seen that an amount of Rs.10111802/- is expended for the works of 'Deposit works of Coastal Area Development Society laying 110mm ,90mm,and 75 mm PVC rider main Lana road, Fathima church road, Lisi road and Sanghumugham cargo line" Rs.12,13,416/- was to be remitted to the Non-Operative account towards centage charges. The reason for the non remittance of centage charges shall be intimated to audit.

9. Undue delay in completing the work

Name of Work:- Deposit works of Coastal Area Development Society laying 110mm ,90mm,and 75 mm PVC rider main Lana road, Fathima church road, Lisi road Paripally road, Sulaiman street and Kuzhy road in Sanmugham road
(Agt.No.6/2014-2015)

This work was awarded to Sri.C.Philip, contractor at 21% below at estimate rate and the PAC amount of this works is Rs.9768970/- .As per the Agreement condition the work should have been completed in all respects with in 9 months from the date of selection notice and the selection notice was issued on 30.4.2014 and thus the work was to be completed on or before 31.1.2015 .But the contractor completed the work only on 20.7.2018 and thus 3 year 9 months and 31 days delay was occurred. CC 1st and part bill amounting to Rs.2023493/- was paid by the Exe.Engineer, PH.Division,(N), Tvpm and an amount of Rs.6212859/- was paid through cc 2nd and final by the EE,PH.Division(S),Tvpm. At present this area is under the jurisdiction of the EE,PH.Division(S), Tvpm.

On scrutiny of this work bill the following irregularities are noticed.

- 1) While sanctioning the time of extension LD as per Agreement condition was to be levied. But the fine is not seen imposed. The non imposing the fine shall be intimate to audit.
- 2) The reason for the undue delay shall be intimated to audit.
- 3) Amount expended for this works including road restoration charges is comes to Rs.10111802/- .The deposited amount is not mentioned in the file. It may please be ascertained the deposited amount and also intimate to audit that the expended amount is with in the limit of deposited amount.

10. Balance Deposit amount from Thiruvananthapuram Corporation

Name of Work:- Amruth-SAPP-2017-18 –Replacing existing damaged pipe and laying 110 mm PVC and altering new line at Managattukadavu to Swathy Nagar under Thirumala section.
(Agt.No.3/2018-2019 dated. 16.4.18)

The above subject work is work was awarded to Sri.K.Raveendran Nair, contractor with the PAC of Rs.404333/- .The selected contractor has been completed the work on 21.12.18. This work is arranged on Deposit basis and the source of the fund is provided under AMRUT project and which is controlled by Secretary Corporation, Trivandrum. The total expenditure including road restoration charges, materials cost and working charges is comes to Rs.4.59 lakhs. As per Gate pass No.85 dated. 12.11.2018, 300 mm ,110 PVC and 1 set CI MH cover with frame has been issued to this work. The materials stacked in the division store is purchased by utilizing the KWA fund and this materials shall be required for the KWA works.

As per letter dated. 9.4.2019, the Divisional officer has requested to Secretary, Tvpm Corporation that an amount of Rs.3.89 lakhs may be released for this work which is excluding the cost of materials and advertising charges. If the cost of materials and advertising charges have not obtained along with this allotment, Kerala Water Authority has sustained the loss to the sum of Rs.0.70 lakhs. Hence necessary steps shall be taken to obtain the materials cost and advertising charges.

11. Non effecting of Security Deposit

Name of Work:- Amruth Project –Replacing existing damaged pipe and laying 110 mm PVC and altering existing connection to new line at Managattukadavu CSI junction to Annoor under Thirumala section.
(Agt.No.2/2018-2019 dated. 26.4.18)

The above subject work was awarded to Sri.N.Rajan ,contractor with the PAC amount of Rs.1677857/-(below 1% estimate rate) .The contractor has been completed the work on 12.1.2019 and the cc 1st and final bill for an amounting to Rs.1727456/- has been paid on 30.3.2019. As per para 4.27 of the additional tender condition , it is specified that the contractor should maintain the pipelines for a period of one year after commissioning the works and hence an amount equal to 8% of the contract value shall be retained towards scrutiny deposit. The

scrutiny amount was not recovered from this bill. This is highly irregular and the reason for non effecting the security deposit shall be intimate to audit.

12. 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 required to inspect atleast once a year under the orders of and at in same time as the Divisional Accounts Officer and check a percentage of the initial accounts. The defects noticed should be reported to Executive Engineer for orders, but the DAO will responsible as far as possible, for explaining personally the defects of procedure and for importing necessary instructions there on to the Sub Divisional Officers and their staff, This Division is consisting of 3 sub divisions. On verification of the records, it is understood that inspection has not been conducted as specified in the para4.2.13 of KPWA code Urgent action shall be taken to inspect the sub divisions and reported to audit.

13. Non Maintaining of DAO's Objection Register

As per para 4.2.7 of KPW 'A' code, it is specified that the Divisional Accounts Officer should maintain the register of Divisional accounts objections in KPW Form 51 and lay the register before the Divisional Officer, so that the latter may have an opportunity either of accepting the DAO's advice on reconsideration and ordering action accordingly or of recording his reasons for disregarding that advice. In the month April each year an extract from this register should be submitted to the Finance Department of Government for review. This mechanism has not been done in this division. The reason for non maintaining the DAO's objection register shall be reported to audit.

14. Arrears of water charges from Thiruvananthapuram Corporation

On verification of records it is noticed that there are 3005 street taps existing in Tvpm Corporation area. It is identified by Joint inspection of officials of Water Authority and Tvpm corporation and it has been decided to cancel 126 numbers of street tap. Balance 2879 street taps exist in corporation area under two Divisions ie PH.Division North and P.H.Division South, Tvpm Corporation has not been remitted any amount to these divisions towards water charge of street taps. Executive Engineer, PH.Division South stated that 1527 street tap exist

under the jurisdiction of this division. Water charge for street tap collected only from Kalliyooi panchayath. Tvpm Corporation has not been remitting water charges from 1.3.2016 to 31.3.2019. The division either prepare monthly bills of street tap or intimate to the Corporation. This causes huge revenue loss to KWA. Hence urgent necessary action is needed to collect the arrears of water charge from Tvpm Corporation towards street taps. Action taken in this regard shall be intimate to audit.

15. Non Operative Control Register

As per KWA Manual, a receipt inform CB1/CB2 shall be used by the cashier/bill Collector/ for all cash/cheque/demand drafts collections: The receipt shall then be handed over to the party /consumer tendering cash/cheque/demand draft. Usually the water charges collected only in receipt Form CB1 and other income in Form CB2. The amount collected from these receipts shall be remitted in to Non Operative account and maintaining a Non Operative control register in form CB14. This division did not follow the directions ie Form CB1 has not been used for collecting water charged from local bodies. Form CB2 has been used for collecting other revenue only for 57 transactions during the period from 1.04.2016 to 27.04.2019. This is highly irregular. Necessary action is needed for rectifying the defects in using receipt book and maintaining Non Operative control register. Urgent report shall be intimate to audit.

16. Huge Water Charge arrears

On verification of the Demand collection ,balance statement as on 1.04.2016, 31.03.2017, 31.03.2018, and 31.03.2019,it is seen that the following amounts are pending against various categories.

Category	1.4.2016	31.3.2017	31.3.2018	31.3.2019
Domestic	71531246	80472939	96615290	115028976
Non domestic	725683198	858270628	883385437	972152443
industrial	561289	611935	781491	907834
Special	19589622	22440256	25793945	23966978
Total	817365355	961795758	1006576163	1112056231

This reveals that the arrear amount increases from 1.04.2016 to 31.03.2019. Action taken to collect the arrears shall be intimate to audit.

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

As per KWA Manual, one percent of charges shall be recovered from the bills of contractor towards KCWWF and the amount collected shall be remitted to the welfare board. An amount of one percent of the collected amount should be retained as revenue by KWA towards collection charges. On verification of the accounts of PH.Division, South the following amount have been collected towards KCWWF and the whole amount was remitted to the KCWWB. No amount was seen credited into the KWA accounts as collection charges.

Month	Amount recovered as KCWWF	Amount to be retained in KWA	Amount retained but not credited in to Non Operative A/c
4/16 to 12/16	112398	1124	-
1/17 to 9/17	191285	1913	-
10/17 to 12/17	40718	407	407
1/18 to 4/18	154876	1549	1549
5/18	13085	131	-
6/18 to 8/18	135764	1358	1358
9/18	77688	777	-
10/18	60538	605	605
11/18	27999	280	-
12/18 to 1/19	111085	1111	1111

The balance amounts shall be adjusted from the future payments to KCWWF and intimate to audit after remitting the amount to Non Operative account.

18. Arranging the work without the consent of Corporation council

Deposit work:- Tvpm Corporation-Pipeline extension to various place of Punchakkary ward under Vandithadam section.
(Agt.No.100/2018-2019 dated. 15.3.2018)

As per project No.779/18, The corporation of Tvpm has been deposited an amount of 1006100/-for pipeline extension to the various places of Punchakkari ward under Vandithadam section. Accordingly the work has been tendered and awarded to Sri.Nasimon contractor and Agt. Executed(vide Agt.100/2017 dated.15.03.2018). As per the agreement condition, the contractor has been laid 1300 meter of 90mm PVC pipe. Subsequently 17 numbers of existing water connections have been shifted and connected in the newly laid pipe. This item has been arranged as extra item and an amount of Rs.28901 has has been expended. This item was arranged without consent of the Corporation council and hence this is irregular.

19. Non Remittance of other Income

Name of work:- Deposit work of Tvpm Corporation –Laying mainline and branch line at Karimadam new flat building under Kuriathy. (Agt.No.90/17-18 ,dated. 22.2.2018)

As requested by the Trivandrum Corporation, estimate for an amount of Rs.567000/-has been prepared for the works of “laying main line and branch line at Karimadam new flat building under Kuriathy section”. The Project Manager ,Corporation of Tvpm vide letter No.H16/UPA/79658/11 dated. 13.12.2017 has intimated that the above subject work shall be arranged by utilizing the amount already deposited for the work of pipeline extension to Kalladimugham area. Accordingly the work was tendered and awarded to Sri.Rajkumar. Contractor hand he has been completed the works on 28.4.18. An amount of Rs. 514375- has been expended for this work towards cost of materials labour charges road restoration charges, advertisement charges and centage charges .

On scrutiny of the file the following irregularities are noticed.

- a) Cost of materials adjusted from this work (Rs.128161/-) has not been remitted into Non operative
- b) Centage charges Rs.57152/- has not been remitted into Non operative
- c) In spite of .repeated requests of the Tvpm Corporation the U.C.has not been issued.

20. Non reduction of cost of materials

Name of work:- Deposit work of Tvpm Corporation –Project No.103/17
Pipeline extension to various places of Punchakkari ward
(Agt.No.8/17-18 ,dated. 28.4.18)

Trivandrum Corporation had been remitted an amount of Rs.970267/- for the pipeline extension to various places of Punchakkari ward(vide project No. 1031/17) Accordingly the work had been tendered and awarded to Sri.C.Surendran, contractor with the PAC of Rs.44961/- and the works has been completed by the contractor on 10.07.2017.

On scrutiny of the work the following materials were issued to the work vide Gate pass No.57 dated.9.6.17 and 60 dated. 23.6.17.

1.90 mm PVC 1500 mr	Rs.134/m	Rs.200000
2.160mm CID joint 4.set	Rs.927/E	Rs.3708
3.90X90 mm Tee 4 Nos	Rs.129.25/E	Rs.517
4.Sovnet cement 500gm	Rs.220/kg	Rs.110
5.CI mld cover 2 set	Rs.13728/set	Rs.27456

		Rs. 232783

Materials issued to this work is already procured and stacked in the division store is to be using the maintenance works and the works under taking by the KWA. This works is being a deposit work, the cost of materials shall be deducted from the deposit amount and remitted in the Non operative and fact will be reported to audit.

21. Sanctioning of Revenue Officer Post

On verification of records related to Water Supply connections, it is revealed that there are 133595 connection exist in this division .The category wise details are as shown below.

Industrial	=30
Domestic	= 115338
Nondomestic	= 11168
Special	= 7059

	= 133595
	=====

As per general principles of Kerala Water Authority, where the numbers of connection exceeds 50000 above, Revenue officer shall be utilized. At present in this division there are 133595 connections .Hence necessary steps shall be taken for the creation of the post of Revenue officer, so as to mobilize the revenue collection.

II. Water Works East Sub Division, PTP Nagar

1. Non Settlement of Temporary Advance Register

On scrutiny of Temporary Advance register, it is seen that an amount of Rs. 50,000/- was disbursed to Sri. Binukumar, Assistant Engineer, Thirumala Section towards Temporary Advance. In the register it is noted that the amount has been settled. As per the usual practice and codal provision the settlement details such as settled amount, bill date settled voucher and CBR No. etc. should be shown in the register.

As per G.O. (P) 419/11/Fin. Dated 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 Govt. 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 from the date of drawer 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 one in lump on the expiry of such time limit. Hence it may please be ascertained the date of settlement and action shall be taken to recover the interest as specified in Govt. order dated 04.10.2011.

2. Reconciliation of three Bank Accounts

As per KWA manual, the reconciliation of bank accounts should be done on monthly basis and the statement Form CB25 to be submitted to head office along with the monthly accounts. But the Sub Division have not done the reconciliation till date. Hence the reconciliation of the three bank accounts (A/c Nos. 57026916851, 67001233346 and 67239360318) should be done on a war foot basis and intimate to audit.

3. Non settlement of Temporary Advance

On verification of the Trial Balance register for the month of 11/2018, it is seen that an amount of Rs. 251446/- is seen debit balance against the Account Head 1659, It reveals that, it is occurred due to the non-settlement of temporary

advance. This practice is highly irregular. As per G.O.(P) 419/11/Fin dated 04.10.2011, the Govt. have ordered that the temporary advance should be adjusted by detailed bills and vouchers as soon as possible and not being more than 3 months in case of default, interest at the rate 18% per annum will be charged on the unutilized portion of the advance e from the date of withdrawal to the date of refund of advance. Hence the defaulters details shall be collected and urgent action may be taken to realize the amount with interest and reported to audit.

4. Cash Book

On scrutiny of the cash books from 01.04.2010 to 31.03.2019, the following defects were noticed.

- a) Monthly closing of Cash Book have not been done from 01.04.2010 to 30.11.2014
- b) Authentication of writing person have not been done from 01.04.2010 to 31.03.2019.
- c) Authentication of head of office have not been done from 01.04.2010 to 30.11.2014
- d) Entries have not seen checked by higher officers ie. by person other than the writer of the Cash Book
- e) Monthly abstract of the Cash Book have not been recorded under proper authentication by the head of office from 01.04.2010 to 30.11.2014.
- f) Cash balance certificate have not been recorded from 01.04.2014 to 31.03.2019.

5. Counterfoils of Cheque Book

On scrutiny of the counterfoils of the cheque books, it is seen that about 8 Nos. of cheque leaves have been cancelled. As per para 6 2.19 of KPW A code, when it is necessary to cancel a cheque the reason for cancellation should be recorded on the counterfoils. This sub Division is not followed the Code provision while cancelling the cheque. The non-adhering the codal provision shall be intimate to Audit.

6. Huge Water Charge Arrears

On verification of the Demand Collection Balance Statement as on 31.03.2016, 31.03.2017 and 31.03.2018, it is seen that the following amounts are pending against various categories.

Category	31.03.2016	31.03.2017	31.03.2018
Domestic	36560206	44370325	58992749
Non Domestic	156728361	205183004	212088668
Industrial	615029	632302	809108
Special	15132991	17435434	17540445
Total	209036587	267621065	289430970

It reveals that the arrear amount increases from 31.03.2016 to 31.03.2018. Action taken to collect the arrears shall be intimate audit.

7. Non Remittance of Centage Charges

On scrutiny of the Cash Book, it is seen that an amount of Rs. 275/ (Rs.250 centage charges + Rs. 25 Postage charges) are being collected from the Special Casual Connection applicants. As per KWA manual this amount shall be treated as revenue of the Authority and this revenue must be remitted into NOP Account. In the Water Works East Sub Division Thiruvananthapuram, the same is not remitted in to NOP Account till date. This practice is the violation of the codal provision and the remittance shall be intimated to Audit.

8. Excess Disbursement of Leave Salary

On scrutiny of the Service Books of Sri. M K Anilkumar, Unskilled Worker (H/G), it is seen that he has availed Earned Leave 39 days for the period from 03/10/2017 to 10/11/2017. While calculating the Earned Leave for the period from 03.10.17 to 31.03.2018 (the availed Earned leave period) has also been counted as duty. During this period no Earned leave shall be earned. Hence the calculation of Earned Leave is irregular and shall be revised and Earned Leave Salary excessively disbursed to the incumbent should be recovered and reported to audit.

9. Deposit Account Cheque Memo Register

On verification of Deposit Account Cheque Memo Register, it is noticed that the amount credited to the account is neither recorded nor added to the opening balance. Moreover opening balance is not written on the Cheque Memo Register.

Hence the cash balance as on 31.03.2019 can not be identified. Necessary action shall be taken to rectify the defects and intimate to audit.

10. Earned Leave

On scrutiny of the Service Books of Sri. Sasikumar, Operator, it is seen that the Earned Leave accrued as on 31.03.2017 is 33 ²/₁₁ days and the total nos. including the previous balance is only 94 ⁸/₁₁ days, where as it is noted as 95 ⁸/₁₁. This shall be corrected and authenticated by the Head of office and intimate to Audit.

11. Bank Charges

On verification of the bank statement from 01.02.2019 to 31.03.2019 of Non Operative Account it is seen that the following amounts are debited by bank.

04.02.2019	₹ 236/-
04.02.2019	₹ 59/-
12.02.2019	₹ 900/-
12.02.2019	₹ 177/-
13.02.2019	₹ 236/-
04.03.2019	₹ 177/-
12.03.2019	₹ 649/-
27.03.2019	₹ 239/-
31.03.2019	₹ 590/-

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 as allowed to Government departments.

Urgent necessary action shall be taken to re-credit the above mentioned amount including previous similar cases if any shall be reported to audit.

12. Non Maintaining of Registers

On verification of records it is noticed that several registers which are required for the smooth functioning of an office have not been maintained by the Sub Division. The list of registers is as shown below.

1. Increment Control Register
2. GPF Temporary Advance Register

3. Cheque Remittance Register (For Revenue Collection)
4. Medical Reimbursement Register
5. Registers for Power Charges
6. Travelling Allowance Register

Urgent necessary action shall be taken to maintain these registers and intimate to audit.

13. Non Maintenance of Trial Balance Register

As per KWA Manual and circular it is specified that all ARU'S should maintain Trail Balance Register, Ledger and Journal Register for strengthening of KWA Accounting System. This Sub Division has not been maintaining the above mentioned registers. Urgent action is taken to maintain these registers and intimate to audit.

14. Reconciliation

On verification of Operative Account (67001233346) Bank Statement, it is noticed that balance as on 31.03.2018 is ₹19,82,983/-. But cheque memo balance is only ₹7,22,113/-. There is a difference of ₹12,60,870/- exist between the two. It is occurred due to the lack of reconciliation. Moreover the Sub Division has not been entered the interest credited by bank into the cash book. As per KWA manual the interest credited by bank shall be credited into Non Operative Account. Urgent action shall be taken to reconcile the operative account, so that the interest credited by bank can be identified and intimate to audit.

15. Retaining of 1% of KCWWF amount

As per KWA manual, one percent of KCWWF collected from contractors should be retained in KWA and that amount remitted into Non Operative account. This practice has not been done by the Sub Division. Urgent action is taken to realize the amount and intimate to audit.

16. Huge HR Expenses

On verification of Trial Balance of 03/2018 it is noticed that an amount ₹.98,41,744 is expended towards HR wages. Necessary steps shall be taken to minimize the expenditure and intimate to audit.

17. Non deduction of commuted leave

On verification of the Service Book of Sri. Shaji. O.R, Meter Reader, it is seen that the incumbent has availed of 26 days commuted leave from 21.04.2014 to 26.04.2014 and 13.05.2014 to 22.05.2014 respectively. While calculating the Earned leave 16 days leave only debited. Hence the Earned Leave shall be revised after deducting 10 days commuted leave and reported to audit.

III. Head Quarters Sub Division, Thiruvananthapuram

1. Earned Leave Account

On verification of Earned leave account of Sri. Satheesh.S, Worker, it is noted that the incumbent has availed 23 days of commuted leave for the period from 1-4-13 to 31-3-14. But the leave deducted while calculating the Earned leave is only 20. The Earned leave account shall be revised under intimation to audit.

On verification of Earned leave account of Sri. Baiju.S, Operator it is noticed that he has availed 5 days of commuted leave from 6-8-18 to 10-8-18. But this leave has not deducted from Earned leave calculation. The leave account shall be revised under intimation to audit.

2. Pay Bill Register

On verification of the pay bill register it is seen that the following officers have been enrolled the GPF Account. As per the GPF rules, the employers who have enrolled the GPF Account, minimum amount less than 6% of the basic should be contributed. The above officers contribution towards GPF is below five percent. Hence urgent action shall be taken to renew the balance contribution under intimation to Audit

1. Sri.Mathew Silas
2. Sri.Prasanth.V.S., Driver

3. Non Maintenance of Trial Balance Register

As per KWA manual and circular Trial balance register journal register and ledger should be maintained in all ARU's. But sub division has not been maintained the same. It must be maintained and intimate to audit.

4. Non retaining of 1% KCWWF

As per KWA manual, one percent of KCWWF collected from contractors should be retained in KWA and that amount remitted into Non operative account. This practice have not been done by the sub Division. Urgent action is taken to realize the amount and intimate to audit.

5. Non Remittance of Interest

As per KWA manual, the interest credited by bank should be remitted into Non-Operative account. This practice have not been done by the sub division. Urgent action shall be taken to remit the amount under intimation to audit.

6. Earned Leave

On verification of the leave account of Sri. Vasanthakumar, Overseer, it is revealed that the incumbent has been availed of 26 days commuted Leave for the period from 27-5-2006 to 5-6-2006 (10 days), 12-6-2006 to 17-6-2006 (6days) and 2-5-2007 to 11-5-2007 (10 days). The above mentioned commuted leave has not been deducted while calculating the Earned leave. Hence the Earned Leave account shall be revised under intimation to audit.

7. Huge HR Wages

On verification of trial balance as on 28-2-2019 it is revealed that an amount of Rs. 1,27,24,350/- have been expended towards HR wages. Reason for the huge expenditure shall be intimate to audit.

8. Non deduction of Earned Leave

On verification of Earned leave account of Sri P.B. Prema Raj, it is noticed that the incumbent has availed 2 days of commuted leave from 5-10-18 to 6-10-18. But leave has not deducted while calculating the Earned leave. Hence the leave account shall be revised under intimation to audit.

IV. W.W.(S) Sub Division Office, Kuriathy

1. **Non settlement of Temporary Advance**

On Scrutiny of temporary advance register it is seen that the following amount have been paid to Sri. S. Saji, Assistant Engineer, Water Works Mace. Section Vandithadam towards Temporary Advance.

1	20/12/2016	Rs. 10000
2	7/1/2017	Rs. 10000
3	31/8/2018	Rs. 10000
4	23/1/2019	Rs. 90000
5	8/2/2019	Rs. 95000
6	8/2/2019	Rs. 80000

As per (G.O (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 for the Govt. officials should be adjusted by detailed bills and Vouchers 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 from the date of draws to the date of refund of advance in case where the adjustment bill not submitted within the prescribe time limit. The infer amount of advance may be movement on in lump on the expiry of such 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 recovery. Hence it may please be ascertained the date of settlement and action shall be take to recover the interest as specified in Govt. Order dated 4/10/2018.

2. **Non settlement of Temporary Advance**

On Verification of the Temporary Advance Register of the Water Works Section, Vandithadam and Water Works section Kuriathy, it is seen that the following

amount have been disbursed to the Assistant Engineer's towards Temporary Advance,

1	Sri. Anoop V.S	AE	Rs. 10000
2	Sri. Anoop V.S	AE	Rs. 10000
3	Sri. Anoop V.S	AE	Rs. 10000
4	Sri. Anoop V.S	AE	Rs. 10000
5	Sri. Anoop V.S	AE	Rs. 10000
6	Sri. Anoop V.S 21/3/2019	AE	Rs. 10000
7	Smt. Saritha Baduri	AE	Rs. 10000
8	Smt. Saritha Baduri	AE	Rs. 10000
9	Smt. Saritha Baduri	AE	Rs. 10000
10	Smt. Saritha Baduri	AE	Rs. 11000
11	Sri. Alex Louis	AE	Rs. 10000
12	Sri. Alex Louis	AE	Rs. 10000

As per the usual practice as and when an amount is disbursed, the date and cheque no. etc shall be noted against the amount. This mechanism is not properly done. This practice is highly irregular. Due to the lack of proper maintenance of the register, the Audit team is not in a position to whether the amount has been settled or not.

As per G.O (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 Govt. 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 of 18% per annum will be charged on the unutilized portion of the advance from the date of drawal f to the date of refund of advance. Hence it may please be ascertained the date of settlement and shall be take to recover the interest as specified in Government Order dated 4/10/2011 and reported to the Audit.

3. Revenue Recovery

On Verification of records, it is noticed that the requisition for revenue recovery send only upto 7/2018. Further follow up actions have not been done so far. Urgent necessary steps is needed to recover the amount from consumers having huge water charge arrears.

4. Pay Bill Register

On Scrutiny of the Pay Bill register, it is seen that, the recovery towards GPF subscription and GPF Advance of Smt. Jalaja Florence G.P, 'D'Man Grade II for the month of 12/18 and 1/2019 have not effected. The reason for the non effecting the recovery shall be reported to Audit.

5. Discrepancies in Cash Book

On Verification of Cash Book, the following defects were noticed.

1. Cash balance certificate have not been recorded from 1/4/2019 to 31/3/2018
2. Closing balance have not been written from 71/ 2016 to 3/2018
3. Verification of the Cash Book have not been done by any other person other writer of the Cash Book from 1/4/2019 to 31/3/2018
4. Authentication of writer not recorded on Cash Book from 1/4/2014 to 31/3/2018

6. Irregularities in Leave Account

On Verification of the Service Book of Smt. Anitha R, Head Clerk, the following irregularities are noticed.

1. The incumbent has been availed maternity Leave for 135 days w.e.f 4/3/2005 FN to 16.7.2002 FN
2. Availed commuted Leave for 18 days from 22/8/2016 to 8/9/2016
3. Availed Special leave for 45 day w.e.f 26/9/2018 to 9/11/2018

The above mentioned leave was not deducted while computing the Earned Leave. This leave shall be deducted the Earned Leave Account and revised accordingly to with intimation to the Audit.

7. Revenue Related Registers

On Verification of the Revenue records, it is noticed that register for daily collection summary and cheque remittance register have not been maintained by the Sub Division. This registers are necessary for the verification and

reconciliation of the revenue collection. Hence urgent action shall be taken to maintain the registers and intimate to audit.

8. Huge Water Charge Arrears

On Verification of Demand collection balance statement as on 4/15, 3/16, 3/17 and 3/18, the following amounts are pending against various categories.

Category	4/15	3/16	3/17	3/18
Industrial	636893	4501	-20367	-27617
Domestic	27902041	31830158	36102614	37622541
Non Domestic	490725921	551309389	653087624	671296769
Special	3510446	4053561	5004822	8253500
Total	522775301	587197609	694174693	717145193

This shows that the water charge arrears increases from 4/15 to 3/2018. Reason for the increase shall be intimate to audit.

9. Faulty Water Meters

On Verification of records, it is seen that total no. of connections as 31.3.2018 is Rs. 55528/-. Out of this 3584 connections having faulty water meters. Action shall be taken to replace the faulty meters and intimate to audit.

10. Earned Leave of Smt. Suchithra L, LD Clerk

Smt. Suchithra L was appointed as Lower Division Clerk on compassionate employment Scheme and she joined duty on the FN of 25/6/2012. On scrutiny of the Earned Leave Account, it is seen that the Earned Leave account has been revised on completion of 3 years of service period spend on duty. Accordingly she has got 106 11/9 days of Earned Leave as on 31/3/2016. The revised Earned Leave calculation is as follows:

25/6/2012 to 31/3/2016	1356 days
Deduct Maternity Leave	180 days
	1176 days
Leave Earned 1176 11/1 = 106 11/9	

Deduct Earned Leave already 106 11/9-
Surrendered 60
46 11/9
Balance Earn Leave as on 31/3/2016 46 11/9

The Earned Leave account shall be revised as stated above and reported to Audit.

Sri. S.J Abhilash, U.D Clerk(HG) Earned Leave recalculation

On Scrutiny of the Earned Leave account of Sri. S.J Abhilash, U.D Clerk, it is seen that he has been availed Earned Leave for 35 days from 7/12/2017 to 10/1/2018 and accordingly necessary debit in the Earned Leave account has been made. The incumbent has been surrendered Earned Leave for 29 days as on 25/7/2018. While calculating the Earned Leave 35 days of Earned Leave again deducted. This calculation is not in order. Hence the Earned Leave account shall be revised and deducted 35 days re-credited in the Earned Leave account of the incumbent and and reported to Audit

11. Recovery of Risk Allowances

On verification of the pay bill register, it is seen that an amount of Rs. 170/per month is disbursed to Smt. K. Jaya, Assistant Engineer w.e.f 27/7/2017 towards Risk/Compensatory Allowance. As per para 21 of G.O (P) No.26/16/WRD dated 27/9/2016 it is specified that the Assistant Engineer who were working in Water Treatment Plant only eligible to get the Risk Allowance. Smt. K. Jaya, Assistant Engineer is working in the Water Works Revenue section, Thiruvallam. Hence the undue disbursement shall be quantified and recovered under intimation to Audit.

12. Non crediting of Time barred EMD/SD

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. Some EMD/SD received 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.

13. Non reconciliation of Bank Accounts

As per Kerala Water Authority Manual, reconciliation of bank accounts and statement shall be prepared in Form CB25. Bank reconciliation has not been done for a long period. It causes many discrepancies including the misappropriation of revenue, the crediting of cheque and accounting of e-payment transactions done by the consumers. Moreover, bank statement for the accounts has not collected from bank. Hence it must be done on war foot basis and intimate to audit.

14. Non Maintenance of Trial Balance Register

As per Kerala Water Authority Manual and circular Trial balance register, Journal register and ledger should be maintained in all Accounting Rendering Units. But Sub Division has not been maintained the same. It must be maintained and intimate to audit.

15. Reconciliation of Operative Account

On verification of operative account (57004823348) Bank Statement, it is noticed that balance as on 31/3/2018 is Rs. 5469882. But Cheque Memo Register balance is only Rs.335629. There is a difference of Rs. 51,34,253 exist between the two. It is occurred due to the lack of reconciliation for a long period. It is stated that the e-payment transactions done by the consumers are through this account. More over the Sub Division has not been entered the interest credited by bank in to the Cash Book. As per Kerala Water Authority Manual the interest credited by bank shall be entered in to Cash Book and then credited into non operative account. Urgent action shall be taken to reconcile the operative account and transfer the balance amount into Non Operative account under intimation to the audit.

16. Reconciliation of Deposit Account

On verification of Deposit account (67239569955) Bank Statement, it is noticed that balance as on 30/3/2019 is Rs. 4716468. But Cheque Memo Register balance is onlyRs. 39,73345. There is a difference of Rs.743123 exist between the two. It is occurred due to the lack of reconciliation for a long period. The Sub Division has not been entered the interest in to the Cash Book. As per Kerala Water Authority Manual, the interest credited by bank shall be entered into cash book

and then credited into Non Operative account. Urgent action shall be taken to reconcile the account and transfer the balance amount into Non Operative Account after keeping minimum balance.

17. Non remittance of Centage Charges

On Scrutiny of the Cash Book it is seen that an amount of Rs. 290/- (i.e. Rs.250 Centage Charge + Rs. 40 Postage Charges) are being collected from the special casual connection applicants. As per Kerala Water Authority manual this amount shall be treated as revenue of the authority and this revenue must be remitted into NOPA/C. In W.W (S) Sub Division, Kuriathy the same is not seen remitted into NOPA/C till date. This practice is the violation of the codal provision and the remittance details shall be intimate to audit.

18. Earned Leave Account

On Scrutiny of the Earned Leave account of Smt. Anto J.S Geetha, D'man Gr.I, it is seen that while calculating the Earned Leave 1 day Dies non on 8/1/2013 and 11 days (10.3.2014 to 20.3.2014) Commuted Leave have not deducted. The Earned Leave shall be revised by deducting the 12 days leave (1+11) under intimation to Audit.


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