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KERALA WATER AUTHORITY

Jala Bhavan
Thiruvananthapuram-695 033
Kerala, India
Dated, 17.12.2019

No.KWA/HO/IA-1116/2019

From

The Finance Manager &
Chief Accounts Officer

To

The Executive Engineer,
Project Division,
Kerala Water Authority,
Thiruvananthapuram

Sir,


Sub:- KWA – Internal Audit 2019 – Report of the Internal Audit of Project Division, Thiruvananthapuram for the year 01.04.2013 to 31.03.2019 – Report forwarding of - Regarding

Ref:- No.KWA/HO/IA-/TP/1360/2008 dated, 11.10.2019 of the Accounts Member, KWA, Thiruvananthapuram

The report of Internal Audit conducted in Project Division, Thiruvananthapuram vide reference cited above covering the period from 01.04.2013 to 31.03.2019 is herewith forwarded. You are requested to furnish your specific remarks on the audit observation within 4 weeks positively.

Yours faithfully,

Acc: Internal Audit report – 1 No.


Finance Manager &
Chief Accounts Officer

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

INTERNAL AUDIT REPORT OF PROJECT DIVISION,
THIRUVANANTHAPURAM FOR THE PERIOD FROM 2013-2019

PART I

A. Introductory

The Project Division, Thiruvananthapuram executes various Water Supply Schemes in Thiruvananthapuram District under Accelerated Rural Drinking Water Supply Programme (ARDWP), National Bank for Agriculture and Rural Development (NABARD), KIFB, AMRUT, State Plan and Deposit Works. The schemes, on completion and commissioning, are handed over to the concerned Maintenance Divisions. Executive Engineer is the Head of the Division.

B. Officers in charge

Executive Engineer in charge :

A.J. Vilasini	01.04.2013 – 02.05.2013
Leenakumary. S. , PA to SE (Addl. Charge)	02.05.2013 – 16.05.2013
A.J. Vilasini	16.05.2013 – 06.09.2013
Leenakumary. S. PA to SE, (Addl. Charge)	07.09.2013 – 13.09.2013
Leenakumary. S.	13.09.2013 – 19.06.2015
D. Sasikumar, AEE (Addl. Charge)	19.06.2015 – 04.07.2015
B. Ajayakumar	04.07.2015 – 31.07.2018
K.G. Ajish Kumar, AEE (Addl. Charge)	01.08.2018 – 27.09.2018
G.K. Sujathkumar	28.09.2018 – continuing

Technical Assistant in charge:

L.B. Sreekala	01.03.2016 – 22.10.2018
Sujatha. A	22.10.2018 – continuing

Head D'Man in charge:

G. Rejikumar	22.10.2009 – 30.09.2015
P.S. Udayakumari	05.10.2015 – 07.12.2015
Ajesh N.V.	07.12.2015 – 28.12.2015

Divisional Accounts Officer in charge:

S. Vikraman Nair	15.07.2013 – 15.07.2013
Abdul Hameed, Head Clerk (Addl. Charge)	16.07.2013 – 30.08.2013
A. Pradeepkumar	01.09.2013 – 15.06.2015
Mohankumar. R	13.08.2015 – 18.01.2016
Abdul Hameed, Head Clerk (Addl. Charge)	18.01.2016 – 25.01.2016
Biju S.R.	25.01.2016- continuing

C. Financial analysis

<u>2013-14</u>	
Capital	818613495
Establishment	31466940
<u>2014-15</u>	
Capital	498568181
Establishment	18044678
<u>2015-16</u>	
Capital	598159024
Establishment	20047571
<u>2017-18</u>	
Capital	69573881
Establishment	24285704
<u>2018-19</u>	
Capital	448561817
Establishment	2375681

D. Details of Bank account maintained

1	67087133726	Establishment
2	67161250234	Stae Plan/ SPAN/ Depost
3	38391190491	NRDWP
4	67366948611	AMRUT
5	67130805443	Online A/c

E. Internal Audit

The Internal Audit of the Division by Audit Wing was last conducted covering the period up to March 2013.

PART II

A Major Irregularities

- I Name of work: SPAN Project CWSS to Pallichal Balaramapuram and Vilavoorkkal Panchayath Package VI (A) Supplying and laying 300 mm DIK9 clear water pumping main form Mottamood Sump to proposed 12 LL OHSR at Vaninagar Street Balaramapuram and construction of 12 LL OHSR at Vaninagar Street Balaramapuram- Idle investment of Rs2.33 Crore**

Administrative Sanction for the subject Scheme was accorded by the Managing Director vide Administrative Sanction No WS/18/2008-09 dated 8-8-2008 and Technical Sanction was issued by the Chief Engineer vide TS No KWA/CE/CR/39/2008 and estimate was sanctioned by the Chief Engineer vide Letter no KWA/CE/SR/WS –NTA/2410/2008 VOL III dated July-13 for Rs 635.50/- lakhs with Road Restoration charges of Rs. 1,09,42,612/-. The scope of work included Clear Water Pumping Main from Mottamood Sump to proposed OHSR at Vaninagar Street supplying and laying 300 mm DI K9 raw water and construction of 12 LL capacity of OHSR. The work was awarded to the firm M/s Tomco Engineering (P) Ltd. for Rs 5,97,00,000/- vide work order KWA/PHC/D2/6382/2012 dated: 21-3-2014 with time of completion by 18 months which expired on 20-9-2015. As per the work order, the contractor is bound to execute necessary agreement for the fulfillment of contract within 14 days. But he has executed the agreement only after the expiry of the stipulated period on 22-4-2014. But authorities has not imposed any fine which is ranging 1 % of the contract amount subject to a minimum of Rs 1,000/- and maximum of Rs 25,000/- and a fresh proceeding is not issued again permitting the contractor to execute the agreement. More over the road restoration charge of Rs.1,20,07,765/- on the subject work was remitted to PWD (05-01-2015)

against the sanctioned estimate of Rs 1,09,42,612/-

18 month time was provided for execution of the work which expired on 20-9-2015. The site for OHSR was handed over to the contractor on 25-09-2015 which was after the expiry period of original time of completion . In addition it is noticed that the contractor has carried out the supply and laying of the pipeline except construction of OHSR as envisaged in the scope of work and hence he was not ready to complete the construction of OHSR and requested to exempt from the work if he was not granted enhancement of 50% over the agreed rate. Accordingly the laid pipes were kept idle without benefiting the public. On 06-01-2016 the Executive Engineer, Project Division requested to the Superintending Engineer to re arrange the balance work since the contractor is not willing to carry out the same even after intimating the availability of land. Considering the request of the contractor, the Superintending Engineer vide order No KWA/PHC/TVM/ D2/6382/2008 dated 11-5-2016 issued fore-closure the agreement with direction to re arrange the balance work. But no further action has been taken in this regard.

In this connection, audit observe the following :

- The Accepted PAC of the scheme was 5,97,00,000/- with an up to date expenditure of Rs. 2,33,43,763/- . It may be clarified whether any benefit out of the scheme has been served to the general public.
- Original Time of Completion of the work was 20-9-2015. The land for the construction of the OHSR was received on 25-9-2015. But no negotiation has been made by the controlling Officer to the contractor to continue the work and complete the same. Due to this, the contractor has willfully requested to terminate the contract which resulted in an additional expenditure (Probable) for re-arranging the remaining work i.e. construction of OHSR and allied works.
- No further action is seen initiated to commence the balance work.

II Name of work : SAARK – Augmentation of UWSS to Neyyattinkara Municipality – supply and laying distribution network and interconnection works from transmission main to existing tanks.- Idle investment of Rs.1.73 Crore of PVC pipe procured not utilized for the scheme

The proposed Urban Water Supply Scheme to Neyyattinkara Municipality is to augment the existing inadequate water supply in Neyyattinkara Municipality, which benefits a population of 29500. The existing scheme has an installed capacity of 4.5mld out of which 2.60 mld was proposed to supply to the Municipality. When the augmentation of the scheme is completed, it would benefit 45390 populations. Based on the proposal submitted by the MD, KWA, Water Resources (Water supply- C) Department on (3.8.2009) have accorded sanction for Rs.4.08 Crore.. Technical Sanction was issued by the CE(SR) Trivandrum .The work was tendered and awarded to M/s. J&B Engineering & Construction Co.,Thiruvalla at their quoted amount of Rs.2.77 Crore which is 7.85 below the tendered PAC of Rs.3.00 Crore with time of completion by twelve months. The work comprises of supplying and laying distribution line including road restoration work and inter connection works from transmission main (1735m) to the existing tanks, 400mm to 200 mm DIK9 for 1827m, 280 mm to 75 mm PVC pipe for 38,293m.

Permission for road cutting from the Secretary, Neyyattinkara Municipality was sought by the KWA and after remitting Rs.30.53 Lakh (December 2013), the Municipal authorities had granted permission to lay pipe line of 10 kms through their road, but the contractor laid the pipe only for 2 kms due to the obstruction from the public. Meanwhile, the contractor filed a case (WP (C) 38656/2015) before the Hon. High Court and Court in its judgment in February directed the MD shall take appropriate decision in the matter within a period of six months. The hearing was conducted in the chamber of the MD in 22-12-2016. The work was fore-closed on 28-9-2017 The contractor was paid Rs.1,16,38,086/- (Second and final bill) dated 18-

9-2018. In this connection it may be stated.

- Whether the balance amount paid for road restoration charges from the Neyyattinkara Municipality has been recovered. If not the reason thereof may be stated.
- Whether the balance pipe (i.e. balance pipes after laying 2 kms in the Municipal road) has been handed over by the contractor before making final bill.
- Since the PVC pipes are susceptible to damage due to exposure in extreme weather, the possibility of utilizing the pipes for Rs.1.73 Crore may be explored and the present status intimated to audit.
- Where the laid pipes are interconnected to the existing distribution system.
- The break up details of other recoveries under the head of 7299 may be furnished.
- The MAS account of the final bill has not been closed properly.

III Name of Work SPARK CWSS to Pallichal Balaramapuram and Vilavoorkkal Panchayath package 5 Supply, Erection ,Testing and Commissioning of 2 Nos. HP Vertical turban, , 2 Nos 40 HP, 2 Nos 60 HP and 2 Nos 175 HP centrifugal pump set providing inter connection on with the existing pumping main 630 KV out door transformer with all accessories and all other connected works – Purchase of motors and pump sets in advance of requirement - Idle Investment Rs.1.45 Crores

The work was awarded to M/s Nirman Electricals, TC 76/ 1441 Kadakampally Line Anayara PO, Thiruvananthapuram at his quoted amount of Rs 1,44,17,200/- with time of completion by 15-11-2010. Agreement executed vide No 19/2009-10 dated 23-11-2009, unusual delay happened by keeping the work unexecuted for a period of 3 years after the time of completion. Afterward the time

completion was extended to 28-2-2014 and again up to 14-7-2015 without imposing fine. From 2009 onwards, the work construction of sump and pump house at Mottamood was over. It is surprising to note that the tender for the supply and erection of pump sets was invited well before the commencement of the civil work. Thus in violation of provisions contained in the code and manuals, purchase of pump sets worth Rs. 1.45 crore remain idle. The pump sets supplied by the firm remained in the parcel unopened. The position may be clarified.

IV. Name of Work: Sustainability of source RWSS to Kakkakuzhi in Vettoor Panchayath Design Construction and commissioning of 1.67 LL Capacity OHSR at Kakkakuzhy Supplying and Laying 150 mm DIK9 pumping main from clear water sump to OHSR of Kakkakuzhy Supplying and Laying 160 mm PVC transmission main from OHSR to Anchuthengu construction of pond for storage water and renovation of source and pump house Part 1 - Idling of Work

Name of Contractor	M/S Anurag Engineers Kowdiar Thiruvanathapuram
Pendered PAC	Rs.1,75,61,638/-
Accepted PAC	Rs.2,17,56,883/-

This is a NABARD assisted work. Administrative Sanction for the work was accorded by the MD vide AS No KWA/JB/WS1/44/2002/Vol IV dated: 1-2-14 and TS issued by the CE(SR) vide TS No KWA/CE/SR/52/52/2013-14 dated: 3-3-14. Work was awarded to the Contractor vide Order No KWA/PHC/ d1/892(A)/2013 dated: 1-10-2015 with time of completion by nine months that is due on 30-6-16. The contractor executed agreement vide No 19/2015-16 dated : 5-10-2015 . The Contractor could not start the construction of pond and its connected work due to the following reasons:

- Non availability of land for the construction of Pond as per scope of work .

- M/s. WASCON observed that there was fresh water body lake lagoons / paddy field in the vicinity which can recharge the proposed pond. So the recharging of pond is possible only form ground water but during pumping for public distribution saline intrusion can occur from the nearby TS Canal.
- On 22-6-18 , the MD convened a meeting with local MLA and suggested to submit a deviation proposal by decreasing the size of the pond and install an iron removal plant(IRP).
- Audit observed that the contractor has executed 98% of pipe laying (160 mm PVC) work transmission main and construction of 1.67 LL capacity of OHSR by expending Rs1,49,43,105/- and the work is pending for the last 4 years. The contractor could not proceed with the work for want of the requisite width for the pond as per the specification and scope of work. The scheme is intended to benefit drinking water to a population of 11660. Improper planning has resulted in blocking up fund to the tune of Rs.1.49 crore besides denial of drinking water to the beneficiaries. Moreover the expenditure incurred on the scheme remain idle for the last four years

PART II

B Other incidental findings

I Grant of Extension of time beyond limit

As per PWD Manual 2012 the extension of the time of completion that can be granted at a time shall not exceed 25% of the original time or 6 months whichever is less the maximum extension that can be grated for a work shall be limited to half of the original time of completion. On verification, in several works extension of time was granted to the contractor on the works noted below beyond the permissible limit. Audit noticed that in the following cases the above provisions were not adhered to.

- (i) **Name of the Work: TWSS – Rehabilitation of the existing PSC1200/1000/900mm transmission main with 1219 mm ODMS, 10 mm thick pipe from Aruvikkara to Peroorkkada supplying and laying testing and commissioning of 9695meter pipe clear water transmission main Aruvikkara to Peroorkkada and inter connection works at both ends.**

Name of Contractor	M/s Lekshmi Civil Engineering Service Pvt. Ltd.
Work Order No.	PHC/ DB3/12/2013 dated: 5-9-2012
Agreement No.	22/12-13 dated: 19-099-2012
Date of completion	4-9-2013

As per the work order the time of completion 12 months was expired on 4-9-2013. Based on recommendation of the Executive Engineer with reason for the delay in completing works was that the site was found very near to the PSC pipe line and blasting was not possible. Hence the rock was removed by applying chemicals which resulted in consumption of more time. Also heavy rain from May 2013 caused delay in execution of trenching and welding is found reasonable. But the extension is beyond the delegation of powers for 27 days.

- (ii) **Name of work : SARK –Project –CWSS to Parasala and adjoining villages and Marukil and Maranallaur Villages- Supplying and laying 10065 meter of 700 mm DIK9 clear water transmission main from Koottakkada to Thozhukkal junction and 7365 meter of 700 mm DIK9 clear water transmission main from Neyyattinkara Alummoodu Junction to Pazhayakad junction.**

Name of contractor	M/s IVRCL Ltd. Hydrabad
Works Order No	KWA/PHC/D2/4116(B)2009 dated: 18-01-2012

Agreement No	11/2011-12 dated: 6-2-2012
Date of Completion	31-3-2018

The above work awarded during 18-01-2012 with time of completion by 12 months ie: 17-1-2013. But the time of completion was extended at five times up to 31-3-2018 resulting in extension for a period of 4 years 2 months and 15 days . Superintending Engineer has extended time of completion beyond the delegation.

More over the Executive Engineer Project Division Thiruvananthapuram on 22-5-2018 addressed to the Executive Engineer WS Division, Neyyattinkara to take over the balance materials of the subject work with copy to M/s IVRC Ltd. Kakkanad directed to hand over the balance material to the WS Division, Neyyattinkara . But no Material Receipt Note issued by the Executive Engineer, Neyyattinkara.

Besides, the Executive Engineer , WS Division Neyyattinkara reported to the Executive Engineer , Project Division, Thiruvananthapuram (6-9-2019) that eight major leaks were found during the maintenance period and the firm did not attend and the work was arranged by Department at a total cost of Rs. 1,49,30,005/- . The amount spent for rectification work were not seen recovered from the firm. It may be stated whether the final bill has been settled.

Reply to the above audit observation may be reported to audit.

- (iii) **Name of Work: NABARD WSS to Kallara Pangod – balance work - Supplying laying jointing Testing and commissioning of 300 mm DIK9, 200 mm DI K9, 150 mm to 80 mm CI Class A 225 mm to 90 mm PVC and 150 mm to 80 mm GI**

medium pipe for distribution to various zone in Kallara Pangode Village and construction of wash water channel

Name : of Contractors	Sri.S Raju, Leen Bhavan , Mayyanad, Kollam
Work order No	KWA/PHC/TVM/D1/381(A)/12 dated: 8-7-2012
Time of completion	12 months
Actual Time of completion	31-3-2015

As per work order, the time of completion of the work was 12 months which expired on 7-7-2014. Reason for the delay in completing the work reported was as non- receipt of permission for road cutting and laying additional length of 225 mm PVC pipe for a length of 300m. But estimating an extension for a period of 1 year and 7 months Superintending Engineer had granted extension of time beyond his delegation of powers.

- (iv) **Name of Work SPAN RWSS to Kunnathukal design construction and commissioning of 5.50 mld capacity Water Treatment Plant at Manavary and sump of capacity 1.50 lakhs near treatment plant construction of approach Road and Compound wall Package 1**

Name of Contractor	Sri. N Rajan , Thiruvananthapuram
Work Order No.	PHC/D2/3505/2008 dated:10-5-2010
Time of completion	15 month due on 9-8-2011

The site was handed over to the Contractor on 17-8-2012 after a lapse of two years which was beyond the original time of completion of the work. So the contractor is entitled to get time of completion 15 months hence actual date of

completion of the work was fixed as 16-11-2011. So the matter is not reported to higher authorities for earlier approval of completion from 17-8-2012. Meanwhile, the contractor applied for extension of time up to 31-3-2013 duly recommended by the Executive Engineer and the Superintending Engineer in turn, extended the time of completion up to 3-6-2013 imposing a fine but the quantum of fine, was not mentioned in the extension order.

The circumstances under which the time of completion has been extended up to 3-6-2013 and non recording the quantum of fine in the extension order may be reported to audit.

Further, the contractor had applied for extension of time up to 16-11-2013. The extension of time was granted by the SE without imposing fine. It may be noted that the site was handed over to the contractor on 17-8-2012 and the above two action is found contradictory. Again contractor applied for further extension of time till 31-3-2014 stating that the site is in remote area , it has no road access and hence required head load transportation and due to heavy rain. The argument put forth by the contractor cannot be acceded to as per the NIT condition, the contractor is bound to inspect the site and satisfy himself before he quotes his rate and time. and the Superintending Engineer has approved his request extending the time completion up to 31-3-2014 without fine. Thus the action of the Superintending Engineer in granting extension of time without any justification requires clarification.

Replies in respect of above three points may be reported to audit.

- (v) **Name of work : CWSS to Vithura and Tholikkode Villages design construction and commissioning of 9.75 mld capacity water Treatment Palnt its allied components at Vavupara**

Name of Contractor	M/s Chicago Construction, Sasthamangalam , Thiruvananthapuram
Work Order No.	PHC/ D3/800/2007 dated: 17-3-2013
Time of Completion	12 months due on 16-3-2014
Site handed over on	10-5-2013

As per the agreement condition, the time of completion of work was 17-3-2014 . But the site was handed over to the contractor on 10-5-13. Before commencing the work, the contractor requested (16-7-13 & 19-7-13) to grant extension of time for 18 months instead of 12 months agreed before, on the ground that the area comprises of huge quantity of hard rock which was to be blasted and the site lays different levels and also there is no sufficient space for stacking the materials and working space and water shortage.

The audit observed the following:

- The Site was handed over to the Contractor on 10.5.2013, the reason for the delay in handing over the site was not forthcoming from the file.
- The contractor had reported that during execution, hard rock was met with and required blasting which resulted in extension of time. It is the duty of the contractor to inspect the site before quoting his rate for the work and to agree the period of completion.
- The request of the contractor was acceded to without imposing the fine as stipulated in PWD manual 2012 and NIT condition.

Thus, the circumstances under which the contractor was granted extension of time, without imposing fine may be stated.

- (vi) **Name of Work : TWSS laying 400mm transmission main from Muttada to Kesavadasapuram for replacing 400 mm primo pipes - Time extension beyond delegation**

Name of contractor	Sri.S Sreekumar
Work Order No.	KWA/PHC/TVM/ D5/781/2014 Dated: 4-3-2016
Time of completion	12 months due on 3-03-2017
Agreement	No 28/2015-16 dated: 23-03-2016

The subject work awarded to Sri. S.Sreekumar Contractor with a time of completion by 12 months on 3-3-2017 and the agreement for fulfillment of contract has executed only on 23-3-16, resulting a delay of 5 days for which no fine was imposed. Thus delay happened in this case for which no fine has imposed in addition to the time of completion, which has been extended twice i.e.20-3-2018 & 17-5-18 which is beyond delegation of the agreement authority.

More over certain transaction have been done in the case of final M AS account in respect of above work vide MASTIN No 103 dated 28-4-18 110 mm PVC pipe 147.60 meter 90mm PVC pipe 100 meter 75mm PVC pipe 100 meter and MASTIN No 105 dated 22-4-19 400mm DI Pipe 112.60 meter have been transferred to work (I) . No. KWA/PHC/TVM/D5/811(B)/2014 dated:15-4-16 (II) another work No KWA/PHC /D3/5139/15 dated: 12-06-18 . It is understood that the other works are also tendered on supplying and laying, thus this excess pipes are not necessary to transfer to the respective works. The custodian of the materials are bound to return the pipe to the concerned Division Store with proper accounting. This practice has not been followed in this case . Hence the matter may be examined and reported to audit. In the final MAS account a quantity of 400 mm DI K9 Pipe

112.60 meter is seen as balance with the contractor. Cost of the same should be recovered and the matter reported to audit.

No authentication of MRN

The work Augmentation of WSS to Pullupara Panchayath existing distribution pipe line net wok to the water shortage area in Zone II & III of Pullupara has completed by to Shri Santhosh Kumar. On 2-3-2018 which is within the time of completion. The balance material has been transferred to Executive Engineer Water Works Division, Aruvikkara and obtained an MRN No 49 dated 28-3-18 .The same has neither countersigned by AEE /EE nor it has been handed over through a covering letter . The direction as per KWA Account Manual may be followed and reported to the audit.

- (vii) **Name of work : CWSS to Kalliyore Venganoor Panchayath Vizhinjam Kovalam tourist area supplying and laying 200 mm ,110mm , 90 mm distribution line from GLSR at Kovalam Tourist area- Extension of time of completion beyond delegation**

Name of contractor	Sri. Visak MR, Thiruvananthapuram
Accepted PAC	Rs.1,11,92,043/-
Work Order No	KWA/PHC/TVM/05/4176/2016 dated: 11-12-2017
Time of Completion	6 months due on 11-6-2018

The above work was not completed in the stipulated time and hence Superintending Engineer has extended time of completion up to 18-2-2019 without imposing fine which is beyond the delegation of the Superintending Engineer. But the reason stated is found very reasonable. However, the work was actually

completed on 28-2-19 which is beyond 10 days of the extended period, for which no sanction was issued by the competent authority.

Audit noticed that 241 meter of pipe was transferred to Aruvikkara Sub Division vide MASTIN No 107 dated: 16-3-19(Inter Division Transfer) . But no correspondence in this regard is seen in the file and transaction between two divisions are governed under inter office transaction without following the Account Manual. Moreover, the scheme has not been handed over to the concerned Maintenance Division.

Remarks of the above points may be reported to audit.

II Irregularities in finalizing the tender

- (i) **Name of work : Amruth Supplying and laying 600 mm dia DI Pumping main from Edathara to STP at Muttathara in Thiruvananthapuram Corporation**
Name of contractor: M/s Mary Matha Infrastructure Pvt. Ltd Chittethukara Kochi

Tendered PAC	1294.69 lakhs
Accepted PAC	1290 Lakhs
Work Order no	KWA/PHC/TVM/ 2150/2018 Amruth dated: 22-9-2018
Time of completion	12 Months
Agreement No 36/2018-19 dated	28-3-2019

As per Clause 2009(6) of PWD Manual (revised edition 2012), the contractor is bound to execute the agreement within 14 days or with fine within next 10 days from the date of selection notice. In case of failure to execute the agreement within

this period, the tendering authority shall cancel the offer of contract forfeiting the EMD and taking such other action mentioned in the bidding document. After cancelling the offer of the contract in the above case tendering authority may negotiate with the next lowest bidder and award the work to him if he expresses his willingness in writing to execute the work at the accepted rate of the defaulted bidder. Otherwise the work will be re-tendered.

In the above case the Superintending Engineer had not adhered to the provisions stated above and the work has been awarded to the contractor without imposing fine. Execution of the agreement after a lapse of 6 months is against the provisions contained in the PWD Manual which requires explanation.

Remarks of the above points may be reported to Audit.

III Non Execution of work as per the scope and resultant the failure in achieving the intended benefit and lapse of fund under ARP Scheme.

(i) Name of work: Augmentation of water supply scheme to Pallikkal and Madavoor Panchayath.

Administrative Sanction was accorded vide No. WS/33/2012-13 dated: 14-9-2012 and TS No. KWA/CE/SR/25/2012-13 dated: 12-11-2012 for an amount of Rs.980 lakhs. The proposed scheme was divided into six packages for speedy implementation, details of which are noted below:

**Package 1 Augmentation of WSS to Pallickal and Madavoor Panchayath
Supplying and laying 250 mm DI Raw Water Pumping main to treatment plant
at Undapparaa in Pallickal Panchayath**

The above works was tendered (17-1-2015) and awarded to S Raju

Contractor. Work order issued on 7-5-2015 for Rs. 2,03,35,910/-with time of completion by 9 months ie due on 6-2-2016. Agreement for the work was executed vide No 4/15-16 dated 7-5-2015. The work could not be started due to non receipt of land for WTP and non receipt of road cutting sanction form PWD. The estimate of road restoration charge Rs 9,24,370/- reported by Executive Engineer PWD (4-11-2015) was not seen remitted.

The contractor request (2-11-2017 and 3-7-2019) to relive him from the work. No action has been taken to cancel the tender till date.

Package II: Augmentation of WSS- Supply and laying 100mm DIK9 , 110 mm PVC pipe to 75 mm PVC distribution system in Madavoor Panchayath.

This work was awarded and completed during 20-2-2016 with an expenditure of Rs1,03,19,603/- and the system is idling.

Package III Augmentation of WSS to Pallickal and Madavoor Panchayath Construction of 4.60 MLD treatment pant 2.00 LL sump & Pump house 2.5 LL capacity OHSR and supplying and laying 50 m 200 MM DI K9 clear water pumping main.

The Proposed worksite has not transferred to KWA by Pallickal Panchayath even after repeated reminders but the tender was floated and work awarded to Sri Abu Mathew vide Work Order No PHC/D1/9063/2013 dated: 3-3-2016 for Rs 3,69,00,000/- with time of completion by 12 months .On 26-7-2018 the Pallickal Panchayath informed to KWA that a new site will be handed over for constructing Water Treatment Plant and Executive Engineer requested to Superintending Engineer to cancels the tender. It is not known whether land required is handed over to KWA or not.

Package IV.: Augmentation of Water Supply Scheme to Pallickal Panchayath in Varkkala constituency laying water supply distribution net work in Pallikkal Panchayath and allied works.

This work was not tendered after a long lapse of 4 years. The Executive Engineer vide Letter No KWA/PD-T/ DB1/ 2602 / 13 dated: 31-10-2016 has submitted a Detailed Engineering report to the Superintending Engineer in response to Lr. No KWA/PHC/ D1/8280/15 dated:6-2-16. On verification it is not clear why the DER was prepared and submitted.

Package V Augmentation of WSS to Pallickal and Madavoor Panchayath Conveying and laying 250 mm DI K9 Raw Water pumping main and 250 mm DI K9 distribution main at Pallickal Jn.

This work awarded to Sri. Dileep Contractor on 8-4-13 and completed on 23-5-2013 with an expenditure Rs.5,61,255/-, which is kept idle.

Package VI. Augmentation of WSS to Pallickal Madavoor Panchayath Supply and Erecting of raw water pump set and Power connection Design Charges

No information available regarding this work. The respective files were not produced to audit, for verification

Out of Six packages four packages are not executed for want of land to be handed over by respective Panchayaths. Only 2 packages were completed as per the progress report furnished to audit. It was reported that the scheme has been dropped for want on land for construction of WTP and pumping main. The up-to-date expenditure on the scheme was at Rs 114.14 Lakhs (September 2019)

As per DER the scheme intended to benefit a population of 37,094, which could not be achieved. The expenditure of Rs.114.14 lakhs incurred on the scheme remains unproductive. Further development may be intimated to audit.

IV Tardy Progress of Works

(i) Name of work :TWSS laying 200 mm DI Rider main from Ambalamukku to Ulloor via Kesavadaspuram

The Administrative sanction for the replacement of 400 mm premo pipes with 400 mm DI K9 pipe and laying 200 mm rider mains was accorded vide AS No. KWA/WS1/117/2013-14 dated: 25-01-2014 for an amount of 1682.00 Lakhs and Technical Sanction issued vide TS No KWA/CE/SR/20/2014 dated 6-12-14 for an amount of Rs 1604 lakhs.

Tender was floated with TPAC Rs 4,03,35,525/- based on SOR 2012 excluding the road restoration and unforeseen works. The work was awarded to M/s Lotus Engineers and contractors Pvt. Ltd. at their quoted amount of Rs 5,15,79,600/- which is 27.87 per cent above the tendered EPAC vide order No KWA PHC/ TVM/D5/811(B)/2014 dated 15-4-2016 with time of completion by 12 months due on 14-4-2017. The firm executed the agreement on 10-5-2016 resulting a delay of 10 days without imposing fine stipulated as per the work order.

The road cutting sanction from PWD was obtained on 20-9-2017. But the sanction from NH is not received till date. Accordingly the contractor supplied the material required for the work satisfactorily. Meanwhile, time of completion of the work has been extended up to 30-5-2018. The contractor executed the work in the permitted road and CC claims preferred. On 11-7-2018, the contractor requested to take action to pass final bill informing that road cutting sanction from NH portion

will not receive in the near future. Considering the request of the contractor, the Superintending Engineer on 26-2-2019 ordered to short close the work. The Executive Engineer Project Division requested to the Executive Engineer PH Division(North) to take over the balance material and scheme as is where is condition.

While verifying the final MAS Account (MRN Nos 332, 333 dated 4-5-19) it is seen recorded that the receipt of balance material by PH Division Store Thiruvananthapuram, but the same is not seen entered in the work file. More over the MAS account is seen not closed.

Reply to the above remarks may be furnished to audit.

- (ii) **Name of work: CWSS to Pallichal Balaramapuram and Vilavoorkkal Panchayath - Construction of 4.3LL GLSR at Pidarom 8.70 LL OHSR and 4.3 LL OHSR at Pidarom 8.70 OHSR at Poovada and supply laying of distribution networks in the Vilavoorkkal Panchayaths-**

Name of contractor	Sri.Edwin Prasad, Thiruvananthapuram
Accepted PAC	Rs.6,18,52,584/-
Work Order No	KWA/PHC/D2/6467/2015 dated: 14-12-2018

The work was awarded to the contractor on 14-12-2018 with time of completion by 12 months with due date of completion by 13-12-2019. The Tank Site was handed over to the contractor on 30-1-19. On 16-2-2019 the Executive Engineer PWD requested to remit the road restoration charges for Rs 3,05,67,083/- which has not paid due to paucity of funds. Contractor has supplied pipes and specials on 24-4-2019 and payment affected. Total expenditure as on 6-9-2019 was

at Rs 2,40,13,594/-

It is observed by the audit that the remaining works, such as, construction of 4.3 Lakhs GLSR and 4 LL capacity OHSR at Pidarom, 8.70 LL OHSR at Poovada are kept unattended to even after a lapse of 10 months. The time of completion expired on 13-12-19 but no action has been taken to resume the balance work and to complete the scheme. The present status may be reported to audit.

- (iii) **Name of Work CWSS to Kalliyoor Venganoor Panchayaths in Thiruvananthapuram District Phase III Supplying laying jointing trial running commissioning and maintaining Distribution networks in Venganoor Panchayath with 400 mm DIK9 to 200 DIK9 pipe and 160 mm to 90 mm PVC Pipe.**

Name of contractor	Sri. S Sivaprasad, Thattamala Kollam
Tendered PAC	Rs.9,26,94,000/-
Accepted PAC	Rs.8,42,00,000/-
Work Order No	KWA/PHC/TVM/D2/2366//17 dated: 11-6-2018
Time of completion	12 months due on 10-6-2019

As per the agreement condition, the original time of completion of the work was 12 months from the work order which was expired on 10-6-2019. Due to the non receipt of PWD road cutting sanction the work cannot be carried out. So the SE has extended time of completion up to 31-12-19 which is beyond the delegation of powers of agreement authority. As the sanction is within the period of time of completion sanction from higher authorities can be obtained and the action can be ratified.

In the sanction estimate (13.82Lakhs) KWA has provided 4.54 crores for RR charges where as the PWD has prepared estimate worth for Rs 4.44 crores. But the same were not seen remitted till date. Up-to-date expenditure of the work comes to Rs 4,88,67,154/- But in the progress report cumulative expenditure recorded for the month of 9-2019 was Rs 1.088 crores. Hence the present status and expenditure booked of the work may be reported to audit.

V Renovation of Thoduvay WSS at Varkala-midway abandonment of the scheme.

SLSSC sanctioned the scheme in November 2012 for Rs. 182 lakhs under sustainability for Rs. 182 lakhs with 100 percent Central assistance. Administrative Sanction was issued in December 2013 and Technical Administrative in February 2014. The work was arranged in two components viz Construction of drain for the collection of fresh water and laying 400mm AC pipe for disposal of waste water and connected works (Package I) and Supply , erection and commissioning of zeolite micro filter and connected works (package II). The work of Package I was awarded to the contractor in August 2015. The contractor commenced the work in September 2015 and raising of existing compound wall of the pump house and connected works were completed in February 2016 for a total cost of Rs.6,56,812/-. An enquiry conducted the then officer of Project Division at site revealed that the existing drain was in a contaminated condition and a waste water drain from a pilgrim Centre was also connected to the drain. During a review meeting conducted by the Minister for water Resources in the presence of MLAs and departmental officers on 17.11.2016, Varkala MLA pointed out that the scheme was not viable as most of the waste water was flowing through the drain. Chief Engineer (SR) recommended dropping the scheme as it was not viable. As per the directions of the Minister the Superintending Engineer ordered (May 2017) for short closing the work.. The Division replied that the review meeting directed to close the work as schemes with micro filter units are not sustainable and also to avoid future peoples protest against the waste water

flowing through the drain.

It is observed that the work was taken up for implementation without conducting detailed investigation and proper site verification. Technical Sanction was accorded without ensuring feasibility. The dropping of the scheme mid-way resulted in loss of central assistance to the tune of Rs.182.00 lakhs under sustainability component of NRDWP.

VI Name of Work RWSS to Azhoor Kizhuvilam Keezhattingal Villages – Interconnection work delay in completion

The existing water supply to Azhoor Kizhuvilam Keezhattingal Villages in Thiruvananthapuram District was insufficient to meet the requirement of the present water demand of the population in the above Villages. In order to facilitate sufficient potable water and improve the quality of water a comprehensive water supply scheme was envisaged under NABARD . Administrative Sanction was accorded in Aug 2008 for Rs. 1894.99 lakhs.

The Scheme was divided in to four packages I and IV were completed and the remaining two packages viz Package II supplying laying and testing and commissioning of 160mm GI Pumping main from Kurakkad junction to existing GLSR at Nainankonam 80 mm GI pumping main from Thettachira junction to existing OHSR at Sasthavattom and 150 mm PVC gravity main from Valiyakunnu Sump to existing GLSR at Mananakku construction of 13 LL capacity OHSR at Thettichria were completed except laying of 160 mm PVC gravity main from ITI junction , Attingal to Girls High School for a length of about 2 Km crossing at Mananakku Junction at Kollampuzha Bridge crossing. Under the package III 95 % work completed except railway crossing for which permission is yet to be received.

The work package II was awarded to M/s Sreeram EPC Ltd. with time of completion by 15 months from 21-6-2010. The contractor has completed 70% of the work and the balance (4663.20 meter was laid out of 6815 meter) for which road cutting permission from NH / PWD was not obtained. The contractor had supplied the pipes for the full length and the balance unlaied portion of pipe was kept with the contractor (2638.8m) .The Contractor requested (13-11-2018) for foreclosure of the work. The work has not been foreclosed till date. The reason for not foreclosure of the work may be reported.

Due to insufficient fund Govt. has accorded additional AS for the balance work for Rs.45.60Lakhs(GO Rt .No 1040/2017/Wrd dated: 20-12-17). TS was issued by SE (27-3-18) for Rs.44.50 Lakhs. The Technical sanction issued included an amount of Rs.19.71 Lakhs for road restoration charges. The work was tendered and awarded to M/s Jai Associates, Trivandrum for Rs 27,67,786/-(12% above TPAC of Rs. 24,71,238/-) However, the contractor could not commence the work for want of road cutting sanction. Meanwhile the Superintending Engineer reported that (7-8-19) as per the revised estimate for restoration charges comes to Rs. 43,11,972/- and the total cost of work including GST was arrived at Rs.78 Lakhs. The SE has requested to the Chief Engineer (SR) Trivandrum for revised AS. For the above amount (7-8-2019) which is yet to be accorded by the Govt.

A scheme which was envisaged to give potable water to the inhabitance of Azhoor Kizhuvilam and Keezhattingal Villages as early as in 2008 could not be commissioned even after a lapse of 10 years. Revised AS may be obtained for the completion of balance work and at the same time road cutting permission may also be obtained from PWD / NH so as to complete the scheme at an early date.

Remarks of the above audit observations may be reported to audit.

**VII Name of work WSS SPAN Augmentation of WSS to Kunnathukal Panchayath –
Non achieving intended benefit due to non ensuring of adequate land**

Administrative sanction and technical Sanction of the Scheme SPAN – Augmentation of WSS to Kunnathukal Panchayath were accorded on 8/8/2008 and 20-9-2008 respectively. The scheme consisted of four packages and all the packages except package IV construction of 9.15 LL Capacity OHSR supplying and laying distribution system with 450 mm and 400 mm PE pipe for a stretch of 1405 m 400 mm and 200 mm. DI pipe for a stretch of 70 meter various size of PVC pipes 280 mm to 40 mm for a stretch of 74830 meter in Zone I and II in Kunnathukal Panchayath.

Tender for the packages IV was invited and the work was awarded to Sri. Vijayan Thomas (JV with Sri.N.Vinod Lal). As against the tender call only two tenders responded . Out of the two, the lowest one was Sri. Vijan Thomas (JV with Sri. N Vinod Lal) who quoted 5.92 Crore (30% of the tendered PAC of Rs.4.55 Crore). Selection notice was issued to the contractor on 9-7-10 with due date of completion of 9-1-2012. Agreement was executed on 12-7-2010. The contractor laid full quantity of 74,830 meter and charged on 21-3-2015.

It was noticed that the work under package IV was not completed due to non-handing over the land by Kunnathukal Panchayth. As the required land could not be handed over to the contractor even after 84 months, the Board in its 391th meeting (7-4-17) resolved to pre close the subject work by exempting the contractor from carrying out construction of OHSR.

In this case the land for the construction of OHSR was to be handed over by the Kunnathukal Grama Panchayath and they promised KWA(June 2012) to make

available the land but despite of repeated request they failed to hand over the land to KWA.

The Executive Engineer vide letter dated (10-4-15) intimated the Superintending Engineer that the local MLA demanded (9-4-15) the scheme IV need to be put to operation. The Executive Engineer suggested that the only way to operate the scheme is to the pumping main directly to the distribution network by scheduling the pumping time. The scheme was partially commissioned and inaugurated by the Minister for Water Resources on 29-4-2015. Thus the WSS initiated as early as in 2010 for total outlay of 16.85 Crore was not completed as envisaged in the DER due to non handing over the land by the Grama Panchayath for construction of OHSR. The up-to-date expenditure of the scheme is 15.33 Crores as per PR of September 2019. The present status of the work may be reported to audit.

lapse in exercising duties of AEE

The EE vide letter dated 12-9-16 reported to the SE that the measurement of 41 nos. of valve chambers recorded in then M Book was not properly check measured by the Assistant Executive Engineer. It was also stated therein that the reason for non-check measuring of the items are not forthcoming from the file and the Assistant Executive Engineer referinded from discharging his duties. Action taken in this regard may be intimated.

According to Para 10.15 of NIT, the construction of Valve chambers shall be done only as per drawing approved by the Engineer in charge . The Design of valve chambers should have been submitted to the EE before the actual execution of the work. But this has not been done. Thus the possibility of irregularities in the construction of valve Chambers cannot be ruled out. The position may be clarified.

The Final Bill for the work was submitted on 3-8-18 by the AE Section I, however the bill has not yet been passed for payments. Reason for the delay in passing the bill may be stated.

Irregularities noticed in handing over the balance materials.

The material (pipes & Specials) purchased for the work was initially taken over the AE through GRS. Thereafter the materials are being issued to the contractor and acknowledgement thereof obtained from the contractor as USR. In the instant work the Executive Engineer vide letter dated:31-10-18 directed to the Contractor (Sri. Vinodlal) to hand over the balance materials (142 items) to the Executive Engineer, WS Division, Neyyatinkara. The normal practice that the balance material are to be taken over by the Engineer in charge of Work (Project Division) and then handed over the same to the maintenance Division. Thus there are irregularities in taking over the materials from the contractor. Reply to the above observations may be furnished to audit.

VIII Short Collection of cost of stamp papers

Government vide gazette notification No 3111/ Leg.A2/2018/LAW dated 31-3-2018 amended the cost of stamp paper for works or service level agreement as one rupees for every rupees thousand or part thereof on the amount agreed in the contract subject to a minimum of Rs 200/- and maximum of Rs 1 Lakh .On scrutiny of the agreement register, audit noticed that the revision of cost of stamp papers were not effected (Annexure) in the Division resulting in short collection of Rs. 3,24,035/-

- (i) **Name of Work CWSS to Kalliyoor Venganoor Panchayath in Thiruvananthapuram District Phase IV Supplying laying joining Testing trail running commissioning and maintaining distribution networks in the**

Venganoor Panchayath with 400 mm DI K9 to 200 mm DI K9 Pipes and 160 mm to 90 mm PVC Pipes.

Name of Contractor	Sri S Sivaprasad, Krishanamoorthy Villa, Thattamala, Kollam
Accepted PAC	Rs.8,42,00,000/-
Work Order No	KWA/PHC /VM D2/2366/ 2017 dated 11-6-2018
Agreement	No 07/18-19 dated : 20-6-2018
Accepted PAC	Rounded to nearest Rs. 1000 = Rs. Rs.8,42,00,000/-
Value of Stamp paper Obtained	Rs 200/-
Actual leviable	Rs.84,200/-
Short Collection	Rs.84,000/-

- (ii) **Name of work Amruth Supplying and laying 350mmDI K9 pumping main from Karimanal Pumping station to Stilling Chamber at BY pass junction Block J Kuzhivila**

Accepted PAC	Rs.53,56,586/-
Work Order No	KWA/ PHC/ TVM/ D4 / 1278/2018 dated : 5-7-2018
Agreement No	10/18-19 dated 21-7-2018
Accepted PAC	Rounded to nearest Rs 1000= Rs.53,57,000/-
Stamp Value obtained	Rs 200/-
Actual Stamp Value	Rs.5,357/-
Short Collection	Rs.5,157/-

- (iii) **Name of Work CWSS to Varkala Municipality and adjoining Villages replacement of exiting AC gravity main from TP at Mulllasserikunnu to Sump at Thettikkulam with 600 mm and 500 mm DI K9 Pipe construction of steel bridge for 600 mm and 500 mm MS Pipes - BY Pass arrangements in Manamboor MLA Bridge**

Work Order No	PHC /D1/8434/2016 dated: _3/2018
Accepted PAC	Rs.82,98,784/-
Agreement No	2/2018-19 dated 5-4-2018
Accepted PAC	Rounded to nearest Rs 1000= Rs.82,90,000/-
Value of stamp paper Obtained	Rs.200/-
Actual leviable	Rs.8,290/-
Short Collection	Rs.8,090/-

- (iv) **Name of Work Amruth Water Supply 15-16 and 16-17 improvement of TWSS construction of 75 MLD Water treatment Plant and allied works at Aruvikkara**

Work Order No	KWA/PHC /D5/5118/2017 dated 1-7-2018 of SE TVM
Accepted PAC	Rs.56,29,00,000/-
Agreement No	6/2018-19 dated 4-6-2018
Accepted PAC	Rounded to nearest Rs 1000= Rs.5,62,900,000/-
Value of Stamp Paper Obtained	Rs.200/-
Actual leviable	Rs.1,00,000
Short Collection	Rs.99,800/-

- (v) **Name of Work Amruth Water Supply Supplying and fixing automatic meter with GSM / GPRS interface of bulk consumers Phase 1**

Work Order No	KWA/PHC /D5/850/204 dated 12-07-2018 of SE , TVM
Accepted PAC	Rs.91,24,297/-
Agreement No.	12/2018-19 dated 28-7-2018
Accepted PAC	Rounded to nearest Rs 1000= Rs.91,25,000/-
Value of Stamp paper Obtained	Rs.200/-
Actual leviable	Rs.9,125/-
Short Collection	Rs.8,925/-

- (vi) **Name of Design construction trail running commissioning operation and maintenance of 10 MLD WTP , 8 LL OHSR at Cheelappara 9 m dia intake well cum pump house Sub Station building and supplying laying testing commissioning and maintenance of 400 mm DI K9 raw water pumping main in Vilappil Panchayath**

Work Order No	KWA/PHC /D3/5139/2015 dated 12-6-2018 of SE TVM
Accepted PAC	Rs.8,52,43,422 /-
Agreement No	09/2018-19 dated 27-6-2018
Accepted PAC	Rounded to nearest Rs 1000= Rs.8,52,44,000 /-
Value of Stamp paper Obtained	Rs.200/-
Actual leviable	Rs.85,244/-
Short Collection	Rs.85,044/-

- (vii) **Name of Work Augmentation of WSS to Kunnatthukal Panchayath , Design construction and commissioning of 9.15 LL capacity OHSR at Kottukonam supplying and laying of 400 mm DI K9 Pipe for interconnection with existing distribution line at Kottukonam**

Work Order No	KWA/PHC /TVM/ D2/2366/2017 dated 1-09-2018 of SE TVM
Accepted PAC	Rs.3,07,00,000/-
Agreement No	13/2018-19 dated 14-9-2018
Accepted PAC	Rounded to nearest Rs 1000= Rs.3,07,00,000/-
Value of Stamp paper Obtained	Rs.200/-
Actual leviable	Rs.30,700 /-
Short Collection	Rs.30,500/-

- (viii) **Name of Work RWSS to Kizhuvilam Keezhattingal Villages balance work supplying laying and testing of 160 mm PVC gravity main from Valiyakunnu Sump to Mananakku sump**

Work Order No	KWA/PDT / DB2/1563/2017 dated 14-06-2018 of SE TVM
Accepted PAC	Rs.27,18,362/-
Agreement No	12/2018-19 dated 25-6-2018
Accepted PAC	Rounded to nearest Rs 1000= Rs.27,19,000/-
Value of Stamp paper Obtained	Rs.200/-
Actual leviable	Rs.2,719 /-
Short Collection	Rs.2,519/-

IX Non Imposition of fine for the delayed execution of agreement

As per rules in PWD Manual revised edition 2012 clause 2009(6) the contractor is bound to execute the agreement with 14 days or with fine within next 10 days from the date of selection notice. In case of failure to execute the agreement within this period tendering authority shall cancel the offer of contract forfeiting the EMD and taking such other action mentioned in the bidding document. After cancelling the offer of the contract in the above case the tendering authority may negotiate with the next lowest bidder and award the work to him if he expresses his willingness in writing to execute the work at the accepted rate of the defaulted bidder. Otherwise the work will be re tendered.

- (i) **Name of Work: Deposit Work of KSCADC WSS to Costal wards of Adimalthura Poovar and Karumakkulam villages in Thiruvanathapuram District construction of 6.6 mm dia well Sump cum Pump House construction of 1.033 LL OHSR and compound wall at Adimalathura SLPC of clear water pumping main 100 mm DI K9 from sump to Chappath to OHSR at Adimalathura SLTC of distribution net work at 110mm 90 mm PVC , providing 4 mld micro filter supply of centrifugal pump set 2 Nos demolishing the existing toilet block and interconnection wok construction of Chlorine room toilet and construction of Shelter**

Name of Contractor	M/s Anurag Engieerr Pvt. Ltd., No 6, I st Floor , Adampakkom Chennai
Accepted PAC	Rs. 1,91,53,800/-
Work Order No	KWA/PHC/TVM/D2/794/2018 Dated: 2-3-2019
Agreement No	01/19-20 dated: 24-4-2019

As per the work order, the contractor had to execute the agreement within 15 days from the work order. After 15 days a grace period of 10 days will be allowed with a fine of 1% of the contract amount subject to a minimum of Rs 1000/- and maximum of Rs 25,000/- and thereafter, the offer will be rejected and the work awarded to the next lowest tenderor. Action will be taken against the contractor as per PWD manual 2012 rule 2009(6). The agreement for the work was executed only on 24-4-19, instead of due date 16-3-19. Fine for the delayed execution and sanction for extension of time for executing agreement is not available in the file or agreement.

Reason for non-imposing of fine may reported to audit.

- (ii) **Name of work: Mini water supply Scheme to Myladumpara in Karakulam Panchayath.**

Name of contractor	Jolly Christy , Kamala Bhava Chathtannoor, Kollam
Acceptor PAC	Rs.4,89,803/-
Work Order	No KWA/PDT/DB /412/15 dated: 16-4-2015
Agreement No	05/15-16 dated: 12-5-2015

In the above work, agreement extended on 12-5-15 instead of due date on 30-4-15 Reason for non imposition of fine may be repeated to audit.

- (iii) **Name of work CWSS to Parassala and adjoining Villages and Maranallur Village electrification of sump cum pump house and supply and erection and commissioning of CF pump sett 2 Nos at Thevupara and interconnection work.**

Name of contractor	Sri.D.Suresh, DS Electricals , Thiruvananthapuram
Acceptor PAC	Rs.6,35,943/-
Work Order No	KWA/PDT/DB 1/1179/15 dated: 23-1-2016
Agreement No:	31/15-16 dated: 5-3-2016

As per the work order the contractor shall execute agreement on or before 5-2-16 but the agreement executed only on 5-3-16. Reason for allowing agreement in a belated date and non complaining existing Rule may be reported to audit.

(iv) **3 Name of work Renovation of RWSS to Parassala Wter harvesting for sustainability of Vandinchira pond supply erection trial run and commissioning of submersible Pump set at Vandichira**

Name of contractor	T J Simon , Saj Bhavan Kanjiramkualar
Acceptor PAC	Rs.3,23,284/-
Work Order No	KWA/PDT/DB 1/479//17 dated: 5-4-2017
Agreement No:	7/17-18 dated: 8-6-2017

As per the work order the contractor shall execute agreement on or before 19-4-2017 but the agreement executed only on 8-6-2017. Reason for allowing agreement in a belated date and non adhering existing rule may be reported to audit.

(v) **4 Name of work CWSS to Parassala and adjoining Villages Maranallur Villages of Raw Water Pump set and clear water pump set at Vandichira**

Name of contractor	B Narayanan Kutty, Poorjappura , Thiruvananthapuram
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Acceptor PAC	Rs 19,76,619/-
Work Order No	KWA/PDT/DB 1/367//18 dated: 3-10-2018
Agreement No	14/18-19 dated: 5-11-2018

As per the work order the contractor shall execute agreement on or before 17-10-2018 but the agreement executed only on 5-11-2018. Reason for permitting agreement in a belated date and non adhering existing rule mentioned in the work order may be reported to audit.

X Deposit work - Non keeping of registers

KWA has been entrusted to carry out works related to water supply of local bodies, Govt. Institutions and private agencies etc.. Usually, on receipt of the application, the Executive Engineer shall prepare a feasibility report and if the proposal is feasible prepare a detailed estimate for the works / scheme including centage charges applicable for the work. The detailed estimate would then be intimated to the depositor and after remitting requisite amount, Executive Engineer of Kerala Water Authority shall execute an agreement stating clearly the scope to work, estimate amount , time of completion of the work availability of land etc. The agreement should also contains the provisions for settlement of excess expenditure or excess payments made by the depositor etc. The custodian of the deposit amount is the Executive Engineer. On receipt of deposit amount in the name of FM&CAO, the EE shall recorded the same in a register maintained in the Division Office and transfer the deposit amount to the account held by the FM&CAO.

On verifying the Deposit register maintained by the Project Division, Trivandrum, there are eight ongoing Deposit works totaling to Rs. 3832.90 lakhs. There is no ample proof to inspect the receipted amount except a register is

maintained showing the expenditure of the work .The usual practice is to keep a deposit register with details and facts should be reported to audit.

Delay in execution of work

M/s KINFRA on 24-9-15 requested the KWA to provide 0.50 MLD water to meet their requirement. Accordingly Executive Engineer prepared an estimate for Rs 57,25,000/- . The estimate prepared by the Division did not contain the provision for centage charge. The Executive Engineer revised the estimate for Rs 62,75,000/- which was deposited by KINFRA on 6-4-18. On verification of the estimate by the Superintending Engineer , the estimate was revised to Rs. 66,00,000/- and estimate was again recast by incorporating the revised road restoration charges (Rs. 925000/-) making the total estimate for the work to Rs.72,00,000/- The amount was remitted by KIFRA on 10-12-18. The Executive Engineer (10-1-2019) sought permission for road cutting and the Assistant Engineer Corporation in their letter dated 6-2-2019 informed that the proposed road has been tarred since two years ago and hence the surface cannot be cut open at present.

Had the Division prepared the correct estimate in time and Technical Sanction accorded by the Superintending Engineer, the cutting permission from the Corporation could be obtained before the road getting tarred. Thus, defective planning has resulted in extra expenditure towards road restoration and delay in execution of work.

XI Award of works by waiving tender calls.

On a scrutiny of the quotation register audit noticed that the following works were awarded by obtaining quotation from two firms only. As per the provisions contained in PWD Code three competitive offers are required for finalizing the

offers. In the following works were awarded and quotations sanctioned without obtaining three nos. of offers.

Eg: quotations No 2/13-14 to 15/13-14
No 27, 28, 33/13-14
No 3,5,6,7,9,to 13/14-15
No 1/15-16 to 5/15-16
No 1/16-17 to 4/16-17
No 4/17-18

Some quotations are passed and paid beyond the delegation of powers (No. KWA/HO/WN/33/97(B) dated 15-9-2012). As per the existing powers Executive Engineer is competent to pass quotation up to Rs 70,000/- .In the following cases quotations were passed without obtaining sanction from the higher authorities.

Eg; Quotations No 24/13-14 for Rs 1,13,000/-
No .25/13-14 for Rs 84, 000/-

Excess payment

Quotation No 01/18-19

Purchase order was placed for the supply of 350 mm DI non return valve vide quotation No 01/18-19 dated 11-5-2018 for Rs 69,997/- with the lowest quoted firm M/s Kelbi Enterprised , Puthukottai main Road Trichi . But on receiving the valve and taking in the account by the Assistant Engineer vide GRS No 412 dated 21-7-2018, the cost of items recorded as Rs 70,000/- and the same were passed and paid with an excess payment of Rs. 3/- which may be recovered . Also to state that GRS No. 412 dated 21-7-2018 has not check measured by the Assistant Executive

Engineer concerned and a financial loss due to non execution of agreement . The fine loss to this omission may be recovered and fact may be reported to audit

Quotation No 2/18-19

In this case also the procedure of executing the agreement has not been followed. The omission may be rectified and reported to audit.

XII Stock Verification – Non-maintenance of register

An audit enquiry No 9 dated 22-10-2019 served demanding to produce the following Registers.

- 1 MAS Register of Each Assistant Engineer .
- 2 MRN MASTIN and connected registers of Each Assistant Engineers.
- 3 PSL Register maintained in Division Office
- 4 Supply order Register MA 9

On receipt of the audit enquiry by Divisional Accounts Officer, it is informed by him that this office is Project Division and no Division store under this Division. So the above registers are not maintained in this Division. Hence the audit observed the following:

If the above registers are not maintained as per the Accounts Manual, the transactions between Sections Works cannot be verified. Further to add that at first the printed books of GRS, MASTIN etc .are not issued by the Division Office. This has to be printed by the Executive Engineer with machine numbered pages and the book numbers are entered in the register maintained in the Division and issued to the concerned Assistant Engineers on request. On receipt of this registers MAS register

is to be opened first with opening balance and transaction by way of balance material intersection transfer of the materials etc. should be recorded.

Apart from the above issuances of supply order done on the basis of inviting quotations/ works, receipt of materials are to be recorded in the PSL register which is mandatory as per the Manual.

In addition to the Above it is noted by the audit the stock verification team has conducted a stock verification during 11-2017 and observed certain discrepancies are noted and reported the matter to the Accounts Member Thiruvananthapuram with copy to the Executive Engineer, Project Division Thiruvananthapuram for further action. In the stock verification report it was alleged that certain quantity of material have been found short. In two sections, of which Assistant Engineer Section 1 has replied the alleged material are transferred to various offices without obtaining any authorization from higher officers. Another Section No II has not submitted any reply in this regard and keeping mum. The stock verification team has requested to take necessary action against this officer. But no action is seen taken till date.

The Stock verification team has insisted to maintain MAS registers MRN MASTIN and all other connected documents in the above audit paragraph. More over stock verification team also insisted to keep the following registers.

- Supply Order Register MA 9
- Inward register of Inter Office Account Materials MA13
- Outward Register of Inter Officer Account Materials MA 17
- Intend Register
- Register of Blank Forms
- Register of Scrap MA 21

The above directions made by the Stock verification team during 2017. But the same were not complied during this audit also, same omissions are noticed.

XIII Non-maintenance of registers

(i) FA 1 Register (Work Register)

As per Accounts Manual 1993 Chapter III A and PWD Code, Work register is to be maintained by each Divisions to up keep the accounting system of related works with the details of expenses incurred, such as, advertisement charges, land acquisition charge , road restoration charge and all payments made to contractor in separate a folio. On maintaining the register, the details of work and its up to date expenditure can be available.

Non-maintenance of the requisite register by the Division is brought to notice.

(ii) FA 4 Register (Tender Register)

This register is intended to record the details of tender received from various firms/suppliers. The details of final verdict choosing the supplier/ contractor, as the case may be, shall be recorded in tender register. However, the register has not been maintained by the Division. This may be complied with.

(iii) FA 8 Register(Contractors Register)

It is intended to make the details of each work in the register. Separate folio for each work shall be made use. But the Division records the details of all the works pertaining to a contractor in one page, which is incorrect.

(iv) FA 11 Register (Abstract of Work register)

As per the Account Manual FA 11 is to be prepared monthly which is dealt with details of work which shall be consolidated from FA 1. This practice is not followed in this Division. This may be complied with

(v) FA 12 (Work Completion/ Commission Certificate)

This form is used for entering work / scheme commissioning and transfer to maintenance Division as and when it completed with recording the total expenditure of a scheme / work. But in most of the scheme / work transfer, this form is not put to use.

All the Scheme handed over to maintenance Division in earlier period prepared in FA12 and forwarded with asset transfer note in FA 18. On verification, it is noticed that preparation of FA 12 and FA 18 are not done properly and simply the scheme is being handed over with a list of balance materials. Superior Officer may also insist the subordinate officers to submit FA12 and FA18 while releasing the security deposit. The position is brought to notice.

(vi) MA 9 Register (Register of Supply Order)

This register is to be maintained for each and every supply orders. On verification many purchase orders were placed but the same were not seen recorded in the Supply Order register .eg: Purchase Order No 1/2018-19 dated:19-5-18 for Rs. 69,997/- (File No KWA/PD-T/DB1/856/18). This register should be maintained strictly and details reported to audit.

XIV Cancellation of Agreement without Authentication

On scrutiny of the Agreement register, it was noticed that agreement No 27/16-17 and No 2/19 -20 entered in the register is seen canceled. General practice is after executing the agreement between two parties cancellation is permissible by recording valid reason in the register with proper attestation.

Reason for cancellation of above agreement and custody/release of the security deposit may be reported to audit.

XV Settlement of Temporary Advance

Temporary Advance is sanctioned to Assistant Engineers to meet urgent contingencies. Usually the Assistant Engineers are bound to submit the vouchers and settle the accounts within a span of 3 months (KPWA Code 6.6.14) where more than one temporary advance is given to an officer the accounts of each of their advances should be distinct and rendered separately. The Unspent balance if any should be remitted back to the disbursing officer after expiry of a period of three months and suitable adjustments are to be made in the books of accounts. But on verification of temporary advance, the claims are not settled properly.

(i) Sri. G Radha Krishan , Assistant Engineer Section 1

As per the CB12 , Assistant Engineer 1 was granted Temporary advance. The purpose of sanction of the advance was to meet the expenditure towards conducting survey works , the payment to labours, helping surveyors for the period 24-2-2014 to 12-3-2014 on 5-11-2016. The total expenditure incurred was Rs.23,983/- . The claim was settled only on 6/17 vide CBV 61. Reason for the belated settlement of temporary advance may be reported to audit.

(ii) Temporary Advance - non settlement

As per para 6.6.14 of KPWA code, the accounts of each temporary advance shall be rendered separately and accounts closed as soon as possible. On verification of the temporary advance register of this office, it was noticed that temporary advance amounting 150000 (50000 on 8 - 2-2019, 50000 on 22-2-2019 , 50000 on 6-3 -20 19) paid to Sri Radhakrishnan G was pending settlement as on 31-3-2019. As per GO(P) 509/92Fin dated 28.05.1992, if the final bill of temporary advance is not prepared and submitted as on 31-3-19 or within three months of receipt of advance, interest @ 12.5 per cent on the whole amount has to be recovered from the concerned officials. Hence all the Temporary Advance Claim of all AEs during audit period under Division may be verified once again and reported to Audit after recovering the interest.

(iii) Sri. MJ Shanavas, Assistant Engineer Section V

As per CB12 claim settlement of Rs 50,892/- of which an amount of Rs 25,092/- has been pad towards pay bill for conveyance charges of 700 mm DI rubber ring from Kalahasthi in Andhrapradesh to Kappukadu near Neyyar Dam in connection with drought work 2017. The voucher toward the settlement of temporary Advance made by him. It is noted that the purchase were made from Kalahasthi in Andrapradesh to Thiruvanathapuram by road which that the distance covers three states, where cash bill necessary to produced the same for verification in the respective Check Posts . But here there is no such voucher is produced with seals of check posts. It is also not mentioned that from which firm the rings are purchased with their registration of CST and description of materials with its actual weight. Hence the amount may be kept as liability against Sri. MJ Shanavas Assistant Engineer and report to audit .Under which circumstances the omissions were happened in this regard may be reported to audit.

(iv) Sri. Muththu Kumar Assistant Engineer Section III.

There is also another discrepancy is noted against Sri. Muthukumar Assistant Engineer toward the settlement of temporary advance out of temporary advance Rs.99,835/- a voucher amounting Rs.13,700/- was meant for digging 15 Nos. pits for erecting pumps and motors from Neyyardam to Aruvikkara reservoir. The voucher produced is seen that there no revenue Stamp pasted on it. The payment of Rs.5,000/- and above are to be made with revenue stamp . The work can be suitably arranged through quotation basis due to the urgency. But here the strict procedures are not followed.

Reason for not adhering it may be reported to audit.

In this connection it may be noticed that the issuance of Temporary Advances is to be settled against passed vouchers (KPWA Code 6.6.14) only strict action may be initiated against the defaulters ant with hold the salary .

XVI Vehicle

(i) Excess usage of hired vehicle by keeping the department vehicle off the road.

On verification of the Log Book of vehicles, It was found the average monthly usage of Dept . Vehicle is nearly 538 km and where as the average usage of hired vehicle comes to 2300 km / month. Thus the total usage of vehicle usage in a month comes to 2838 kms.

The departmental vehicle is on good running condition and a permanent department Driver is available in the Office. There are four hired vehicles hired by the Project Division, Thiruvananthapuram. The expenditure towards hiring of

vehicles during the last three years is as below:

Year	Amount
2017-18	Rs.12,56,997/-
2018-19	Rs.11,62,640/-
2019-20 (October 2019)	Rs.10,39,609/-

The expenditure statements shows that there is clear violation of financial propriety. The necessity of using four hired vehicles with one department vehicle may be reviewed and revised with reference to the ongoing schemes so as to reduce the unwanted expenditure. It may also be stated why the departmental vehicle is put to use with an average running of 538 kms/month.

On scrutiny of log book of hired vehicles, it is seen that overseers are regularly using the vehicles for site visiting. The authority under which the usage of hired vehicle by the overseer requires clarification. A statement showing the usage of vehicle by each officer during the above period may be furnished to audit urgently.

(ii) Hiring of vehicles- GST, KCWWF

The Project Division utilizes the services of one department vehicle and four hired vehicles. The statutory recoveries such as Income tax, GST, KCWWF are need to be effected while making payments to contractors towards hiring of vehicles. Though the payment towards hiring of vehicle come within Rs.11 lakhs and 12 lakhs in a year , GST is not seen deducted till date. The Divisional Accounts Officer, who is the financial advisor to the Divisional Officer (EE) shall be more vigilant on deduction and usage of vehicle while passing and making payments.

Reason for non-deduction of GST may be specified with remarks.

(iii) Log Book of Vehicle

On verification of the log book of department vehicle , it is found that the log book is not maintained properly. The last date of entry made in the log book at the time of audit is up to 31-07-2019. Reason for non maintaining of log books properly may be reported to audit. The record of fuel test conducted was also not produced to audit.

XVII Accounts

(i) Non remittance of bank interest to NOP account

On verification, it is found that an amount of Rs. 30,57,904/- has been received as bank interest during the period from 01-09-2009 to 31-03-2019 .Out of which Rs. 5,50,956/- is seen transferred to NOP account . Therefore the balance amount @ Rs.25,06,948/- is kept in various SB accounts of division office.

The amount may be transferred to NOP account with intimation to audit.

(ii) KCWWF

On verification of the KCWWF register and office records it is found that an amount around Rs. 5,75,000/- has been collected as 1% SC from KCWWF remittance for the period from 01-09-2009 to 30-09-2019 and the amount has not been remitted to NOP account till date .

Service charge of KCWWF collected up to 30.09.2019 may be remitted to NOP account and intimated to audit.

A deduction of service charge @ 1% has to be made while remitting KCWWF recovery collected from payment of work bills . But it is seen that the deduction of 1% service charge is not entered in the receipt side of cash book up to 30-09-2019. Deduction of 1% service charge is not made in the form CB3 also. Hence 1% SC collected is seen not taken to the account through cash book . Necessary entries may be made in the cash book and reported to audit.

(iii) Security Deposit

The Security deposit pledged towards Hiring of vehicle @ Rs. 5,000/- by Sri. T. Saji on 01.03.2011 is seen missing. It may be clarified whether the security deposit is released or not.

(iv) Trial balance , Ledger and Journal register

As per Kerala Water Authority manual and circular, it is directed that all ARU's should maintain, Trial balance, Ledger and Journal register for strengthening of the Kerala Water Authority accounting system. The Office has not maintained the above mentioned registers. The reason for non-maintenance of the above registers shall be intimated to audit.

(v) File related to fund requisition

File related to requesting Fund from Finance Manager & Chief Accounts Officer for the period 1-4-2013 to 3-3-2014 and details of fund requested vide Audit Enquiry No 34 was not produced for audit . So audit team was not in a position to examine whether fund diverted or not.

(vi) Cash book:-

On verification of cash book for the period from 01-04-2013 to 31-03-2019, the following irregularities were noticed as detailed below:

- As per GO(P) 639/78/Fin dated:22-8-1978, a certificate duly signed by the controlling officer regarding machine numbered pages of the cash book is need to be written before beginning a Cash Book. This was not seen complied with in the case of cash book used for the period from 01-02-2015 (Sl.No.8) .
- Authentication of Divisional Accounts Officer is seen not done during the months 12/2013,3/2014, 4/2014, 5/2014 and 2/2015 to 12/2015
- Over -writing in the cash books were observed in audit which have to be avoided as per the proviso contained in KTC Vol I Rule 92(a) vi. Mistakes if any occurred has to be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. Some entries in the Cash Book were corrected by over-writings/ correction liquid in some pages. The corrections so made were also not attested by the Drawing and Disbursing Officer. Eg CBV 19 of 4/13 CBV 151 of 6/13, CBR 15 of 2/15 CBR 20 of 2/15.
- Page nos.194 to 200 were left blank (Aug -2015)
- As per Rule 92(a) of KTC.Vol.I, Cash book should be closed regularly and actual balance held in cash chest should be stated invariably both in words and figures. This must be initialed by a responsible officer other than the writer of the cash book . This was not seen followed.
- Entry of 'No transaction' has to be recorded in the cash book when there is no transaction for a day/period. No such entry was recorded throughout the audit period. Eg : 3/4/13 , 6/4/13, 8-4-13 & 9/4/13.
- Scoring of figures without specifying sufficient reasons and signature of the person who made corrections are not made in the following dates and pages:

Cash book for the month of 10/2015 ie, 1/10/2015, 06-10-2015, 14-10-2015 and page no. 20 ,21,22,23,24,25 ,26,31,32,37and 42 (Cash book no.9) .

- Receipt side entries vide CBR No. 19 to 30 pertained to the advance payment to contractors through bank loans schemes .Reason for non deduction of Bank loan charges from the said payments may be specified along with supporting fund allotment statements.
- In the cash book (Sl.No.9) , the entry 10/2015 is seen started from page no.18 vide CBV No. 1 and continued . But after CBV no. 17 dated 06-10-2015, CBV no.18 is started with the entry of 01-10-2015 . The entries of 01-10-2015 continued up to CBV no.29. Then CBV no. 13 is started with the entry of 05-10-2015 and continued up to CBV no.32 . After that, entry of 07-10-2015 started with CBV No.3 .

Reason for irregular and order less entry made in the cash book for 10/2015 may be specified.

(vii) Stock Register of Receipt Book

The Stock Register of Receipt Book has to be maintained by all offices. The Project Division, Trivandrum does not maintain the register. So the details of CB2 received, utilized, balance could not be ascertained. The position may be clarified.

(viii) Stamp Account Register

The stamp account has to be maintained as per provision contained in the Government Order dated 7.7.1988. While checking the stamp account, difference in totaling were noticed on the dates shown below:

Date	Difference (Rs.)
10.6.15	70/-

9.7.15	60/-
20.1.17	30/-

This may be made good and results intimated to audit.

(ix) Amount Out Standing against the Head 2812

The Ledger for 3/2019 shows that amount for Rs. 1,23,315/- is outstanding against the Head 2812.

Reason for the same may be reported to audit.

(x) Amount Out Standing against the Head 1661

The Ledger for 3/2019 shows that amount for Rs. 7,23,386/- is outstanding against the Head 1661.

Reason for the same may be reported to audit.

(xi) Amount Out Standing against the Head 1532

The Ledger for 3/2019 shows that amount for Rs. 31,403/- is outstanding against the Head 1532.

Reason for the same may be reported to audit.

(xii) Amount Out Standing against the Head 2841

The Ledger for 3/2019 shows that amount for Rs. 6,044/- is outstanding

against the Head 2841.

Reason for the same may be reported to audit

(xiii) Amount Out Standing against the Head 2843

The Ledger for 3/2019 shows that amount for Rs. 5,483/- is outstanding against the Head 2843.

Reason for the same may be reported to audit.

(xiv) Amount Out Standing against the Head 1659

The Ledger for 3/2019 for the account head 1659 shows that amount for Rs. 2,09,780/- is paid as advance and is seen not settled or recovered from the bills.

(xv) Amount Out Standing against the Head 1651

The Ledger for 3/2019 for the account head 1651 shows that amount for Rs.35,690/- is paid as advance and is seen not settled or recovered from the bills.

XVIII Establishment

(i) Travelling Advance Register

As per Kerala Water Authority manual and circular, it is directed that all Account Rendering Units should maintain, Travelling Advance Register in PA 25 . This Office has not maintained the Travelling Advance Register. Thus audit was unable to verify whether travelling allowance had exceeded the monthly ceiling.

(ii) Travelling Allowance Claim

While verifying the TA claim for Rs 8,366/-, noticed from PA 23 is used instead of PA 22 for sanction TA advance. Later on 31-5-16 the advance is seen settled and name designation basic Pay of employee purpose of journey mandatory certificate are seen not written in bill PA 23 . The same is seen passed under the Head 3515 instead of 3461 as directed in the proceedings of MD.

(iii) Travelling Allowance paid to Sri. P Sasikumar, Assistant Engineer

As per Proceedings No. KWA/HO/TR/GL -II/53/16-17 dated: 25-01-2017, Sri. P Sasikumar, Assistant Engineer has performed journey to Kolkatta in connection with training on Pump & Pumping machinery for public health Engineering jobs. He has halted at Kolkatta and reimbursed room rent and it is found that he has not produced Hotel bills for re-imbursing room rent.

(iv) Travelling Advance- Non settlement

As per ledger for the head 1651, The Travelling Advance sanctioned on 30-11-2015 (Rs8,366/-) and 31-01-2016(Rs.6,678/-) is seen settled on 31-5-2016.As per Article 88 of KFC, If the adjusted bill is not submitted before the close of the next month it has to be recovered in lump sum with 12.5% interest and credited to the Receipt Head. Reason for the same may be reported to audit.

(v) Minimum PF not Subscribed

KWA is governed by the rules prescribed under Kerala PF Rules. As per Rules Of the rules, the minimum subscription prescribed is at 6% of the basic pay.

On verification of the pay bill it was noticed that the minimum PF subscription is not deducted from the salary of Sri. Anoop MR, Assistant Engineer.

Similar cases, if any may also be examined and under intimation to audit..

(vi) Earned Lave Account

While verifying the Service Book of Smt. Santha K, D/man I the following errors noticed. Earned Leave at credit is found 220 ^{10/11} But as per the Service Book it is 199 ^{10/11}. Commuted Leave from 11-5-2017 to 19-5-2017 and maternity leave for 90 days from 13-07-14 is seen not affected Earned leave Account.

Similar cases if any shall be examined and rectified under intimation to audit.

(vii) Earned Leave Re Casting

As per GO(P) No 75/2007/Fin dated 27-2-2007, , Employees who have completed 3 years of service will be eligible for earned leave at the rate of 1/11 for the period spent on duty for the first year of service as admissible to permanent employees. This has not been complied with in the case of employees working the Office. Eg: Sri.Binu Babu Overseer.

Similar cases, if any, may be examined and rectified under intimation to audit.

(ix) Un Authorized Absence

Sri.PK Suresh Kumar, Assistant Engineer, was been sanctioned Leave Without Allowance for better employment for 5 years from 18-02-2008 and

relieved w.e.f. 23-02-2008. But scrutiny of the service book, no entry was made on his reporting back for duty on the expiry of leave. Reason for the same may be furnished to audit. It may be stated that whether the officer reported back to duty on the expiry of leave sanctioned.

(x) Service Book

While verifying the Service Book of Sri.Sajan, Driver, Directions in the page No 5& 13 is a seen obeyed while maintaining the Service Book of employees Page No. 107 & 108 not updated.

Similar cases, if any, shall be examined and rectified under intimation to audit.

(xi) Attendance Register

The Office procedure for Kerala Water Authority is regulated as per the Manual of Office Procedure published by Government of Kerala. Accordingly all employees shall attend the office at the specified time and mark their attendance in the attendance register which will be kept under the custody of the Supervisory Officer during the FN and AN sessions. Prior sanction has to be obtained for availing leave by applying for leave in writing except in case of emergencies. While verifying the Attendance Register for the Month of November 2018 , Sri. Vipin V Nair, availed 19 Casual Leave during the Year. Later, he was absent from duties on 5/11/2018, 18/12/2018 and 19/12/2018. These days of absence were are not regularized . The reason for non regularization of leave and it may also be stated whether the officer was paid pay and allowances for the above absence.

Conclusion

The audit team has observed some discrepancies in certain areas of execution, which requires more attention by the Executive Engineer. Some of them are narrated below:

Audit Objection Register

According to Art. 63 of KFC Vol 1, every office should maintain register prescribed format to watch the clearance / action taken in respect of the Audit Objection raised by Accountant General / Internal Audit Team during the audit. The two register is seen not maintained in the Office.

Road restoration

KWA is proposing new alignments along NH / PWD local body roads. When estimates are prepared and submitted to PWD authorities they are not agreeable to pass out proposals and revising the estimate will raising the estimate amount. This will lead to conflicting arguments between the KWA and PWD . So it is of the opinion of the audit , if a joint inspection is conducted, by the EEs at the initial stage the conflicting views can be avoided and a earlier settlement can be done.

Land acquisition

Land is a vital element for implementing of new schemes proposed by KWA. In rural areas local bodies are eager to surrender the required land, where as in some areas the issue will be leading to dispute. The other way to get the required land is get by acquisition. These formalities are taking much delay than expected. Hence anticipatory tender calls may be avoided and ensured the availability of land before

floating the work.

Water Sources

Water Source is also an essential part of new scheme KWA is taking advantage of pipelines , saline free river water and digging up of new well and bore well are the main source . Before commencing the preparation estimate the identification of source of water is to be ensured.

Short Close – Fore closure of work

On going through the audit it is noticed that several works are short closed for non- receipt of road cutting permission from PWD /NH LSGD etc. Action for obtaining permission for road cutting shall be initiated at the time of tendering the works. The contractor after supplying the pipes on expiry of original time of completion of the work request for fore-closure. This will lead to idle investment.

PART III

Reply to the previous Internal Audit report is pending, which may be expedited.

PART IV

Best practices noticed


Substantial points were not observed

PART V

There was full cooperation of the Project Office for the satisfactory conduct of audit. The records and documents called for were produced, except the files on augmentation of WSS to Pallichal and Madavoor Panchayath Package VI on time. The Audit party expresses its gratitude for the cooperation extended by the Executive Engineer and staff towards the smooth conduct of audit.



Accounts Member



Internal Auditor