

**AUDIT REPORT ON THE AUDIT OF RECORDS AND REGISTERS  
OF PROJECT DIVISION, KOTTAYAM**

**Part – I**

**A. INTRODUCTION**

The Project Division, Kottayam was started functioning during the year 7/2009. Project Division, Kottayam executes various water supply schemes in Kottayam district under Accelerated Rural Drinking Water Supply Programme(ARDWP), National Bank for Agriculture and Rural Development(NABARD), KIIFB, AMRUT and State Plan. After commissioning the project, the scheme will be handed over to the concerned O&M Division with the sufficient spare materials which are required for future maintenance. The Executive Engineer is the head of the Division.

**B. OFFICERS IN CHARGE**

**Incumbency details of Executive Engineers**

Sl. No.	Name	Incumbency period	Additional charge
1.	Smt.Philomina Hycinthia	01.07.2009 to 03.12.2010 FN	Sri.T.K.Money, AEE (03.12.10 FN to 04.12.10 FN)
2.	Sri.R.Chandra Bose	04.12.2010 AN to 19.08.2011 FN	Sri.S.Subramania Iyer, AEE 19.08.11 AN to 21.08.11 AN
3.	Sri.T.K.Money	22.08.2011 to 16.04.2015 FN	Sri.S.Subramania Iyer, AEE 16.04.15 FN to 27.04.15 AN
4.	Sri.V.S.Sreekumar	28.04.2015 FN to 31.05.2015 FN	Sri.S.Subramania Iyer, AEE 05.07.15 AN to 06.07.15 FN
5.	Sri.Subramania Iyer	06.07.2015 FN to 15.11.2016	
6.	Sri.Jochan Joseph	21.11.2016 to 20.06.2018	

7.	Sri.B.Mohanan	20.06.2018 to 01.10.2018	
8.	Sri.P.S.Pradeep	01.10.2018 to continuing	

**Incumbency details of Assistant Executive Engineers**

Sl. No.	Name	Incumbency period	Additional charge
1.	Smt.K.V.Baby	01.07.2009 FN to 01.01.2010 FN	
2.	Sri.Subramania Iyer	01.01.2010 FN to 05.07.2015 AN	
3.	Sri.T.K.Money	01.07.2009 FN to 03.02.2010 AN	
4.	Smt.Jayalakshmi	16.03.2011 FN to 06.09.2011 AN	
5.	Sri.Koshy Jacob	07.09.2011AN to 30.06.2018 AN	
6.	Sri.Sasidharan Pillai.K	16.08.2014 to 08.09.215	Sri.Koshy Jacob (08.09.15 AN to 09.09.15)
7.	Sri.Anil Raj.K.S	09.09.2015 AN to 25.09.2017 FN	
8.	Sri.Jiboy Jose	24.08.2015 FN to 17.10.2016	
9.	Sri.N.I.Kuriakose	17.10.2016 to 29.11.2016	
10.	Sri.Sivaprasad.K.S	25.09.2017 to continuing	
11.	Smt.Omana.A	29.11.2016 to 05.09.2018 FN	
12.	Sri.Sunil Kumar C.V	05.09.2018 FN to 17.12.2018 FN	
13.	Sri.Jiboy JOse	12.09.2018 FN continuing	
14.	Si.P.S.Pradeep	17.12.2018 FN	



### **Incumbency details of Divisional Accounts Officers**

Sl. No.	Name	Incumbency period	Additional charge
1.	Smt.Ushadevi.N	14.07.2009 FN to 11.04.2010 AN	Sri.Rajasekhara Kurup, JS (12.04.10 FN to 16.04.10 FN)
2.	Smt.K.G.Thankamma	16.04.2010 FN to 31.03.2011 AN	Sri.P.K.Anirudhan, JS 31.03.11 AN to 26.07.11 AN
3.	Sri.K.Sudhakaran	27.07.2011 FN to 10.01.2013 AN	Sri.K.R.Venugopal, JS 10.01.13 AN to 24.01.13 AN
4.	Smt.Minikumari	25.01.2013 FN to 10.06.2015 AN	Smt.S.Sasikala, JS 10.06.15 AN to 17.06.15 AN
5.	Sri.K.R.Venugopal	17.06.2015 AN to 30.11.2015	
6.	Smt.Sudha.T.R.	09.12.2015 FN to 07.07.2016 FN	Smt.S.Sasikala, JS 07.07.16 FN to 07.11.16 FN
7.	Sri.Saji.V.K.	07.11.2016 AN to 20.08.2019	Smt.Aruna.P.Nair, 20.08.19 FN to 01.09.19
8.	Smt.N.M.Omana	01.09.2019 FN to continuing	

### **C. INTERNAL AUDIT**

The Internal Audit Wing of Kerala Water Authority has not been conducted the audit since the formation of Division.

### **Part – II**

**A. Nil**

**B.**

#### **1. Retaining of huge amount against the A/c No.67087895980**

On scrutiny of the CMR (A/c No.67087895980), it is seen that an amount of Rs.2,40,13,452/- is retaining in the above account. This account is maintaining for the purpose of State Plan works. Due to the shortage of fund, KWA adopted a

new method for allotting the fund known as allotment "funds allotting against the CB3". Eventhough this system is followed by this Division, a huge amount is seen retaining against the above mentioned account. This practice is violation of the circular No. 0038/2012/DYFM/FIN/KWA dated 25.10.2013. As per para 8 of the circular, it was directed that, the deposit money / funds received after 15.10.2013 shall be collected in the name of "FM and CAO, KWA" A/c No.3340386329 with State Bank of India, Althara Junction Branch, Vellayambalam, Thiruvananthapuram. Action shall be taken to transfer credit the available balance in favour of FM and CAO and also report the non adherence of the circular date. 25.10.2013.

2. **Delay in finalization of tender resulting delay in completion of emergency work**

**Name of Work: WSS to Ettumanoor and 9 adjoining villages – Land slide occurred near to 8LL OHSR in the compound of Ettumanoor caritas hospital**

Director M/s.LBS centre for Science and Technology Thiruvananthapuram has requested vide Bill No.55 dated 27.09.2014 to remit an amount of Rs. 209776/- towards preparation and submission of three copies of the investigation report with necessary recommendations foundation design for the above subject work. Out of this an amount of Rs, 112360/- (100000 + 12.36% service charge) has been disbursed to the firm on 22.07.2014 vide cheque no. 512089. Superintending Engineer, P.H Circle, Kottayam vide letter no. A3/314/2002/Vo..II dated 07.07.2014 has informed the Chief Engineer (SR) Thiruvananthapuram regarding urgency of land slide occurred near 8LL OHSR situated in the compound of Ettumanoor Carithas Hospital and the Chief Engineer (SR) has also directed the Executive Engineer, Project Division, Kottayam that he should ensure non-loading of the OH Tank till further direction from the Office of the Chief Engineer (SR). From the above facts, it is evident that the protection works proposed at site of OHSR at Carithas is an urgent nature and it must be arranged and completed on



Warfoot basis. Eventhough this is the fact, the Divisional officer has not taken any speedy action for obtaining the design from WASCON and arranging the works. Action shall be taken for completing the all tender formalities and arrange the work on a war foot basis and fact intimated to Audit.

**3. Irregular releasing of security amount**

**Name of Work:** CWSS to Ettumanoor adjoining villages in Kottayam Dist. ( Phase II) supplying, laying of 8850m, 250mm, DIK9 pipes for CWPM from CW sump at Treatment Plant site to OHSR at Vedagiri (2) construction of 12.50 lakh liter capacity OHSR at Vedagiri.

**(Agreement No. 11/SE/PHCK/2009-10)**

The above subject work was awarded to M/s Blue chip construction, Ernakulam with the PAC of Rs.491 lakh vide work order No.PHCK/K/1855/1998(G) dt.01/2010 of the Superintending Engineer, P.H Circle, Kottayam. Blue chip construction has been executed the agreement on 02/02/2010. As per the agreement condition, the time of completion is 18 months from the date of handing over the site. The site for the above work has been handed over to the firm on 02.02.2010 and completed the works on 30.06.2011 which is before 32 days of the actual date of completion and incentive Rs. 3,00,000/- vide clause 8.9 of NIT has been paid to the contractor.

As per clause 8.12.2 NIT, an amount equal to 8% of total contract value shall be retained by way of retention and the same shall be released as mentioned in the clause 8.14. In clause 8.14 it is specified that 5 % of the security deposit shall be retained by the Authority as security against only inaccuracies and omission found in drawings, design, bad quantity of works and maintenance which may come to light after the completion of the works. The total security amount less security deposit is Rs. 3628000/- and the same is released on 24.03.2012 ( Rs.1,96,4000) and 9.08.2012 (Rs.1664000) without obeying the agreement condition.

On verification of the work file the, it is seen that, the Asst. Exe. Engineer vide letter during 01/2014 has informed that the following materials are required for commissioning the scheme.

500 x 300 D/F taper	-	1 No.
250 x 150 D/F taper	-	1 No.
300 x 150 D/F CI Tee	-	1 No.
300 x 200 D/F CI. Tee	-	1 No.
150mm x 90 D/F Bend	-	6 Nos.
300mm dummy plate	-	5 Nos.

The Divisional Officer noted in the request that the purchase order of the above materials has been issued to M/s Sliks on 28.01.2014. From the above facts it is evident that the scheme was not commissioned up to 01/2014. The maintenance period starting after the commissioning of the scheme. Hence the releasing of the 5 % security is irregular.

#### **4. Additional request for fund**

**Name of Work: CWSS to Manimala and adjoining villages supplying and laying distribution system using various sizes of PVC pipes for phase I zone I.**

(Agreement No.11/SE/PHCK/2010-2011 dated-1-2-11)

The above mentioned work was awarded to the contractor Sri Mathew Thomas with the PAC of Rs.82,46,697/- and the contractor has been executed the agreement on 1-02-11. The contractor was started the work on 28-02-2011 and completed on 4-11-2011. As per the agreement condition(special condition clause 6)The security deposit including the retention amount up to 8% of contract value shall be retained with KWA till the end of guarantee period and only the balance shall be paid on satisfactory completion of the work. As per the request dated 6-5-2013 the contractor has informed that the guarantee period is over and hence retention amount recovered through the CC bills may be released.



On verification of the work file, it is seen that the second and final bill is worked out to Rs.36,37,458/- and retention Rs.5,59,736/- is deducted. The CB3 amounting to Rs.3637458/- along with the proforma for fund request communicated to FM and CAO on 23-12-2011 for allotting the fund. The requested fund received in this office and payment effected on 16-5-2013. A letter along with proforma for fund requested is seen communicated to FM and CAO for allotting the retention amount Rs.5,59,736/-. During the 6/13. DAO of the Project Division Kottayam has commented in the note file that an amount of Rs.559142/- is available in our bank account for the above purpose. Hence the retention amount of Rs.5,59,242/- may be release from the available fund and the retention is seen released during 6/13. Hence the amount additionally received from Head office shall be reccredited in to FM and CAO's A/C and date of remittance shall be reported to Audit.

5. **Granting of time of extension without imposing fine**

**Name of Work: NRDWP completion of Manimala and adjoining 4 pts supplying, laying, testing and commissioning and maintenance of distribution system from GLSR at Poovatholi – package – 2 ( Phase 1 Zone 3)**

(Agreement No.03/SE/PHCK/2016-2017 dated-06.08.2016)

Administrative sanction and TS was issued to the above scheme for the estimate amount of Rs.3250 all under the scheme code 10 NRDWP completion of WSS to Manimala and adjoining 4 pts. Out of this an amount of Rs. 20 lakhs was provided for road restoration charges. As per order No.KWA/CE(SR)/OHTVL/2333/2014 Vol.II dt.11/07/2016 of the Chief Engineer (SR) Thiruvananthapuram, the estimate for the above works was sanctioned and accordingly tender was invited and accepted at Rs.2,64,15,940/- in favour of Sri.Joseph John, Contractor. The selected contractor executed the agreement on 06/08/2016. As per the agreement condition, the contractor should complete the work within nine months from the date of executing agreement. As such the

contractor was to be completed the works on or before 05.05.2017. In the mean time IV CC bills have been paid to the contractor upto 03/2018 and an amount of Rs.2,05,44,344/- has been expended for this work and the physical progress of the work comes to 90%. Time of extension was granted upto 30/03/2018 without imposing fine. Another request for Time of extension upto 25/09/2018 is kept pending in the file.

On scrutiny of the file, it is revealed that the main obstacle for continuing the work is road cutting permission from PWD authorities. Road restoration charges received from Head Office on 07/05/2018 and the same is seen remitted into PWD on 08.05.2018 and Road cutting sanction has been obtained from PWD on 02/2019. Even after lapse of 31 months after the expiry of agreed time the contractor could not completed the works. Hence expended amount of Rs. 205 lakhs is lying idling and the residents of the scheme area is suffering due to lack of portable water and huge lose was sustained to Kerala Water Authority by way of Revenue. Hence the request of time extension upto 30/10/2019 recommended by the Divisional Officer without imposing the fine is irregular.

**6. Handing over the scheme without proper acknowledgement**

**Name of Work: CWSS TO Puthupally and Meenadom grama panchayath:  
Supplying and Laying clear water pipe line from sump at  
TP site to Tachankunnu jn.**

(Agreement No. 11/SE/PHCK/2014.2015 Dated 30/07/2014)

The above subject work was awarded to M/S. Reena Engineers and contractors Pvt. limited with the PAC of Rs. 91903028 and the firm executed the agreement on 30/7/2014 and the work has been completed on 24/10/2016 and the completion certificate in FA 12 has been issued on 6/11/2016 by the Engineer in charge. The actual cost of the work is at Rs. 985,78,241.Vide letter No.PDG/AB1/499/2013 date 27/1/17 of the Executive Engineer Project, Kottayam the scheme is seen



handed over to the EE, PH Division Kottayam for operation and further maintenance.

As per agreement clause 3.6, the contractor /firm should supply spare pipes, valves and specials. As per List, the firm was to be supplied 500mm DI k-9 S and S pipes 100 m. and 500 mm DI k-9 D/F pipe 20 m. And spare valves and specials as per the list shown in the clause. As per the usual practice of KWA, while handing over the scheme the spare pipes and specials as mentioned in the clause 3.6 and the details as mentioned in the clause 8.26.4 also be accompanied. On verification of the file the list of spares and other details are not seen handed over to the O& M Division.

The list of materials and details as mentioned in clause 8.26.4 of the agreement and acknowledgement obtained from O & M Division shall be produced to Audit.

7. **Non-commissioning of scheme resulting huge loss to KWA**

**Name of Work: CWSS to Manimala and adjoining villages. Supply erection testing and commissioning of 630 KVA USS transformer and connected work at treatment plant at Manimala.**

(Agreement No. 28/SE/PHCK/13.14 dtd 19.12.13)

The work of CWSS to Manimala and adjoining villages supply and creation of 630 KVA USS transformer was awarded to M/S Tesla Heavy Electricals Pvt LTD EKM with the PAC of Rs.35,69,750/- and the firm was executed the agreement on 19-12-13. The firm was started the work on 20-12-2013. As per the Agreement condition the firm was to be completed the work on or before 18-06-2014. In the mean time certain items, such as installation of transformer HT paid MV paid cabling and earthling etc have been completed by the firm on 5-03-2014. As per the letter date 28.12.21018, the firm has requested to extended the time of completion up to 30-06-2020. The AS amount of the scheme is Rs. 1833 lakhs and

almost all the AS amount have been expended to the various components of the scheme. Even though the whole AS amount expended, the scheme could not commissioned within the targetted time due to the non completion of the subject work. Accordingly huge loss sustained to KWA by way of revenue and ideling the amount to the tune of Rs. 1833 lakhs. The reason for non commissioning of the scheme and ideling of the fund shall be reported to Audit.

**8. Expenditure exceeding original AS**

**Name of Work: CWSS to Manimala and adjoining villages. Supply erection testing and commissioning of 400 KVA transformer and connected work at Maroorkadavu.**

(Agreement No. 37/SE/PHCK/13-14 dtd 10.03.14)

The work of CWSS to Manimala Adjoining supplying erection, testing and commissioning of 400 KVA transformer at Maroorkadavu was awarded to M/s.Tesla Heavy Electricals Pvt LTD with the PAC of Rs. 30,47,407/- and the firm has been executed the Agt. on 10.03.2014. The firm started the work and final Bill is arrived at Rs. 32,13,561/- Even though the third and final Bill prepared during 5/16, till date the claim of the contractor/firm could not settled due to the exceeding expenditure of the scheme than the AS amount. As per the original As, the amount of the scheme is Rs.1833 lakhs, where as the total amount expended to the scheme up to 3/15 is Rs.2,154.74 lakhs. Without considering the As,the subject work was arranged and hence the claim of the firm could not settled. As per the usual practice of KWA, once the expenditure of the scheme exceeded than the As amount, revised As got sanctioned from the appropriate authority. In this scheme this practice is not seen followed for obtaining the revised AS. The reason for non obtaining the revised As shall be intimated to Audit.



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**9. Non Settlement of Temporary Advance**

On Scrutiny of Temporary Advance Register it is seen that an amount of Rs. 28,968/- was disbursed to Sri. Shanty Joseph, Asst. Engineer vide Cheque No, 580184 dated. 05.07.2019 towards Temporary Advance. 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 Govt. officials should be adjusted by detailed bills and vouchers as soon as possible and not 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 drawal to the date of refund of advance. In case where the adjustment bill not submitted within the prescribed time limit, the entire amount of advance may be recovered in lump on the expiry of 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 the Govt. Order dated 04.10.2019.

**10. Cancellation of cheque without noting reason**

On verification of the counter foils of the cheques, it is seen that cancelled cheque nos.000029 to 000037 against the A/c No.67087346860 are kept without noting any reason. 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 division is not followed the codal provision while cancelling the cheques.

**11. Non maintaining of DAO's Objection Register**

As per para 4.2.7 of KPWD code, it is specified that the Divisional Accounts Officer should maintain the register of Divisional Accounts Objections in KPW Form 57 and lay the register before the Divisional Officer, so that the latter may have an opportunity either of accepting the Divisional Accounts officer's advice on reconsideration and ordering action accordingly or of recording his reasons for

disregarding that advice, In the month of April each year an extract from this register should be submitted to the Finance Department of Govt. 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 it.

**12. Non-maintaining of Non-operative Control Register**

As per the Account Manual of KWA, all Divisions/ Sub Division shall maintain a Control Register – Non Operating Account in Form CB14 wherein the details of deposits into non operative account shall be recorded. Also, the details of transfers effected to the Head Office shall be recorded, based on the advices received from banks. On Scrutiny of the records, it is seen that the control Register – Non- Operating Account in CB14 is not maintained. The reason for non maintaining the NOP register in form CB14 shall be intimated to Audit.

**13. Non/Improper maintenance of Ledger and Journal**

As per KWA Manual and circular, it is specified that all ARU's should maintained Trail Balance Register, Ledger and Journal Register for strengthening the account of KWA Accounting system. Eventhough the Project Division, Kottayam is start functioning with effect from 01.04.2009, the trial balance register and ledger have seen maintained only with effect from 01.04.2018 onwards. This practice is highly irregular and action should be taken to prepare the above mentioned registers with effect from 01.04.2009 onwards and the fact will be reported to Audit.

**14. Special Cash Allowance**

As per G.O(P) No.125/17/817 fin dated.22/09/2017 the special allowance admissible to employees handling cash to various categories of employees has been discontinued with effect from 01.04.2017.



On verification of the pay bill register it is seen that Sri. P.S Madhu, Office Attendant of this office is drawing Rs.150/- per month from 01/04/2017 onwards as special cash allowance. This is the violation of the above said Government Order.

Hence the excess paid special cash allowance for the period from 01/04/2017 to 09/2019 shall be calculated and recovered from the salary of Sri. P.S Madhu, Office Attendant and intimated to the audit. .

**15. Improper maintenance of Attendance Register**

On scrutiny of Attendance Register for the year 2015 & 2016, it is seen that Causal Leave availed by the employee for the each month were not carried over on the concerned pages for the above Calendar years.

Page left without marking the number of leave availed is a lapse on the part of the concerned officer. The reason for the non-reckoning of leave for the each month shall be intimate to audit.

**16. Irregular Increment**

As per order no. KWA/JB/E4(B)/346/96 Vol.III dt: 03.06.2019 of the Dy. CE(GL) KWA, TVM Smt. Anju Surendran III<sup>rd</sup> Gr. Overseer has been promoted as II<sup>nd</sup> grade D'Man and she has joined duty as on 17.06.2019. Accordingly as per order no.PDK/AB1-1689/2018 dt.11.10.2019 of Executive Engineer, Project division, Kottayam the pay of the incumbent has been fixed @ Rs. 25,700/- as on 17.06.2019 in the higher time scale Rs. 23,100-58,700/-

As per pay fixation in the higher time scale with effect from 17.06.2019 the incumbent is eligible for getting the II<sup>nd</sup> annual increment only with effect from 6/2020. But on verification of the pay fixation statement as referred above it is

seen that the II<sup>nd</sup> annual increment is sanctioned to the incumbent with effect from 01.10.2019. This is irregular.

Hence the irregular increment sanctioned to the incumbent due to erroneous fixation shall be regularized and excess salary drawn by the incumbent shall be recovered and intimated to audit.

**17. Irregular Recasting of Earned Leave**

**Sreelekha L.V, III<sup>rd</sup> Gr. Overseer**

As per GO (P) No. 75/2007/fin. dt. 27.02.2007 an employee who has completed 3 years continuous service shall be eligible for recasting E/L @ 1/11 days of 1st year service. On verification of the Service Book of the increment it is seen that Smt. Sreelekha L.V III<sup>rd</sup> Gr. Overseer entered in KWA service as on 18.03.2016 and her Earned Leave for the first year service @ 1/11 has been re-casted before completing of 3 years continuous service. Hence the irregularly recasted Earned leave shall be regulated and excess salary if any drawn by the increment shall be recovered and reported to audit.

**18. Non recording of annual increment and declaration of probation**

**Anju Surendran, II<sup>nd</sup> Gr. D'Man**

The incumbent has jointed duty in Kerala Water Authority on service as on 31.10.2013 FN. On verification of the page no. 16 of Service Book it is seen that 1st annual increment due as on 01.10.2014 has been sanctioned to the incumbent without mentioning the 'annual increment' in the remarks column and not authenticated by concerned officer.

Entries regarding declaration of probation has not been entered in the Service Book of the incumbent

The above entries shall be recorded in the Service Book and reported to audit.



**19. Erroneous calculation of days for availing EL**

On verification of the Earned Leave A/c column of the Service Book of the following incumbents it is seen that the undermentioned defects were noted for rectification and report.

Smt. Preetha P.V, Assistant Engineer – The incumbent has availed Earned Leave for 45 days from 06.02.2013 to 22.03.2013. While calculation of the leave sanction, days taken only upto 01.02.2013 instead of 05.02.2013. After availing Earned Leave upto 22/03/2013 the days calculated for surrender of E/L as on 01.04.2013.

Similar pattern was followed in the case of Smt. Anju Surendran, II nd Gr. D'Man. She was availed 7 days Earned Leave from 26/07.2016 to 01.08.2016. Leave calculated not in proper procedure.

When an incumbent availed Earned Leave on which dated the leave period on the leave account column shall the commenced with effect from the next days of previous leave availed and further leave period shall be calculated with effect from the current leave ending.

Hence the Earned leave account of the above incumbents shall be recalculated and reported to audit.

**20. Non-recasting of Earned Leave**

As Per GO(P) No. 75/2007 fin dt. 27.02.07 an employee who has completed 3 years of continuous service shall be eligible for @ 1/11 days of Earned leave for the first year instead of 1/22 days.

On verification of the Service Book, it is noticed that the earned leave for the first year has not been recasted @1/11 after completion of 3 years of service of the following incumbents.

1. Smt. Parvathy Jaya K. IIIrd Gr. Overseer
2. Sri. P.S Madhu, Office Attendant. (HG)
3. Smt. Kunjumol Chacko, Office Attendant

Recast Earned Leave @ 1/11 days and intimate to audit

**Internal Auditor**

**For Accounts Member  
FM&CAO(i/c)**