

AUDIT REPORT ON THE AUDIT OF RECORDS AND REGISTERS
OF WATER SUPPLY DIVISION, NEYYATTINKARA

Part - I

A. INTRODUCTION

The Water Supply Division, Neyyattinkara deals with the maintenance work and deposit work of Neyyattinkara Municipality and adjoining panchayaths and a portion of Thiruvananthapuram Corporation area. The Division consists of two sub divisions viz. WS Sub Division, Neyyattinkara and WS Sub Division, Kanjiramkulam. The audit conducted during the period from 21.03.2019 to 06.04.2019 covering the period from 01.04.2014 to 31.03.2018.

B. OFFICERS IN CHARGE

I. Incumbency details of Executive Engineers and Divisional Accounts Officers for the period from 01.04.2014 to till date

Statement of Handling Charges of Executive Engineers and Divisional Account Officers the period from 01.04.2014 to till Date			
Sl No	Name	Designation	Period
2014-15			
1	SureshChandran.	Executive Engineer	FN 01-04-2014 to 06-12-2014AN
2	B.Madhu	Technical Assistant(in full additional Charge of Exe.Engineer)	06-12-2014AN to 12-12-2014 AN
3	S.Sethukumar	Executive Engineer	12-12-2014 FN to 31-03-2015AN

2015-16			
1	Sethukumar S	Executive Engineer	FN 01-04-2015 to 22-5-2015AN.
2	B.Madhu,	Technical Assistant(in full additional Charge of Exe.Engineer	22-5-2015AN to 13-7-2015 FN.
3	Santhoshkumar.S	Executive Engineer	13-7-2015 FN to 31-03-2016AN
2016-17			
1	Santhoshkumar.S	Executive Engineer	01.04.2016 FN to 12.08.2016AN
	Sathyawilson.S	Assistant Executive Engineer(E E, in full Addl Charge)	12.08.2016 AN to 28.08.2016 AN
2	A Rajan	Executive Engineer	FN 29-8-2016 to 20.02.2017 FN
3	Sheeja A	Executive Engineer	20.02.2017 FN to 31.03.2019
2017-18			
1	Sheeja .A		01-04-2017FN to 17-06-2017 AN
2	Sathyawilson.S	Assistant Executive Engineer(E E, in full Addl Charge)	18-06-2017FN to 18-06-2017 AN
3	Hema.S.V,	Executive Engineer	19-06-2017FN to 30-08-2017 AN
4	Santhosh Sathyapal	Executive Engineer	30-08-2017AN to 09-11-2017 FN
5	Sathyawilson .S	Assistant Executive Engineer(E E, in full Addl Charge)	09-11-2017FN to 16-11-2017 FN.
6	Ajithadevi.T	Executive Engineer	16-11-2017FN to 01-08-2018 FN
7	Sathyawilson .S	Assistant Executive Engineer(E E, in full Addl Charge)	01-08-2018 FN to 26-09-2018 AN
8	Narayanan Namboodiri	Executive Engineer	26-09-2018AN to till date.
Divisional Account Officer			
1	K.G.Lalishkumar	Divisional Accountant	06-07-2013 FN to 16.01.2016 FN

2	Renjith RS	Junior Superintendent(Addl Charge)	16.01.2016 to 20.01.2016 AN
3	Mohankumar R	Divisional Accountant Officer	20-01-2016 to 22-11.2018 AN
4	Renjith RS	Junior Superintendent(Addl Charge)	22.11.2018 to till date
	Technical Asisstant		
1	Madhu B	Technical Assistant	01.10.2012 FN to 11.09.2015 FN
2	Sathyawilson .S	Assistant Executive Engineer (T A, in full Addl Charge)	11.09.2015 AN to 29.06.2016 FN
3	Anitha S S	Technical Assistant	29.06.2015 AN to Till
	Revenue Audit Officer		
1	Lalishkumar K G	Divisional Accountant Officer(Addl Charge)	12.08.2013 AN to 16.01.2016 FN
2	Lalishkumar K G	Revenue Audit Officer	16.01.2016 FN to 13.09.2017 AN
3	Mohana Kumar	Divisional Accountant Officer(Addl Charge)	13.09.2017 AN to 22.11.2018 FN
4	Sajthkumar KS	Revenue Audit Officer	22.11.2018 FN to till

C. INTERNAL CONTROL MECHANISM

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

1. No internal audit of the sub division has been conducted by the Divisional Accounts Officer
2. More effort is needed to mobilize the revenue collection
3. Non Operative control register and cheque remittance register were not maintained by Sub Divisions

4. As per usual practice of Kerala Water Authority, the revenue collected by the Section offices will be handed over to the Sub Divisional office as and when close the cash counter. The Sub Divisional Officer will be remit the same into Non Operative account on the next working day. This mechanism is not done by the WS Sub Division, Neyyattinkara. This may leads to misappropriation of money.

1. Tendering of work without obtaining Administrative Sanction from Head Office

Name of works: Scheme 69 improvement of civil structures. RWSS to Kunnathukal- Reconstruction of floor slab and Raw Water pump house at Pazhamala. (Agt: No. 84/2015-16 dated 21.3.16)

Administrative sanction for the above work was issued by the Govt. vide Go (Rt) No. 303/2016 WRD dated 29.3.16 for an amount of Rs. 19.3.lakhs under the scheme code 69 RWSS . Even though the AS was issued by the Government of Kerala for an amount of Rs. 19.3 lakhs, the estimated amount while tendering of the work is Rs. 20.51 lakh and the TS sanctioned amount for Rs. 20.59. The work was tendered by the Executive Engineer with due date on 22.2.2016 and the work was awarded to Sri. Aji, Contractor with 2% below Estimate rate and the firm period of this work was 4 months from the date of work order. Work order was issued on 21.3.2016.

As per the agreement condition the works should be completed on or before 20.7.16. On scrutiny of the file it is seen that the contractor

completed the work only on 27.3.2017 and 7 months delay was occurred in this regard the following points shall be clarified to Audit.

1. Why the work was tendered before getting the AS from the Head Office.
 2. Whether the sanction for the revised AS was obtained from Govt, if so furnish the details.
 3. Certain item of works have been abnormally increased than the agreed provision. Eg: item No. 13,15,18,19,25,26,34, 35,36,37, 38,39 and 43. The reason for the excess shall be report to Audit.
 4. Certain major items were not carry out by the contractor. eg: item No. 27,28,46 and 48 it is presumed that this was happened due to the non availability of the approved design timely by the subject specialist i.e. WASCON.
 5. Inspite of required time was available for getting the design approved by WASCON, initiation was delayed. The reason for the initiation of design shall be intimate to Audit.
 6. Due to non receipt of the approved design from WASCON undue benefit of Rs. 1,72,260/- has been obtained by the contractor
 7. Reason for the non imposing of fine for delay in completing the works.
2. **Laying of 63mm PVC pipe without proper testing**

Name of works: Deposit work- Kerala Land Development Corporation. RWSS to Chavadi – providing water connection for SC families at Ravinagar colony. (Agt: No. 6/2017-18 dated 23.5.17)

The above subject work was awarded to Sri. P. Bahuleyan, Contractor at 28% below ~~28% below~~ estimate rate. The work was started on 26.5.17 and completed on 20.12.2017 and the payment was made on 21.3.2018. On scrutiny of the file the following are noticed.

- a. As per Agreement condition, the contractor should be completed the work within 2 months from the date of work order. The work order of this work was issued on 17/5/2017. Accordingly the contractor was to be completed the work on or before 16.7.2017. But the contractor completed the work only on 20/12/2017 and thus 157 days delay was occurred. Hence suitable fine was to be imposed while sanctioning the Time of extension. ^{But,} The fine was not imposed as per rule. The reason for non realizing of the fine shall be intimate to Audit.
- b. As per the accepted schedule, the contractor was to be laid 760 meter of 63 mm PVC 6 kgcm² pipe. On scrutiny of the predelivery inspection report (dated 25.5.17). The inspection officers tested 760mtrs only. But the laid length of 63mm PVC (item No. 4) pipe is 790mr and it is revealed that the contractor was additionally laid 30mr. of 63 mm PVC non tested pipe. This is against the codel provision. The reason for the laying of 30 mr. non tested pipe shall be intimate to Audit.

3. Non Imposing of fine

Name of work: RWSS to Athiyannoor, Thirupuram, Paranchikulam-Athiyannoor Panchayath – Water Supply line extension providing water connection in Vhasker Nagar SC Colony (Agt.12/2017-18 dated, 12.06.2017)

The above subject work was awarded to Sri.D.Vidhyadharan, Contractor at 30% below estimate rate. The contractor started the work on 19.07.2017 and completed on 10.11.2017. As per the agreement condition the work should be completed within 45 days from the issuance or the work order. The work order was issued on 06.06.2017 and the agreement executed by the contractor on 12.06.2017. As such the time of extension was needed from 21.07.2017 to 10.11.2017. The contractor submitted the application for extension of time of completion on 18.07.2017. It is understand that the delay was occurred from the part of the contractor and hence liquidated damage was to be imposed while sanctioning the time of extension. The reason for the ^{NON} imposing of the fine shall be intimated to the Audit.

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4. **Non remittance of revenue into Non Operative Account**

Name of works: Parassala Block panchayath RWSS to Poovar RWSS to Poovar Karichal line extension of 63 mm PVC in various places in Poovar Grama Panchayath (Agt: No. 28/2018 dated 30.5.18)

The above work was awarded to Sri. P. Christudas, Contractor at 28% below estimate Rate. The works was started on 11.6.2018 and completed on 25/6/2018 and the payment was made on 4/9/2018. As per the Agreement condition (item No. 4) the contractor was to be lay 850 mr. of 63 mr of PVC pipe 6 kg/cm² and specials.

On scrutiny of the work file it is seen that the contractor has laid 75mm dia PVC pipe 6 kg/cm² and specials. In this case the following points need clarification.

- a) As per the technical circular any changes in the size of pipe/ any deviation in the original Agreement occurred the prior sanction of the next hire authority shall be obtained. In this case this ~~had~~ ^{has} been ~~validated.~~ ^{validated}
- b) Even though there is no variation in the Labour charges ~~this~~ ^{the} item (No4) is arranged as extra item. The reason for the arranging the extra item shall be intimate to Audit
- c) An amount of Rs. 89727/- is seen deducted from this work towards the cost of materials. The recovered amount shall be treated as the revenue of the Authority and this was to be remitted in to NOP.

5. Non remittance of revenue into Non Operative Account

Name of Works: Deposit work of Venganoor Grama Panchayath-Puthukulam WSS-Replacement of damaged 90mm pumping main from Puthukulam pump house to tank. (Agt. No.16/2018-19)

The above work was awarded to Sri.R.Suraj, Contractor at 26% below estimate rate. The contractor started the work on 28.05.2018 and completed on 6.6.2018 and the payment was made on 9.10.2018. As per the memo of cost the total expenditure for this work is at ₹3,76,766/- which is including cost of materials. As per gate pass No.186 dated 30.05.2018, it is seen that 588 m of 90 mm PVC pipe was issued to this work. The cost of the pipe is worked out to ₹156,078/- (279.71 X 558). The amount deducted from the work towards materials shall be treated as the revenue of the Authority and hence this was to be remitted in to Non Operative. This amount has not been remitted

in to NoP account and the remittance details will be intimated to Audit.

6. Non Imposing of fine

Name of works: Deposit work of Thiruvananthapuram corporation Vizhinjam zone- RWSS to Vizhinjam – line extension and providing street foundation work of various places in Venganoor Division (Agt: No. 48/2017 dated 7.9.17)

The above work was awarded to Sri. V. Madhu, Contractor with the PAC of Rs. 1439045/- (below 16%) and the time of completion of 2 months from the date of selection Notice. The selection notice of this work was issued on 10.8.2017. As per the agreement condition , the contractor should complete the works within 2 months from 10.8.2017. But the contractor was started the work on 3/11/17 and completed only on 25/4/2018. Accordingly 198 day delay was occurred.

On scrutiny of the file, it is seen that an amount of Rs. 154280/- was received vide cheque No. 900792 dated 21.2.2018 from Finance Manager and Chief Accounts Officer towards road restoration charges of the above subject work. While processing the application for Time of completion it is specified the reason for delay is due to tar cutting sanction from PWD Authorities. It is not genuine reason for delay. Delay was occurred from the part of the contractor and hence suitable fine was to be imposed while processing the application for time of completion. The reason for no imposing the fine shall be intimate to Audit

7. Passing of final bill beyond the limit of financial power

Name of works: Mace. to Kumily Rectification of leakages of pipe line for one year 2014-2015(Agt: No. 47/14-15 dated 27.8.14)

The above subject work was awarded to Sri. T.J. Simon, contractor for one year at 22% below estimate rate with ^{the} accepted PAC of Rs.457021/-. The estimate for the work was at Rs. 585924/-. As per the agreement condition the firm period of the work is 12 months form the issuance of the selection notice and the contractor shall carryout the work till the finalization of the subsequent tender. The subsequent tender for the work ^{of} this area was finalized only on 15.11.2015 and the original contractor was to be bound execute the works till 15.11.2015 and accordingly the working charges is worked out to Rs. 534613/- which is 17% of above the accepted PAC. This amount is beyond the sanction limit of the Divisional Officer.

On scrutiny of the work file it is seen that ~~CGI~~^{CGI}st and ~~CCH~~^{CCH}rd and final bill has been scrutinized and memorandum of payment has prepared and kept here for payment. AS per the agreement the accepted PAC of amount of this works Rs. 457021/- where as the up to date Value of the work done is comes to Rs. 534613/-. The percentage excess is 17%. Which ^{is} beyond the sanction limit of the Divisional officer. Hence before making payment necessary sanction will be obtained from the ^{appropriate} higher authority and the fact will be intimate to Audit.

8. Awarding of work to single tender

Name of Works: Deposit work of Kunnathukal Grama Panchayath-Kottukonam Ward Water Supply line-extension at Plankala-Neechuvadi and Kaithottukonam Leksham veedu Colony (Agt. No.37/2017 dated 20.7.2017)

On scrutiny of the file No.AB4/KWA/WSD/NTA/1108/17, it is seen that the above work was tendered on with due date on 25.5.2017 and further the date of tender was extended upto 6/6/2017 and one offer was received. Again the work was retendered. In response to the re-tender one offer was received from Sri.C.Mohandas Contractor. He has quoted 3% below Estimate Rate. On 06.07.2017 selection notice was issued to the single bidder Sri.C.Mohandas. As per the existing rules, the single tender shall be entertained only after getting approval from the next higher Authority. Before issuing the selection notice the Executive Engineer was to be ensure that the single tender was approved by the next higher authority. This action is violation of the codel provision.

9. Additional expenditure due to the non inclusion of restoration work in the original estimate.

Name of Work: Deposit Work-Athiyannor Block Panchayat-RWSS to Poovar-Karichal-Water Supply line extension from Pallivilakam to Mathar nagar Tsunami Colony. (Agt. No.23/16-17 dated 15/7/2016)

The above work was awarded to Sri.Aji. Contractor with the PAC of ₹231573/-and the contractor has completed the work on 21.09.2016 and the payment was effected on 06.01.2017.

On scrutiny of this file it is seen that sanction was accorded for another work "restoration of demolished foot path connected with supply line extension from Pallivilakam to Matha nagar" for an amount of ₹72417/- on a negotiated tender basis. The negotiated tender was awarded to Sri.A.Aji, contractor who was the original contractor of the main work. If the provision for restoration was provided in the original work, the expenditure was reduced to ₹ 46346/-. Due to the non inclusion of the restoration works an amount of ₹ 26071/- is additionally expended for this work. The reason for the non inclusion of restoration works in the original estimate shall be intimated to Audit.

10. Non imposing of fine

Name of Work: Deposit Work-Athiyannor Water Supply line extension from Nellimood convent back side to Kinathuvila road and water supply line extension and Vlalan vila parayankandam road (Agt. No.35/16-17 dated 09.01.2017).

The above work was awarded to Sri.M.Renjith Contractor with the PAC of ₹ 95664/-(below 23%) and the date of completion of the work was one month from the date of work order. The work order was issued on 31.12.2016 and accordingly the work was to be completed on 01.01.2017. But the contractor was completed the work only on 03.03.2017. Thus 61 days delay was occurred. The contractor was submitted an application on 20.01.2017 requesting that the firm period of the work shall be extended up to 05.03.2017 and the reason for the delay was due to non testing of the pressure of the required pipe. As per the agreement condition the contractor is liable to supply the

required pipes and specials in good condition. It is revealed that the delay was occurred from the part of contractor and hence fine was to be imposed while according the time of extension. The reason for the non imposing the fine shall be intimated to Audit.

11. Non levy of fine and processing of Revised estimate before remitting the sufficient fund by LSGD

Name of works: RWSS to Kunnathukal . Deposit works of Kunnathukal Grama Panchayath- Koranamcode ward water supply line extension and filing new street foundations at Manavarithottam. (Agt: No. 74/17-18 date)

The above works was awarded to Sri. M. Ranjith contractor with the PAC of RS. 74429 at 8%. Below Estimate rate. The contractor started the work on 10.1.2018 and completed on 2.4.18 and payment was made on 13/7/2018. While processing the bill, the amount was worked at Rs. 89055.942. The percentage excess is comes to 19.05, which is beyond the sanction power of the Divisional officer.

On 2.7.2018 the contractor has requested by the Executive Engineer that the bill may be limit up to the sanction level of Executive Engineer and payment shall be made. Accordingly the Executive Engineer has released the amount on 13/7/18. As per the Agreement condition, the contractor was to be completed the works 20 days from 7.12.2017. But the contractor was completed the works only on 2.4.18. Accordingly Delay for 97 days has been occurred. As per the existing Rules suitable fine was to be imposed while processing the Time of extension

of application. In this case the fine was not imposed. This is irregular and the reason for non imposing of fine shall be intimate to Audit.

On further scrutiny of the file it is seen that the Kunnathukal Grama Panchayath was deposited an amount of Rs. 1,00,000/- for carryout the above works. As per the memo cost of the works the expended amount including the centage charges is comes to Rs. 92261/- and balance with Kerala Water Authority is Rs. 7739/- on 1.10.18. The Executive Engineer directed to the Asst. Exe. Engineer Water Supply Sub Division, Neyyattinkara that the revised estimate of the subject works may be submitted. It is suggested that the RE shall be entertained only after remitting balance deposited amount by Local Body.

12. Parking of huge amount under deposit head

On scrutiny of the cheque memo register(Deposit work) A/c No.57021115937, it is seen that, an amount of ₹25402295/- is availale in this Deposit account. As per Circular No.0038/2012/Dy.AM/FIN/KWA dated 25.10.2013 it was ordered that the whole funds laying in the deposit account maintained by the filed officers shall be transferred to Head Office by drawing a cheque in favour of Finance Manager & Chief Accounts Officer, Kerala Water Authority Account No.33403868329 with State Bank of India, Althara Junction Branch, Vellayambalam, Thiruvananthapuram. The Water Supply Division, Neyyattinkara is not complied the Circular dated 25.10.2013. The non compliance of the Circular shall be intimated to Audit.

13. Non remittance of interest received from Bank

On verification of reconciliation statement as on 31.3.2018, it is seen that Rs.1362454, Rs.286254 and Rs. 64948 are credited by bank as interest to deposit account, SB account and Plan account respectively. But these amounts are not recorded in to cash book. Moreover the division did not transfer the accrued interest to non operative account. Total interest credited up to 3/2018 should be transferred to non operative account and intimate audit.

14. Sanctioning of printing charges without observing the delegation of powers

On verification of file No.KWA/WSD/AB3/1590/03 Vol.II, it is seen that supply order was issued to M/s.Surya Business Forms, Nalanchira, Thiruvananthapuram for the printing of Demand and Disconnection Notice for an amount of ₹ 32842/-. As per the existing norms, the Divisional Officer is empowered to incur an amount of ₹ 5000/-(annual limit) only towards printing charges. The Divisional Officer's action having the issue of supply order for an amount of ₹ 32842/- is irregular.

15. Poor progress in realizing revenue recovery

On verification of the revenue recovery register, it is seen that 1186 nos. of Revenue recovery proposals have been initiated up to 12/2014 through the manual and thereafter this has to be operated through the online system. Out of the 1186 proposals only 56 cases

have been settled. No action is seen taken for realizing the remaining cases. Urgent action is to be taken to realize the remaining cases. Moreover no progress is seen taken to realize the pending amount through the online system.

16. Difference in closing balance between the cash book and bank statement

On verification of Bank reconciliation statement of accounts as on 31.3.2018, it is revealed that there is exist difference in closing balance between the cash book and bank statement. The details are as shown below.

A/c No.	Year	Cash book	Bank statement	Difference
57021115937	31.3.2018	43033094	5182967735	8796583
67000667602	31.3.2018	18782490	1931985588	5373658
67221660174	31.3.2018	644191	70783187	636408

It is seen that the reconciled amount is not enter into the cash book. It is necessary that the amount is taken into cash book so that cash book and Bank statement are tallied each other. Action taken shall be intimate to audit.

17. Difference in Treasury Account(TPA No.85)

On scrutiny of cash book, cheque memo and bank statement of Treasury account, the following details are noted.

Cash Book	Balance as on 31.03.2009 = 1020264. Last transaction on 31.03.2009 This balance continued till 31.03.2018.
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Cheque Memo	Balance as on 6/2010 = 938661 No transaction after 3/2010.
Bank Statement	Balance as on 01.01.2000 = 44,03,023 Balance as on 22.10.2018 = 67007.

The difference occurred due to the lack of reconciliation. Urgent action is need to arrive the actual treasury balance and the account shall be closed and the amount credited to non operated account and intimated to audit.

18. Huge Water Charge arrears

On verification of the Demand Collection Balance as on 31.3.2018, it is seen that an amount of Rs. 317883246 is pending towards water charge arrears., Being the major revenue of Kerala Water Authority, it is necessary to take various measures to collect this amount Action taken to realize the arrears may be intimated to audit.

19. Water charge arrears towards street tap

As per the DCB statement of 31.3.2018, an amount of Rs. 1560,08423 is pending towards water charges from Local bodies. No effective steps are seen taken to recover the amount from Local bodies. Action taken to realize the arrears may be intimate to audit.

20. Faulty Water Meters

On verification of records it is seen that the total no of water connection as on 31.3.2018 is 70107. Out of this 2755 connection have faulty water meter. It causes revenue loss to Kerala Water Authority.

Hence it is necessary to replace the not working meters. Action taken in this regard may be intimated to audit.

21. Non remittance of Time barred security Deposit

As per proceedings No. KWA/JS/WSD/1643/2018 dated 24.10.18 of Executive Engineer, 117 Nos of unclaimed security deposits for an amount of Rs. 659205/- are decided to transfer credit into the non operator Account. But no further action is seen to remit the amount. Urgent action shall be taken to remit the amount and intimated to audit.

22. Non settlement of Temporary advance

On verification of the Trial Balance it is noticed that an amount of ₹.107464/- exist as debit balance in Account Code 1659 from 3/2015 onwards. It shows the non settlement of Temporary advance. The amount should be settle and intimated to audit.

23. Non recovery of SLI/GIS

As per Government Order SLI and GIS should be recovered from all employees of PSU's. But the division has not been implementing the order till now. The SLI and GIS should be recovered and intimated to audit.

24. Non maintenance of Trial Balance Register

As per Kerala Water Authority manual and circular, it is stated that all ARU's should maintain Trial Balance Register, Ledger and Journal

Register. But the division did not maintain the same. It should be maintained and intimate to audit, so that the accuracy of tally system improves.

25. Non maintenance of pay bill register

Due to the formation of Kerala Water Authority, a new accounting system has been introduced and this system is being running in the all over Kerala based on a manual. As per the manual, Form No. PA3 shall be used as pay bill register. This register is contained full details of an employee and hence separate folio shall be operated each employee. In this division it is seen that a copy of Form PA9 (Salary Bill) is pasted in the pay bill register. This practice is started w.e.f. 03.2013 onwards and this system is not helpful for future reference. This is irregular against the Kerala Water Authority manual.

26. Excess remittance of NoP

On verification of CB2 and Bank Statement for the period 1.3.2015 to 31.3.2015 it is seen that an amount of Rs.41369 is collected during the month. But the remittance is 65,545/-. Reason for the excess remittance shall be intimate to audit and also intimate the amount collected and remitted from 1.4.2014 to 31.3.2015.

27. Non remittance of cash for a long period

On verification of cash book it is seen that an amount of ₹343393/- was *the* closing balance of cash as on 30.04.2014. But the amount remitted to non operative account on 02.05.2014 is only ₹ 336602/-. Non

remittance of ₹6791/- has been continued up to 31.12.2017. This practice is highly irregular. Reason for the non remittance shall be intimated to audit.

28. Cash Book irregularities

On verification of cash book many irregularities are noticed during the audit period from 1.04.2014 to 31.3.2014.

1. Cash balance certificate is not written from 1.4.2014 to 30.11.2015.
2. Monthly abstract not seen for many months.
3. Authentication of DAO is not done up to 5/2017.
4. Authentication of Executive Engineer is not seen on monthly abstract.

Water Supply Sub Division, Neyyattinkara

1. Lack of Revenue monitoring

The Sub Division Neyyattinkara consists of three sections viz. Neyyattinkara, Kattakada and Parassala. The three section offices were collecting water charges daily. As per ^{the} normal practice the collected amount shall be submitted to sub Division office daily and the sub divisional officer remit the amount into Non-operative account after consolidation and verification. But this practice was not done by the Sub Division. The section offices remitted the water charges directly to Non-operative Account and submitted the counterfoils of chelan. This may leads to misappropriation of money. More over Non-operative Control Register and Cheque remittance Register were not maintained till date. Reconciliation of the Non-operative Account has not been done. Action should be taken to stop the remittance of water charge by section office and intimate to audit. Reconciliation of Non-operative Account should be done and intimate to audit.

2. Huge Water Charge Arrears

As per DCB Statement, an amount of Rs.12.59 Crore exist as water charge arrears as on 31/3/2018. The details are as shown below.

Domestic = 75917023/-

Non-Domestic = 46730731/-

Industrial = 3253778/-

Action taken to collect the arrear of water charge shall be intimate to audit.

3. Difference in DCB

On verification of DCB statement and e-Abacus statement, ^{a huge} ~~it is~~ *difference is seen existing in the water charge arrears-* noticed that huge difference exist between the two. The details are as follows.

Category	DCB Statement	E-Abacus
Domestic	7,59,17,023/-	1,86,46,390/-
Non Domestic	4,67,30,731/-	10,99,87,012/-
Industrial	32,53,778/-	23,76,522/-

The reason for the difference shall be intimate to audit.

4. Faulty Water Meters

Total Number of connections as on 31/3/2018 is 41596. Out of this 1450 have faulty water meters. Hence water charge calculation based on the original consumption is not possible in these cases. Action taken to replace the not working meters shall intimate to audit.

5. Non Settlement of Temporary Advance

On verification of temporary advance Register, it is noticed that settlement date and CBV No. have not been written. Hence the date of settlement can not be identified on verification of cash book, it is seen that the following temporary advances paid to AE's have not been settled within the time limit.

Sl. No.	Name & Designation	Payment date	Amount	Settled dated
1	Shyja Rani, AE	4/7/2016	11275/-	2/2017
2	Pradeepkumar, AE	18/5/2017	10000/-	10/2017
3	Shyja Rani, AE	18/2/2017	15000/-	2/2018

As per GO(P)No.419/11/Fin dt.4/10/2011, the Government have ordered that a time limit of 3 months is fixed for the presentation of final bill and also ordered that the temporary advance is not utilized fully but the adjustment bill is submitted in time, interest at the rate of 18% per annum will charged on the unutilised portion of the advance from the date of drawal the date of refund of advance.

6. Non Maintenance of Pay Bill Register

Due to the formation of Kerala Water Authority, a new accounting system and certain forms have been introduced and this system is being running in the all over Kerala based on a manual. As per this manual, Form PA3 shall be used as pay bill register. This register is contained full details of an employee and hence separate folio shall be operated each employee. In this Sub Division it is seen that a copy of Form PA 9 (Salary bill) is pasted in the register. This practice is started with effect from 02/2017 onwards and this system is not helpful for future reference. This is irregular against the Kerala Water Authority manual.

7. Improper maintenance of special deposit cheque memo register

On verification of cheque memo register of special deposit amount, it is noticed that the special deposit is not maintained properly. The special deposit collected from connection for each day shall be entered in the cheque memo register and the payment should be deducted from

this total amount. This is necessary for the verification of collected amount and balance amount in the special deposit account. Action taken to maintain cheque memo register and intimate to audit.

8. Abnormal expenditure towards HR Wages

On verification of Trial Balance it is seen that the following amount are incurred as expenditure towards HR wages from 3/15 to 3/18.

3/15 = 78,49,803/-

3/16 = 85,99,201/-

3/17 = 1,18,82,039/-

3/18 = 1,12,27,549/-

HR hands are mainly working in the pump house and water treatment plants. This is occurred due to the non availability of permanent pump operators. Due to this reason, Kerala Water Authority is forced to engage such type of candidates. Recently Kerala Water Authority has been appointed several numbers of permanent employees. Hence the equal number of HR hands should be discontinued and the expenditure towards HR wages shall be decreased. Moreover there is no ^{new} schemes were commissioned and handed over to this Division and hence additional requirement is not needed. Considerable decrease is not shown under the Head of A/c 3359. Reason for the huge expenditure shall be intimate to audit.

9. Huge expenditure towards hire charges of vehicle

On verification of Trial balance it is seen that the following amounts are incurred as expenditure towards hire charges from 3/15 to 3/18.

3/15 = 271954/-
3/16 = 272750/-
3/17 = 355267/-
3/18 = 538935/-

It is noticed that the expenditure increases yearly. Reason for the increase shall be intimated to audit.

10. Wrong calculation of Earned Leave

Sri.Rockymon.P.E has been advised by KPSC Vide order No.RIB(3)38160/09 dt.30/9/2011 of the Secretary, KPSC and appointed as Operator vide order No.KWA/JB/E5/2530/2010 dt.8/11/2011 ~~of~~ and he joined duty on the FN of 14/11/2011.

On scrutiny of the Earned leave account it is seen that, the Earned Leave for the period from 14/11/2011 to 30/3/2014 is calculated at the rate of 22/1. As per rule 86 of Part Ist KSR, the first year of service the earned leave admissible is one twenty second of the period spent on duty. Hence the first year Earned Leave shall be calculated at the rate of 22/1 and the succeeding years will be recalculated at the rate of 11/1 and the fact will be intimated to Audit.

On scrutiny of Earned Leave account of Sri.Prasannakumar.S.M, Meter Reader it is seen that the Earned Leave is calculated at the rate of 11/1 for the first year instead of 22/1. As per Rule 86 of part Ist KSR. The first year of service the earned leave admissible is one twenty second of the period spent on duty. Hence the first year earned

leave should be calculated at the rate of 22/1 and the succeeding years will be recalculated at the rate of 11/1 and the fact will be intimate to Audit.

On verification of the Service Book of Sri.S.Padmakumar, D'man Grade II, it is seen that he has been surrendered Earned Leave for 30 days as on 1/4/2014. He has been participated strike on 8/1/2013 and this day has treated as Dies Non vide G.O(P)385/2012. While calculating the Earned Leave during the period from 1/4/2012 to 31/3/2014 one day Dies Non was to be deducted. The Earned Leave shall be recalculated and intimate to Audit.

On Scrutiny of the Service book of Sri.Aneesh.S, Operator, it is seen ^{thead} ~~he~~ has been surrendered Earned Leave for 28 days for donating the Hon'ble Chief Ministers Flood Relief Fund. In the Earned Leave account, the details such as the period up to which ^{RPL} ~~the period~~ has calculated and date from which surrendered etc. has not been recorded in the Service book.

11. Non Accounting of revenue receipts in proper head of account

On verification of the cash book, it is noticed that revenue receipts such as connection fee, fine, centage charges and special deposit etc. were not entered in the cash book. As per KWA manual, these revenue receipts are booked under account code Nos.6113, 7211, 6511 and 2767 respectively. Necessary entries shall be made in the cash book with immediate effect and intimate to audit.

12. Irregularities of cash book

On scrutiny of cash book from 1/4/2014 to 31/3/2018, the following defects were noticed during the period 1/14 to 11/2016.

1. Entries have not been checked by higher officers.
2. Monthly closing balance of cash book have not been authenticated by Head of office. eg.3/15
3. Monthly abstract of the cash book have not been recorded under proper authentication by head of office. eg.4/14, 3/15 to 12/15 etc.
4. Authentication of writing person is not seen. eg.3/16 to 10/16
5. Cash balance certificate have not been recorded in many months. eg. 3/16 to 10/16.

These defects shall be rectified and intimate to audit.

Water Supply Sub Division, Kanjiramkulam

1. Fixation of pay due to 2nd Time Bound Higher Grade

Shri.Sajithkumar.K.S was appointed as LD Clerk as on 9/5/1985. He was promoted as U.D.Clerk on 18/3/1992. The 2nd Time Bound Higher Grade on completion of 8 years from the 1st promoted post of UD Clerk was sanctioned with effect from 01.05.2000 vide order No.KWA/HO/9000/E9/99 dated 13/04/2000. This is evident from the subsequent sanction of Time Bound Higher Grade for 23 years vide order No.PHDNT/A2/1635/09 dated 10/06/2010 of EE, PH.Division, Tvpm. and Time Bound Higher Grade for 27 years as per order No.KWA/JP/E9/13109/2012 dated 12/03/2014 of CE(HRD & GL). But the fixation of pay under rule 28A of KSR on sanctioning 2nd Time Bound High Grade from 1/5/2000 was not given. No fixation of pay was also given on promotion as Head Clerk with effect from 1/6/2006. Hence the facts mentioned above may be examined and fixation of pay afforded from 1/5/2000 and subsequent fixation of pay revised accordingly.

2. Wrong calculation of Earned Leave

On scrutiny of the service books of the following incumbents, the earned leave account is calculated at the rate of 11/1 instead of 22/1.

As

1. Sri.Shibu.T, Operator
2. Sri.Sajikumar.D, Plumber
3. Sri.C.Binu, Unskilled Worker
4. Sri.Jyothish kumar.B, Operator

5. Sri.S.Biju, Operator

As per Rule 86 of Part Ist KSR, the first year of service the earned leave admissible is one twenty second of the period spent on duty. Hence the first year earned leave shall be calculated at the rate of 22/1 and the succeeding years will be recalculated at the rate of 11/1 and the fact will be intimate to Audit.

3. Huge Arrears of water charges

As per DCB Statement, pending water charge arrears as on 31/3/2018 is Rs.9.75 crores. The details are as shown below.

Domestic	= Rs. 43,12,956/-
Non Domestic	= Rs.5,20,38,980/-
Industrial	= Rs. 23,16,101/-

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

4. Faulty Water Meters

Total number of connection as on 31/3/2018 is 32068. Out of this 1497 have faulty water meters. Hence water charge calculation based on original consumption is not possible in these cases. Action taken to replace the not working meters shall be intimate to audit.

5. Non Settlement of Temporary Advance

On verification of trial balance as on 31/3/2018, it is seen that an amount of Rs.1,51,048/- is exist as debit balance under Account code "1659". It reveals the non-settlement of temporary advance during the

year. Action taken to settle the amount and shall be intimated to audit.

6. Non settlement of Imprest

On verification of trial balance as on 31/3/2018, it is seen that an amount of Rs.36000/- is exist as debit balance under Account code "1532". It reveals the non-settlement of imprest during the year. Action taken to settle the amount and shall be intimated to audit.

7. Lack of bank reconciliation

Reconciliation of Bank Account No.67000940638 was done up to 31/8/2015. On verification it is seen that balance as per pass book is Rs.3,65,902/- and as per cash book is Rs.3,34,165/-. The difference is Rs.31,737/-. This shall be identified and intimate to audit.

8. Abnormal increase in HR charges

On verification of trial balance, the following amounts are incurred as expenditure towards HR charges from 3/2015 to 3/2018.

3/2015 = Rs. 93,94,621/-

3/2016 = Rs.1,05,17,630/-

3/2017 = Rs.1,16,95,834/-

3/2018 = Rs. 92,40,559/-

Reason for huge expenditure towards hire charges shall be intimate to audit.

9. Abnormal expenditure towards hiring of vehicle

On verification of trial balance, the following amounts are incurred as expenditure towards hire charges from 3/2015 to 3/2018.

3/2015 = Rs. 6,30,795/-

3/2016 = Rs. 5,22,944/-

3/2017 = Rs. 6,19,986/-

3/2018 = Rs.11,04,370/-

Reason for huge expenditure towards hire charges shall be intimate to audit.

10. Irregularities in cash book

On scrutiny of cash book from 1/4/2014 to 31/3/2018, the following defects were noticed.

1. Entries have not been checked by higher officers.
2. Monthly closing balance of cash book have not been authenticated by head of office.
3. Monthly abstract of the cash book have not been recorded under proper authentication by head of office.
4. Authentication of writing person is not seen on many pages.
5. Cash balance certificate have not been recorded in many months.

These defects shall be rectified and intimated to audit.


Internal Auditor

Accounts Member
FM&CAO(i/c)


25/4/15