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KERALA WATER AUTHORITY

Jala Bhavan
Thiruvananthapuram-695 033
Kerala, India
Dated, 15.05.2019

No.KWA/HO/IA/4198/2019

From
The Accounts Member

To
The Executive Engineer,
Public Health Division North,
Kerala Water Authority
Thiruvananthapuram.

Sir,

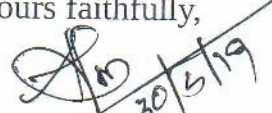
Sub:- KWA – Internal audit of PH Division, Thiruvananthapuram for the transaction period from 01.04.2010 to 31.03.2018 – Report forwarding of - Regarding

- Ref:- 1. No.KWA/HO/IA-/TP/1360/2008 dated, 20.03.2019 of the Accounts Member, KWA, Thiruvananthapuram
2. Para No. 4.5.3. of KPWA Code
3. Article 63(c) of the KFC Volume I

The Audit report of Internal Audit conducted from 16.02.2019 to 15.03.2019 for the period from 01.04.2010 to 31.03.2018 is forwarded herewith for further necessary action. You are requested to furnish the reply to the inspection reports to the undersigned within 4 weeks of receipt of the report.

Acc: Inspection report – 1 No.

Yours faithfully,


For Accounts Member
21/5/19 FM&CAO(i/c)

Copy submitted to the Managing Director/Technical Member, Kerala Water Authority for favour of information.

Copy to the Chief Engineer(SR), KWA, Thiruvananthapuram/Superintending Engineer, PH Circle, Thiruvananthapuram for information

7. (Full Additional Charge)
Sri. Ajitha Devi. T 01-08-2018 FN

II Incumbency details of Divisional Accounts Officer from 01.01.2010 to till date

1. K. Mohanan Nair	-	01-01-2010	to	18-04-2010
2. A. Syamala Kumari	-	19-04-2010	to	18-11-2012
3. Sudha (JS in charge)	-	19-11-2012	to	23-11-2012
4. A. Syamala Kumari	-	24-11-2012	to	29-01-2013 FN
5. Pradeep Kumar	-	29-01-2013 FN	to	02-09-2013
6. K. Vikraman (JS in charge)-	-	02-09-2013	to	02-05-2014 FN
7. G. Vinod	-	02-05-2014 FN	to	15-06-2015 FN
8. Kumari Vrinda(JS in charge)-	-	15-06-2015 FN	to	12-08-2015
9. Preethi. S	-	13-08-2015 FN	to	13-08-2015 AN
10. Kumari Vrinda(JS in charge)-	-	14-08-2015 FN	to	25-08-2015
11. Preethi. S	-	26-08-2015 FN	to	05-11-2016 AN
12. P. Surendran Nair	-	05-11-2016 AN	to	31-07-2018 AN
13. M. Jayakumar (JS incharge)-	-	01-08-2018	to	17-10-2018 FN
14. M.G. Mini	-	17-10-2018 FN	to	continuing

Incumbency details of Technical Assistant From 01-01-2010 to till date

1. S. Sethu Kumar	-	01-01-2010	to	19-08-2011
2. B. Ajayakumar (AEE Full Addl. Charge)	-	19-08-2011	to	05-09-2011
3. V.S. Krishna Kumar	-	05-09-2011	to	10-09-2015 FN
4. J.S. Shibu Kumar	-	10-09-2015 FN	to	19-12-2015 FN
5. Hari. N.R	-	19-12-2015 FN	to	continuing

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 Accountant

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

Part – I

A. INTRODUCTION

The PH Division(North), Thiruvananthapuram deals with the maintenance work and deposit work of Thiruvananthapuram Corporation area. The Division consists of three sub divisions viz. Pongumoodu, Central Sub Division and Kowdiar Sub division under PH Circle, Thiruvananthapuram. The audit conducted during the period from 16.02.2019 to 15.03.2019 covering the period from 4/2010 to 3/2018.

B. OFFICERS IN CHARGE

I. Incumbency details of Executive Engineers, PH Division, TVPM

1.	Sri. Saju.C. Varghese (Full Additional Charge)	29-03-2010 FN to 19-04-2010 FN
2.	Sri. V. Chandran	19-04-2010 FN to 01-05-2011
3.	Sri. B. Jayakumar (Full Additional Charge)	02-05-2011 to 16-05-2011
4.	Sri. V. Chandran	17-05-2011 to 11-07-2012
5.	Sri. Prakash Idiculla	11-07-2012 FN to 19-06-2015 FN
6.	Sri. K.S. Praveen (Full Additional Charge)	19-06-2015 FN to 06-07-2015 AN
7.	Sri. Thomas Isaac. N	06-07-2015 AN to 29-02-2016 AN

Incumbency of Executive Engineer's, PH Division (North), TvpM

1.	Sri. Thomas Issac. N	01-03-2016 FN to 01-09-2016 FN
2.	Sri. Suresh Chandran	01-09-2016 FN to 08-05-2018 FN
3.	Sri. Hari. N.R (Full Additional Charge)	08-05-2018 FN to 17-05-2018 FN
4.	Sri. Ajaya Kumar	17-05-2018 FN to 08-06-2018 FN
5.	Sri. Suresh Chandran	08-06-2018 FN to 19-07-2018 FN
6.	Smt. Anitha Puthiyapurayil	19-07-2018 FN to 01-08-2018 FN

2. More effort is needed to mobilize the revenue collection
3. It is convinced that near about 15 to 30 consumers are seen remitting the water charges through the RTGS/NEFT facility. Due to the non crediting of the water charges to the respective consumer numbers, the section officers are not in a position to issue the receipt in proper time. Accordingly a bad situation is seen created among the consumers who were remitting the water charges by using the RTGS/NEFT. Hence urgent action is to be taken to add/modification in the existing e-abacus system.
4. Difference in the DCB can be avoided by correct accounting of the water charge remitted by the consumer
5. Sub Divisions did not maintain cheque remittance register for registering the cheques received from consumers.

PART II

- A Major irregularities Nil
- B Other important irregularities

1. Retaining of huge amount under the Deposit Head

On scrutiny of Cheque Memo Register Account No. 57022786777 of Deposit Register it is revealed that an amount of Rs. 9,08,39,021/- is lying unutilized. As per circular No. 0038/2012/DyAM/FIN/KWA dated 25-10-2013 of the Managing Director was directed that the whole funds lying in the deposit account maintained by the field officer shall be transferred to Head Office by drawing a Cheque in favour of FM and CAO, KWA Account No. 3340868329 with State Bank of India, Althara Junction Branch Vellayambalam on or before 10-11-2013. In this circular it is also mentioned that the total funds under deposit works of a particular division or an amount of Rs. 25.00 lakhs whichever is lower, will be allotted to the field officer as an imprest towards Deposit Works.

Hence maximum amount that can be retained in a division is Rs. 25.00 lakh only. But in this Division retained an amount of Rs. 9,08,39,021/-. This practice is violation of the circular dated 25-10-2013. The reason for the non adhering the circular dated 25-12-2013 shall be intimated to Audit.

2. Non inclusion of retention provision in the agreement

Sub:- Deposit Work of Tvpm Corporation – Project No. 1031/2017 – Laying 90 mm HDPE pipe for a length of 900 m to Nethaji Nagar Kazhakkuttom from the existing 250 mm DI pipe laid by Kazhakkuttom – OG.

The above subject work was awarded to the contractor Sri. T. Jose, Jyothi Nilayam, Powdikonam. P.O, Tvpm with the PAC of Rs. 7,65,783/- at the estimate rate. The contractor has completed the work on 08-01-2018 and the CC 1st and final bill was paid on 16-04-2018 for an amount of Rs. 763521/- including 3 Nos. of extra items and the expenditure is within the agreed amount. As per clause 4.24 m of agreement condition it is specified that the contractor shall guarantee satisfactory performance of pipe line for a period of 12 months after completion of the work. During this guarantee/mace. Period, any repairs that shall be necessitated shall be carried out by the contractor without any extra cost. Hence the provision for retention was to be provided in the agreement.

The scope of the work was the laying of 90 mm HDPE pipe for a length of 900 mtr. Hence usually an amount equal to that of 8% of the PAC amount has to be retained till the guarantee period is over. Due to the non provision of retention in the agreement the amount equal to the 8% of the PAC could not retained while effecting payment. The non inclusion of retention in the agreement is highly irregular and the reason shall be intimated to Audit.

3. Slow progress in executing the work

Sub:- KWA Deposit Work of Tvpm Corporation project No. 529/15 – Extension of pipeline to Sree Badara Nagar in Chettivilakam Ward.

The above subject work was awarded to M/s. PLUMBCOS at 4% below estimate rate and the accepted PAC of Rs. 100491/- and the firm has executed the Agreement (No. 47/2015-2016 dated 17-08-2015). The date of completion of the work is 4 months from the date of selection notice and the selection notice was issued on 31-07-2015. As per letter No. PHDNT/DB3-2750/14 dated 26-08-2015 was requested by the Executive Engineer that the date of commencement of the work may be intimated. Further no correspondence is seen in the file. The present status of the work shall be intimated to Audit.

4. Retaining of unspent deposit amount

On scrutiny of the deposit register (Project No. 728/14) it is revealed that an amount of Rs. 34,07,500/- received from Thiruvananthapuram Corporation towards deposit work, for the pipe line extension and increasing undersized size pipe in the various places of Thiruvananthapuram Corporation area. On a further scrutiny, it is revealed that 19 Nos. of works including amount allotted to the other division, was arranged against the deposit amount. Accordingly an amount of Rs. 31,50,896/- (including centage charges) has been expended upto 09/2017. An amount of Rs. 2,56,604/- is retained in this division. The reason for non arranging work for the balance amount shall be intimate to Audit.

5. Excess expenditure towards deposit amount

On scrutiny of the Deposit Register it is seen that an amount of Rs. 69,00,000/- received for the project No. 1210/13 in connection with the extension of pipe line and increasing dia of undersized main in various places of Thiruvananthapuram Corporation area. On the basis of it, an amount of Rs. 69,57,796/- including centage has been expended in 35 Nos of works. Accordingly an amount of Rs. 57,796/- has been excessively expended. No action is seen taken to realize the

amount from corporation of Thiruvananthapuram. Reason for the non-realising the excess amount shall be intimated to Audit.

6. Slow progress in executing the work

On scrutiny of Deposit Register (pipe line extension to SC Colony) it is revealed that an amount of Rs. 2,50,00,000/- vide project No. 60/12 was deposited by Thiruvananthapuram Corporation towards pipe line extension to SC Colony in Thiruvananthapuram Corporation area vide DD No 025602 dated 22-02-2012, DD No. 025598 dated 22-02-2012 and DD No. 025601 dated 22-02-2012. As per the utilization certificate dated 17-06-2013 it is seen that an amount of Rs. 15,09,000/- only expended upto 6/2013 and also stated that the works for balance amount of Rs. 2,34,91,000/- can be arranged on getting the list of colonies to which the work has to be carried out from Corporation. After this an amount of Rs. 87,39,011/- expended upto 12/2018 in 18 tenders and an amount of Rs. 1,47,51,989/- is kept unspent. The reason for the slow progress shall be intimated to Audit. An amount of Rs. 6,74,453/- is seen deducted towards centage charges. It may be intimated whether the centage charge was remitted into NOP, if so furnish the remittance details.

7. Delay in executing the work

Sub:- Tvpm Corporation – Extension of pipe line proposal for extension of pipe line to various places of Chettivilakom Ward in Tvpm Corporation – Extension of pipe line to Choozhamapala – Vayalikulunnu Nagar.

On scrutiny of the file No. KWA/PHDN.T/DB3/2750/14, it is revealed that the estimate for laying pipe line extension to Choozhampal, Valiyakunnu Nagar in Chettivilakom Ward had been approved by the Tvpm Corporation vide letter No. J4/2146/2015 dated 27-11-2018 of the SE, Tvpm Corporaion and accordingly

necessary fund had been deposited by the Corporation Tvpm. The Executive Engineer, PH Division, Tvpm vide letter dated 18-12-2015 had directed the AEE, WW (N) Sub Division, Kowdiar to revise the estimate already submitted as per the DSR 2014 and same shall submit urgently. Even after lapse of 3 years any action is not seen taken to finalize the work. Hence the following details may be furnished to Audit.

1. Whether the revised estimate was received or not.
2. Whether the proposed area is feasible or not.
3. Reason for delay in arranging the work
4. Action taken to solve the acute shortage of drinking water in the proposed area.

8. Undue benefit to the contractor due to Non-negotiation

Sub : - TWSS – Urgent rewinding of motor No. II and changing of both side of motor and pump and automatic starter of Powdikonam Booster pump house – (Agreement No. 01/2016-2017 dated 11-05-2016)

Open tender was invited from the registered contractors of KWA for the above subject work. In obedience of the calling, Sri. Jose and Sri. Vinayakumar have been quoted the tender and they have quoted the 12% above and 15% respectively. On scrutiny of the file No. PHDNT/DB3-609/2016 vide Para 1 of note file, it is noted that the rate quoted by the lowest tenderer (Sri. Jose) is very high and negotiation shall be made by him and accordingly a draft letter addressed to Sri. Jose, Contractor was put up for the approval of Divisional Officer. But the negotiation letter was neither approved by the Divisional Officer nor communicated to the tenderer. In the meantime the tender documents was seen send to the SE, PH Circle Tvpm for obtaining the sanction. The SE, PH Circle, Tvpm has negotiated with the contractor and he has reduced the rate upto 10% and the sanction was accorded.

Accordingly selection notice was issued by the EE, PH Division(N), Tvpm with the PAC of Rs. 1,91,269/ (including 10% above) and the contractor executed the

agreement on 11-05-2016 and the payment was made on 29-07-2017 for an amount of Rs. 1,81,924/- which is within the agreed provision. On scrutiny of the file the following irregularities brought to the notice.

1. Due to the non communication of the negotiation letter to the contractor, undue benefit is obtained by the way of non negotiation from the part of Division Officer.
2. The firm period of the work was one month from 26-04-2016. But this office had sanctioned time of extension upto 31-12-2016 without imposing fine. On scrutiny of the application, it is not known how the delay was occurred.

9. Non remittance of fine recovered from R/C Bills

On scrutiny of the following Annual Mace: file, it is seen that an amount of Rs. 48113/- is seen deducted from the various bills towards the non attending of the rectification work by the contractor. This amount is proposed by the Blue Brigade.

The Blue Brigade fine recovered from R/C bills

TWSS – Annual Mace R/C of distribution line under W.W. Section Palayam for the areas of Kunnukuzhy Nanthancode and Goureesapattom of Palayam Division for the year 2013-14 Deepu. S Agreement No. 41/2013-14 dated 30-09-2013 – 21613

TWSS – Annual Mace of WS distribution lines of Cheruvaickkal Zone (Zone I) under Pongummoodu Section for the year 2015-16 – 5000. Sri. K. Vinayakumar Agreement No. 8/2015-16 dated 04-05-2015.

TWSS – Annual Mace running contract of water supply distribution lines of Mannanthala Zone (Zone II) – M/s PLUMBCOS – Agreement 22/2015-16 dated 23-05-2016 – 4000+7500

TWSS – Annual Mace R/C of distribution lines under Palayam Section for the area Kunnukuzhy, Nanthancode and Gowreesapattom Sri. S. Deepu – 6/2015-16 dated 17-04-2015 – 3000.

TWSS – Annual Mace R/C of distribution lines under Pattoor Section for the area of Pettah Division (from Pattoor to T.S. Canal) Agreement 38/2015-16 dated 27/07/2015 Sri. S. Udayakumar – 7000

This type of fine shall be treated as revenue of the Authority. Hence the amount collected by way of fine shall be remitted into non operative account and the remittance details shall be intimated to Audit.

10. Non providing water connection to BPL families

As per letter No: J4/169/10-11 dated 06-09-2011 of Corporation Engineer, Thiruvananthapuram has been deposited an amount of Rs. 36,56,250/- towards free water connection to 1625 Nos of BPL families. The deposit was received on 05-04-2011. On scrutiny of the register it is seen that 1157 Nos. of beneficiaries have been given water connecting on 26-09-2011. The status of remaining 468 Nos of beneficiaries and the Expenditure of balance amount shall be intimated to Audit.

11. Huge amount retaining in the treasury account

As per the cash book, an amount of Rs. 33,94,557/- was shown as opening balance of the treasury account each month without any change. On a further scrutiny of the previous year records, it is revealed that this amount is being retained in the accounts for the last several years. The period from which the same was retained in the treasury may be furnished and action may be taken to reconcile the account and amount upto date interest together shall be transfer credited into NOP. The Divisional officer explained that the action is being taken to close the account. Further progress shall be intimated to Audit.

12. Non remittance of interest credited by bank

On verification of the cash book, it is revealed that an amount of Rs. 32,85,739/- has been credited by bank towards interest during the period from 05/2012 to 03/2018 against the SB Account No. 57022786777 and 57022742264. As per the existing norms any amount collected by ARU's shall be credited into NOP Account. This practice is not seen done by the Division. This is the violation of rules. Hence this amount shall be remitted to NOP Account and intimate to Audit.

13. Non crediting of Time barred EMD/SD

As per para 15:4:1 of KPWA code, it is specified that the balance under deposit unclaimed for more than three completed years should be credited into Revenue as lapsed deposit. Many time barred FDR worth of lakhs of rupees, received as EMD/SD from contractors were seen not forfeited/ credited into non-operative account which is highly objectionable. Such type of lapsed deposit shall be listed out and credited into NOP with intimation to Audit.

14. Non remittance of KCWWF recovered from the contractor

As per KWA Manual, one percent of charges shall be recovered from the bills of the contractor towards KCWWF and the amount collected shall be remitted to the Welfare Board. An amount of 1 percent of the collected amount should be retained as token as revenue by KWA towards collection charges. On verification of the accounts of KWA, PH Division North, the following amount have been collected towards KCWWF and the whole amount was remitted to the KCWWF Board. No amount was seen credited to the KWA accounts as collection charges. Non reduction of collection charges resulted in loss of revenue to the KWA. Details of amount collected towards KCWWF and amount to be retained in KWA is as given below.

Year	Amount recovered as KCWWF	Amount to be retained in KWA	Amount retained but not credited to NOP A/c
4/2010 to 3/2011	334189	3342	--
4/2011 to 3/2012	268962	2690	--
4/2012 to 3/2013	198394	1984	--
4/2013 to 3/2014	387376	3874	--
4/2014 to 3/2015	185309	1853	--
4/2015 to 3/2016	327965	3280	--
4/2016 to 3/2017	153678	1537	1537
4/2017 to 3/2018	160718	1607	1261

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

15. Non conducting inspection by Divisional Accounts Officer

As per para 4.2.13 of KPW 'A' code, it is specified that the Divisional Accounts Officer is further required to inspect atleast once a year under the orders of and at in same time as the Divisional Officer, the accounts and records of Sub Divisional Officer and check a percentage of the initial accounts. The defects noticed should be reported to the Executive Engineer for orders, but the DAO will be responsible, as far as possible, for explaining personally the defects of procedure and for importing necessary instructions thereon to the Sub Divisional Officers and their staff. This Division is consisting of 3 Sub Divisions. On verification of the records it is understood that any inspection has not been conducted as specified in the para 4.2.13 of KPW 'A' code

16. Non maintaining of DAO's objection Register

As per para 4.2.7 of KPW 'A' code, it is specified that the Divisional Accounts Officer should maintain the register of Divisional Accountants 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 Government for review. This mechanism has not been done in this Division. The reason for non maintaining the DAO's objection register shall be reported to Audit.

17. Non entering the reconciliation amount in the Cash Book

As per KWA manual, bank reconciliation should be done on a monthly basis and reconciliation statement prepared in form CB25. On verification it is seen that there exist a difference between cash book and bank statement in both the A/c No. 57022742264 and 57022786777. It reveals that the reconciliation amount is not accounted in cash book. It is necessary to enter the amount into cash book so as to tally the monthly accounts. The same shall be entered into the cash book and intimated to Audit.

18. Non maintaining of Control Register – Non Operation Account

As per the Account Manual of KWA, all Division/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 was not maintained upto 11/2014. The reason for non maintaining the NoP Register in form CB14 shall be intimated to Audit.

19. Non entering the DD amount in Cash Book

On verification of CB2 and cash book it is seen that an amount of Rs. 44,572/- as DD No. 719445 received vide Rt No. 4829/482890 dated 20-12-2014 is neither

seen entered in cash book nor remitted into NOP Account. The present position shall be intimated to Audit.

20. Cancellation of cheque without noting the sufficient reason

On verification of the cheques, the following cheques have been seen cancelled. As per Para 6.2.19 of KPWA Code, when it is necessary to cancel a cheque, the reason for cancellation should be recorded on the counterfoil. This division not followed the noted provision while cancelling the cheques.

162421	08.08.2011	3744
339590	11.03.2011	30255
871239	03.08.2012	101908
991450	01.06.2016	380981
991536	05.09.2016	21839
541837	--	18127
889225	04.02.2017	110538
991261	09.08.2017	28800
871284	05.01.2017	550
258947	03.05.2018	21034
932929	13.07.2018	38718
785912	15.05.2018	57336

21. Non enrolling the SLI

According to KSR Rule 22 of Part I and Govt. of Kerala Order G.O.(P) No. 556/08 Fin dated 16-02-2008, all the new entrants to Govt. service shall subscribe to SLI, within one month of joining duty. But on scrutiny of the pay bill register of the Division, towards SLI deduction, was not seen made upto 10/17 and the staff are not members of SLI. Reason for not timely complying with the Government order shall be intimated to the Audit.

22. Disbursement of arrears without obeying the guidelines

On verification of the pay bill register for the month of 04/12, it is seen that an amount of Rs. 8777/- has been disbursed to Sri. Girish Kumar. S, LD Typist towards pay revision arrear vide G.O (P) No. 58/2012 Fin dated 19-01-2012. Vide para 24 of this order it is clearly mentioned that the arrears of salary in fixation of pay in the revised scale from 01-07-2009 to 31-12-2011 will be credited into GPF Account of the employee and this will not be withdrawn till 31-03-2015 except in the case of this who are retiring before 31-03-2015, in which case, the arrear will be released on their retirement. Sri. Girish Kumar. S joined duty on the FN of 12-12-2011 by the virtue of the advise of the KPSC. The reason for disbursement of arrears in cash shall be intimated to Audit.

23. Excess remittance of cash

On scrutiny of the counterfoil of CB2 it is seen that an amount of Rs.64357 was collected under different head during the month 2/2014. As per the cash book for the month of 2/2014, an amount of Rs.719927/- was remitted into Non operative account. An amount of Rs.7570/- is seen excessively remitted. Hence the collection and remittance made before 2/2014 and correct amount collected and remitted during the period from 1/2014 to 28.02.2014 shall be intimated to audit

24. Maintenance of cash book lapses

1. Monthly abstract of cash book not prepared during the period from 4/2010 to 11/2012
2. In several cases the opening balance was not recorded
3. Monthly closing of cash book not properly made. At the end of each month, the head of office shall verify the cash balance physically and recorded certificate in the cash book with dated signature as laid down in rule 92(a) IV of KTC Vol.I. This was not done.

4. Receipt No. and date of cash received through CB2 is not entered in cash book.

25. Short contribution towards GPF Subscription

On scrutiny of the pay bill register it is seen that Smt. S. Sudha, Junior Superintendent has subscribed an amount of Rs. 10,000/- towards GPF upto 01/2013. Later she has been reduced the subscription to Rs. 1000/- for the month of 02/2013, 03/2013 and 04/2013. During this period her basic pay was Rs. 31,210/-. As per the existing GPF Rules, the subscriber must be contribute the amount equal to 6% of the basic pay. Accordingly Smt. S. Sudha, Junior Superintendent has to be contribute Rs. 1,873/-. The reason for short contribution shall be intimated to Audit.

Sri. Akhil. S.S. Office Attendant has joined duty on the FN of 07-02-2014 by virtue of Order No. KWO/HO/E8/6584/2013/CES dated 04-02-2014 on the Compassionate Employment Scheme. At the time of joining the minimum basic pay of the post was Rs. 19550/- and he was enrolled in the GPF Account w.e.f. 02/2015. As per the existing GPF Rule minimum 6% of the basic pay shall be contribute towards GPF. In this case Rs. 1000/- only contributed to the GPF. The reason for short recovery towards GPF shall be intimate to Audit.

26. Non recasting of Earned leave

As per G.O.(P) No. 75/2007 Fin dated 27-02-2007, Government have ordered that the recasting of earned leave at the rate of 1/11 for the first year is permissible only after an officer is confirmed in service. Due to the absence of sufficient number of permanent post many employees are denied confirmation making them ineligible to get earned leave for the first year recast at the rate of 1/11 of the duty. On scrutiny of the service book, the following employees have not seen extended this benefit.

1. Sri. Madhusoodanan. K – 1st Grade D'man
2. Sri. R. Unnichettiyar – Peon (HG)

The above officer's earned leave for the first year service shall be recasted at 1/11 and the fact shall be intimated to Audit.

27. Non remittance of undisbursed salary

Pay and Allowances for the month of 03/2013 and 05/2013 in favour of Sri. Santhosh. C.C, Peon has been encashed and entered in the acquaintance register. But it is seen that the same has neither received by the employee nor remitted into SB A/c. The correct position shall be intimated to Audit.

28. Huge water charge arrears

On scrutiny of the statement on water charge arrears of the Division as on 31-03-2018, it is revealed that 320.72 crores of rupees are pending collection as shown below.

Domestic	-	13,47,89,734/-
Non Domestic	-	3,02,34,37,404/-
Industrial	-	27,98,437/-
Special	-	4,61,91,570/-

The reason for the huge arrears and action taken to collect the arrear amount shall be intimated to audit.

29. Huge loss sustained due to replacement of faulty water meters

As per the records, it is seen that there is 129509 consumers under this Division. Out of this, 8616 consumers have faulty meters. As such the billing of above consumers on the basis of exact consumption is not possible. It causes heavy loss to KWA. Hence it is necessary to replace meters and intimate to audit.

30. Non maintenance of asset register

As per rule 170 of KFC Vol.I, a permanent register for buildings and land shall be maintained by all offices to show the asset of the authority in the form of

immovable properties under their charge. The registers maintained by each offices shall contain particulars of all the land/buildings and other immovable properties under his control and the officers under him. In this connection, it may be stated whether the division maintain asset/property register to record the immovable properties under the control of PH Division North, Thiruvananthapuram

31. Non Maintenance of Trial Balance Register

As per KWA manual and circular it is specified that all ARU's should maintain Trial Balance Register, Ledger and Journal Register and consolidation Register for strengthening of the KWA Accounting System. The PH Division (North) Thiruvananthapuram has not been maintain the above mentioned registers. The reason for the non maintaining the registers shall be intimated to Audit.

II Central Sub Division

1. Non Settlement of temporary advance

On verification of the Temporary Advance Register, it is seen that an amount of Rs.16985/- (4985+6000+6000) has been disbursed to Smt. Maya .S. Devi, Asst: Engineer on 25.11.17, 6.12.2017 and 1/3/18 respectively towards TA. In the register it is noted that the amount is settled. But the settlement details such as settled amount bill date of settle voucher and CBR No etc. should be shown in the register.

As per G.O.(P) 419/11/Fin dt.4.10.2011 it is specified that the temporary advance sanctioned to meet contingent expenditure of specified kind or any specific occasion granted to the government officials should be adjusted by detailed bills and voucher as soon as possible and not being more than 3 months In case of default , interest at the rate of 18% 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 prescribe time limit, the entire amount of advance may be recovered one in lump on the expiry of such time limit. Interest at the rate of 18% will be charged in the entire amount of the advance from the date of drawal to the date of recovery. Hence it may please be ascertained the date of settlement and action shall be take to recover the interest as specified in Government order dated 4.10.2011.

2. Non Settlement of Imprest

On Scrutiny of imprest register, it is seen that an amount of Rs. 10000/- (5000+5000) was cashed on 23/09/14 and 6/6/2015 respectively towards imprest. Out of this against, amount cashed on 23.09.14, it is seen noted as settled. But the settlement details such as bill details, date and amount and CBR no etc are not seen noted and the fact having the settled entry is not seen authenticated by the Sub Divisional officer.

Rs.5000/- cashed on 6/6/15 is not settled till date. As per G.O.(P) 419/11/Fin dt. 04.10.2011, it is specified that the temporary advance/ imprest advance sanctioned to meet contingent expenditure of specified kind or on any specific occasion granted to the Govt: officials should be adjusted by detailed bills and vouchers as soon as possible and not being more than three months. In case where the adjustment bill is not submitted within the prescribed time, the entire amount of advance may be recovered in one lump immediately on the expiry of such time limit. Interest at the rate of 18% will be charged in the entire amount of advance (5000/-) and the fact having the recovery shall be intimated to audit.

3. Abnormal expenditure towards maintenance of blue brigade

On Scrutiny of the monthly accounts of the Sub Division for the year 2018, it is seen that the expenditure on account of maintaining the Blue Brigade system is as follows.

Labour charges	Rs.	1801580
Fuel charges	Rs.	234184
Other Charges	Rs.	<u>96767</u>
Total	Rs.	2132531

It is understood that the Blue Brigade is being attended the mace works in the urgent nature and works not undertaken by the running contractors. Usually all the mace works comes under this division is being attend by the contractors through the tendering process. Hence the mace works done through the Blue Brigade system not profitable to the Authority. Considering the huge commitment by the way of Blue Brigade system may be stopped step by step.

4. Miss classification of expenditure towards temporary advance

On Scrutiny of the cash Book for the month of 7/16 it is seen that Sri. Roy Asst. Engineer has settled an amount of Rs.50692.75 towards outstanding balance of

temporary advance. This amount is utilized for various purpose and the above expenditure is booked under the single Head of Account is "3199". Since the amount is expended for various purpose (53 items) and the same shall bc booked against the Head of Account as mentioned in the KWA Account Manual. This type of accounting is not helpful for finalizing the accounts in the Head Office. This must be rectified with intimation to Head Office.

5. Loss sustained to KWA towards dishonour of private(consumers)cheque

On Scrutiny of the Bank scroll against the A/c No.57047025430 it is seen that an amount of Rs.177/- for each cheque towards collection charges is debited by the Bank. This debit is seen occurred due to the dishonoring of the consumers cheque. Huge lose is occurred due to this way. Hence collection of cheque from the private consumers shall be discouraged.

6. Abnormal expenditure towards hiring of vehicle

On Scrutiny of the cash books of Central Sub Division, Tvm, it is seen that an amount of rupees 1026698/- is expended for hiring of vehicle during the period from 04/16 to 03/17. The jurisdiction of this Sub Division is in the city limit area. When compared the jurisdiction of this Sub Division, the amount expended on account of hiring of vehicle is very abnormal. In certain months this is seen very high. The reason shall be explained in the Audit. Maximum effort shall be taken to reduce the expenditure on account of hire charges of vehicle.

7. Settlement of Temporary advance – Non compliance of time limit

On verification of the Temporary Advance Register of the water works Central Sub Division Tvpm. It is seen that the following advance were disbursed.

SL. No	Name of the officer	Date of drawal of amount	Settled Date
1	Sri.Unnikrishnan, AE	13.10.15 50000	3/17

2	Sri.Unnikrishnan, AE	3.12.15 25000	3/17
3	Sri. K.S. Roy, AE	23.12.15 20000	7/16
4	Sri. K.S. Roy, AE	18.01.16 30000	7/16
5	Sri. K.S. Roy, AE	09.02.16 20000	7/16
6	Smt. Sabida, AE	04.04.16 5000	3/17
7	Smt. Sabida, AE	16.06.16 5000	10/16
8	Smt. Sabida, AE	28.10.16 10000	3/17

Vide G.O (P) 417/11/Fin dt.04.10.2011, stated that the temporary advance sanctioned to meet contingent expenditure of specified kind or on any specific occasion granted to the govt: officials should be adjusted by detailed bills and vouchers as soon as possible and not being more than three months. In case of default interest at the rate of 18% per annum will be charged on the unutilized portion of the advance from the date of drawal to the date of refund of advance. Even through the advance was settled, the prescribed time limit is not followed as prescribed in G.O. dt. 04.10.2011.

8. Huge arrears

On verification of the DCB statement as on 31.03.2018 it is seen that the following amounts are pending against the various categories.

Domestic	= 8.62 crores
Industrials	= 032 crores
Non Domestic	= 156.41 crores
Special	= 3.03 crores

The reason for the huge arrears and action taken to collect the amount shall be intimated to audit.

9. Non reconciliation of bank accounts

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

10. Cancelled cheque without noting proper reason

On Scrutiny of the counter foils of the cheque books, it is seen that about 60 Nos of cheque leaves have been cancelled. As per para 6.2.19 of KPW A code, when it is necessary cancel a cheque, the reason for cancellation should be recorded on the counter foils. This Sub Division is not followed the code provision while cancelling the cheques. The non adhering the codal provision shall be intimate to audit.

11. Non totalling of cheque memo register

On Scrutiny of the cheque memo register (A/c No.67043540176), it is seen that the same is operated W.E.F 22.12.2015 and the cheque are being issued to the consumers towards refund of deposit. The month wise totaling and balance amount are not furnished in the CMR. The same may be done and intimate to audit.

12. Non remittance of centage charges

On Scrutiny of the Cash Book it is seen that and amount of Rs.275/- (Rs.250 centage charges + 25 postage charges) are being collected from the special casual connection applicants. As per KWA manual this amount shall treated as revenue of the Authority and this revenue must be remitted into NOP Account. In the Central Sub Division, Tvpm, the same is not remitted in to NOP account till date. This

practice is the violation of the code provision and the remittance shall be intimated to audit.

13. Improper maintenance of casual leave and attendance register

On Scrutiny of Attendance Register and casual leave Register the following irregularities are noticed.

1. Many columns in the Attendance Register are left blank during the audit period.
2. Several employees have availed commuted leave, Half pay leave etc.. are marked on the attendance register where as the same were not noted in the service book of the concerned employees. Hence Attendance Register and leave account of service book of employees are not tallying.
3. As per the manual of office procedure casual leave availed by the employees should be noted in the attendance register simultaneously entered in the casual leave register and same shall be closed on monthly basis.
4. Entries in the casual leave register shall be authenticated by the Head of Office. The above mistakes/defects shall be rectified and intimate to audit.

14. Discrepancies noticed in the service books

On Scrutiny of the service book of Sri. Manukumaran Nair peon, the following irregularities are noticed.

- a. Sri. Manukumaran Nair Peon, has been appointed in this organisation under compassionate employment scheme and he has joined duty on the AN of 23-03-2003 AN. Hence the incumbent is eligible to get the all monitory benefits only on the FN of 24.03.2001. while calculating the Earned Leave the date of

23.03.2001 is also counted as one day. This is irregular and the same may be rectified.

- b. On scrutiny of the monthly accounts, it is seen that the incumbent has been surrendered Earned Leave for the year 04.2017 and 02.2018 respectively. But the earned leave was not calculated and debited in the E/L account. The Earned Leave should be calculated and necessary debit shall be made in the leave account of the SB.
- c. Fixation of pay in accordance with the higher grade on completion of 15 years of service is recorded on page no 37 of the SB. But the same is not authenticated by the sub Divisional officer.
- d. As per rule 150 part III of KSR, the annual verification shall be made in the Service Book. The annual verification certificate is not seen furnished after 01.04.2010.

15. Improper maintenance of pay bill register

On Scrutiny of the pay bill register, the following irregularities are noticed.

- a) Salary details for the month of 10/16 in favour of Sri. Unni krishnan Assistant Engineer is not seen noted in the pay bill register. But the salary for the succeeding months have been recorded. Reason for the non entering the salary details shall be intimate to audit.
- b) Details regarding disbursement of Earned leave surrender are not seen noted in the pay bill register.

16. Short contribution towards GPF

On Scrutiny of the pay bill register, it is revealed that the recovery towards GPF subscription in certain cases is below the percentage defined as per the GPF rules. Permanent employees who were enrolled in GPF, should contribute a minimum amount not less than 6% of the basic pay. This must be examined and shortage if any noticed and the same shall be rectified with intimation to audit.

17. Non maintenance of Trial balance register

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

18. Improper maintenance of cash book

On scrutiny of the cash book, the following is revealed

1. Monthly abstract of the cash book was not written
2. Opening balance should be written on the 1st day of transaction. But the same is not recorded
3. Cash book not closed or tallied for the period from 11/15 to 3/16
4. Monthly closing of cash book has not been authenticated by the head of office
5. Cash book is not signed or certified by anyone
6. Initials of the writing person and cash balance certificate is not seen furnished
7. Recovery entries were not written on receipt side of cash book. It must be rectified and intimate to audit.

III WW North Sub Division, Kowdiar

1. Disbursement of irregular surrender

Sri V Sureshkumar was advised by Kerala Public Service Commission and appointed in this Organization and he joined duty on the FN of 27/12/2004 as Operator. Prior to the regular appointment in Kerala Water Authority he was worked as Operator in temporary basis in Kerala Water Authority w.e.f. 18/01/2001 FN to 15/07/2001, 05/08/2002 FN to 30/01/2003 AN on temporary basis respectively. During the period from 02.12.2003 FN to 28.05.2014 he was worked as Male Warden in Prison Department. On verification of the leave account of the incumbent, it is seen that he has been permitted to surrender of Earned Leave for 15 days as on 30/01/2003 and in the page No. 112 and 113 of Service Book it is noted that the "withheld Earned Leave surrender for the provisional service of Operator is released vide G.O.(P) No. 86/2006/Fin dated 23/02/2006. During this period he was worked as Male Warden in Prison Department which is a Government Department.

As per letter No. 27987/C2/07/WRD dated 01/01/2008, Secretary to Government, Water Resources (WSC) Department has clarified that no rules or orders to reckon prior service under State Public Sector undertakings along with State Service and vice versa. Hence it is clear that the Kerala Water Authority is not bound to give the Earned Leave surrender benefit for 15 days as on 30/01/2003. The irregular surrender received by Sri V Sureshkumar, Operator shall be recovered and the fact will be report to audit.

2. Non deduction of Earned Leave

Sri K. B. Murugan, L D Clerk has availed Earned Leave for 12 days w.e.f. 01/02/2016 FN to 12/02/2016 AN. While calculating the Earned Leave for the year March 2016 and March 2017, 24 days (12 + 12) is seen deducted from the

total days. The Earned Leave for the year March 2016 shall be recalculated from the beginning date of duty ie; w.e.f. 13/02/2016 and the 12 days Earned Leave deducted for the year March 2017 may be re credited in the Earned Leave account.

3 Non enrollment of GPF

Sri Biju Raj T.V was advised by the Kerala Public Service Commission and appointed in this Organization and he joined duty on the FN of 31/12/2004 as Operator. He is a permanent employee of Kerala Water Authority. As per the existing General Provident Fund Rule, a permanent employee should enrolled in the General Provident Fund within one year from the beginning of permanent service. On scrutiny off the pay bill, it is seen that the incumbent was not enrolled in the General Provident Fund and General Provident Fund subscription at the rate of 6% basic pay has not been effected till date. The reason for non enrolling the General Provident Fund shall be intimate to Audit.

4. Non Remittance of interest credited by Bank

On verification of bank statement and cash book, it is revealed that the amount credited by bank towards interest for the period up to March 2018 against various A/c of this office is not seen accounted on cash book. As per the existing norms any amount collected towards interest from bank by Account Rendering Units shall be credited into Non-Operative account. This practice is not done by the Sub Division. This is due to the non-reconciliation of bank accounts. The amount collected as interests shall be remitted into Non-Operative account and intimated to audit.

5. Non compliance of direction for settlement of temporary advance

On scrutiny of the Temporary Advance Register. It is seen that an amount of Rs.31,000/- (11,000 + 20,000) paid to Sri Joy H Jones, Assistant Engineer Water

Works Section, Kowdiar on 17/09/2018 towards repairing of tanker lorry No. KL-01-BM-7759 As per G.O. (P) 419/11/Fin dated 04.10.2011 states that the Temporary Advance sanctioned to meet contingent expenditure of specified kind or on any specific occasion granted to the Govt. officials should be adjusted by detailed bills and vouchers as soon as possible and not being more than three months in case of default interest at the rate of 18% per annum will be charged on the unutilized portion of the advance from the date of drawal to the date of refund of advance. In case where the adjustment bill is not submitted within the prescribed time. The entire amount of advance may be recovered in one lump immediately on the enquiry of such time limit.

The above advance are pending more than three months, how ever no action was taken for settlement of the pending Temporary Advance according the G.O. dated 04/10/2011. The same shall be settled and intimated to Audit.

6. Huge Arrears

On verification of the Demand Collection Balance Statement as on 31/03/2018, it is seen that the following amounts are pending against the various categories.

Domestic	=	Rs. 18,38,879/-
Non-Domestic	=	Rs. 31,34,55,444/-
Industrial	=	Rs. 34,39,111/-
Special	=	Rs. 77,85,687/-

As per E-Abacus, the following amounts are pending against various categories as on 15.03.2019.

Domestic	=	Rs. 3,45,18,226/-
Non-Domestic	=	Rs. 23,59,68,302/-
Industrial	=	Rs.57,48,352/-
Special	=	Rs. 1,18,54,190/-

Action taken to collect the arrears shall be intimated to audit

7. Non reconciliation of bank accounts

As per KWA Manual, reconciliation of bank accounts should be done on a monthly basis and statement prepared in form CB25. Bank reconciliation has not been done for a long period. It causes many discrepancies including the crediting of cheque and accounts of e-payment transactions done by the consumers. Hence it must be done on war foot basis and intimate to audit

8. Non crediting of time barred EMD/SD

As per para 15:4:1 of Kerala Public Works Account Code, it is specified that the balance under deposit unclaimed for more than three completed years should be credited into Revenue as lapsed deposit. Many time barred Fixed Deposit Receipt worth of lakh of rupees received as Earnest Money Deposit/Security Deposit from Contractors were not seen forfeited/credited into Non-Operative account which is highly objectionable. Such type of lapsed deposit shall be listed out and the same may be credited into Non-Operative account with intimation to audit.

9. Non remitting of 1% of KCWWF recovered from the contractors

As per Kerala Water Authority manual, one percent of charges from each bill of the Contractor shall be recovered towards Kerala Contract Workers Welfare Fund and the amount collected shall be remitted to the Welfare Board. Out of the collected amount, one percent should be retained in Kerala Water Authority towards collection charges. But this is seen not done in this office. 1% KCWWF collected shall be remitted into Non-Operative account and intimated to audit.

10. Non Maintenance of Trial Balance register

As per KWA Manual, and circular, Trial balance Register, Journal Register and Ledger should be maintained in all ARU's. But the sub division has

not been maintained the same. It must be maintained and intimated to audit.

11. Non remittance of centage charge collected from Non Domestic consumers

On scrutiny of Account Number 67239813951 (Deposit). The following are noticed.

- c) Rs. 250/- are seen collected from the Non-Domestic applicants towards centage charges. This amount shall be treated as revenue of the Kerala Water Authority and the same will be remitted into Non-Operative account. This type of remittance is not seen done till date.\
- d) Huge amount is retained in this account. This practice is the violation of the Kerala Water Authority manual.

12. Abnormal increase towards HR Wages

On verification of monthly accounts it is seen that an amount of Rs.3474597 and Rs.4687870 are expended towards HR wages for the period 2016-17 and 2017-18 respectively. Reason for the huge expenditure shall be intimated to audit

13. Abnormal expenditure towards hire charges of vehicle

On verification of the records, it is seen that an amount of Rs. 12,44,501/- expanded towards as hire charge during the period 2017-2018 which is abnormal. Reason for huge expenditure shall be intimate to audit.

14. Short contribution towards GPF

On scrutiny of the pay bill register, it is seen that the short contribution towards General Provident Fund are made. As per the General Provident Fund Rules, permanent employees who were enrolled in the General Provident Fund, they must contribute an amount equal to that of 6% of basic pay. In the case of the following incumbents contribution is below 6% as mentioned in the General Provident Fund Rules.

1. Sri Ratheesh Kumar, Operator
2. Sri Murugan K. B., LDC
3. Sri P. B. Pradeep Kumar, Meter Reader

15. Discrepancies noticed in the cash book

On scrutiny of the cash book and connected records, the following omissions/defects were noticed

1. Mandatory certificate of the head of office to the effect of count of total number of pages have not been recorded on the 1st page of cash book
2. Entries have not been checked by higher officers
3. Monthly closing of the cash book have not been authenticated by the head of office
4. Monthly abstract of the cash book have not been recorded under proper authentication by the head of office.

IV Pongumoodu Sub Division

1. Erroneous fixation of pay

AS per G.O (P). No.26/16 WRD dt.27.09.2016, the scale of pay of employees of Kerala Water Authority has been revised W.E.F.1-7-2014 and there is no option facility. Based on the above order, the pay of Sri.Darvin.C, Head Clerk has been revised W.E.F.1-7-2014 and his pay fixed at Rs.33200 as on 1-07-2014. While revising the pay, his Basic pay in the pre-revised scale was at Rs.16240/- as on 1-07-2014. (please see page. No.46 of SB). But by mistakenly the basic pay was taken at Rs. 16640 as on 1-07-2014 and this was irregular. Hence the pay of Sri. Darwin, Head Clerk shall be modified as follows.

Pay as on 1.7.2014	Rs.16240/-
DA admissible @ 80%	Rs.12992/-
Fitment benefit	Rs. 2000/-
Weight age	Rs.1056
Total	Rs.32288
Pay fixed as on 1.7.14	Rs.32400
Pay as on 1-8-14	Rs:33200
Pay as on 1-8-5	Rs.34100
Higher grade on completion of 15 years of service(IInd TimeBound) W.E.F. 16-3-2016	
Pay as on 16-03-2016	Rs. 34100
Option 1.8.16	Rs. 35000
Add: one NT.	Rs. 900
Pay arrived	Rs.35900
Next higher stage in the :	Rs. 36800
Higher time scale	
Pay fixed as on 1.8.16	Rs.36800
Pay as on 1-8-2017	Rs.37800

Pay as on 1.8.2018

Rs.38800

The erroneous fixation made to Sri. Darvin.C, Head Clerk shall be regulated as mentioned above and excess pay and allowances disbursed to the incumbent shall be recovered and the fact shall be reported to audit.

2. Non debiting of leave

On verification of the SB of Sri. V.G. Vinod Kumar, operator, it is seen that the incumbent has availed 12 days commuted leave W.E.F 21/08/16 FN to 1-09-2016 (as per page 33). But the commuted leave was not debited in the leave account of the SB. Necessary debit in the leave account shall be made and authenticated.

3. Improper maintenance of Service Book

On verification of the Service Book of Smt. Shanthi. N.K Lower Division Clerk (Provisional) the following discrepancies are noticed.

1. The date of birth in Column No.8 of the SB is not authenticated by the Sub Divisional Officer.
2. Personal marks of identification in Column No.11 of the SB is not furnished.
3. Signature and designation of the Head of Officer is not furnished in Column No.14 of the SB.
4. Details of first appointment in Column No.16 of the SB is not furnished.

4. Disbursement of salary without regularizing leave

On verification of the attendance register of Water Works Sub Division, Pongumoodu for the year 2018, it is seen that Sr. Anoop. K.R. III rd grade overseer has been unauthorizedly absent from duty W.E.F-01.01.2018 FN to 20.02.2018 AN (51 days) during this period his salary and allowances seen disbursed (as per pay bill). This action is irregular and against the codel provision.

The reason for the disbursement of salary without regularizing the leave shall be intimate to audit.

5. Non remittance of centage charges collected from Non Domestic consumers into Non Operative Account

On Scrutiny of the A/c. No. 67240146119 (Deposit) it is seen that an amount of Rs. 250/- is collected from the Non-Domestic consumers towards centage charges. As per KWA manual this income will be forccated as the revenue of the authority and it must be remitted in to NOP A/c. The remittance in to NOP is not made till date. This practice is the violation of the codel provision. An amount of Rs.5695014 is outstanding in this A/c as on 14/03/19.

6. Improper maintenance of Cash Book

On Scrutiny of the cash Book, the following omissions/defects were noticed.

1. Mandatory certificate of the Head of Officer to the effect of count of total number of pages have not been recorded on the Ist page of the cash book.
2. Entries have not been checked by higher officers.
3. Cash balance certificate is not written
4. Monthly closing of the cash book have not been authenticated by the head of office.
5. Monthly abstract of the cash book not written up to 3/18.
6. Monthly abstract of the cash book have not been recorded under proper authentication by the Head of Office.

7. Abnormal expenditure towards HR Wages

On verification of monthly accounts it is seen that the following amounts are expended for HR wages during the period 15-16, 16-17 and 17-18 respectively.

4/15 to 3/16	: 22,31,304
4/16 to 3/17	: 26,38,863

4/17 to 3/18 : 31,86,578

1. The reason for increasing the HR amount
2. Whether any category of staff jointed duty for the period 4/17 to 3/18.

8. Abnormal increase towards Hire charges of Vehicles

On verification of monthly accounts it is seen that the following amounts are expended for Hire charges of vehicle during the period 15-16, 16-17 and 17-18 respectively.

4/15 to 3/16 : 4,21,543

4/16 to 3/17 : 8,07,584

4/17 to 3/18 /19 : 13,11,598

The reason for huge expenditure for the hire charges shall be intimate to audit.

9. Non Reconciliation of Bank Account

As per KWA manual, reconciliation of bank accounts should be done on a monthly basis and statement prepared in form CB 25. Bank reconciliation has not been done for a long period. This will cause many discrepancies including the crediting of cheque and accounting of e-payment transactions made by the consumers. More over bank statement for the accounts has not collected from bank. Hence it must be done on a war foot basis and intimate to audit.

10. Non Remittance of interest into Non Operative Account

On verification of bank statement and cash book, it is revealed that the bank credited amount towards interest upto March 2018 against various accounts and this has not been credited into NOP account. This is due to the non-reconciliation of Bank Accounts. As per the exciting norms, any amount collected by ARU's will be credited into non operative accounts. The interest credited by bank being an income of Kerala Water Authority, this amount shall be remitted into non-

operative account. The upto date bank reconciliation shall be done in Form CB25 and reported to Audit.

11. Huge arrears in Revenue Collection

1. On verification of the DCB statement as on 31.03.2018 it is seen that the following amounts are pending against the various categories.

Domestic	=	46723970
Industrials	=	2977343
Non Domestic	=	1145867097
Special	=	8085223
Total	=	1203653633

2. As per e-abacus as 14-3-2019, it is seen that the following amounts are pending against the various categories.

Domestic	=	49812407
Industrials	=	2891830
Non Domestic	=	1405787163
Special	=	6763007
Total	=	1465254407

The reason for the huge arrears and action taken to collect the amount shall be intimated to audit.

12. Faulty Water Meters

As per the records, it is seen that there is 33665 consumers under this Division-out of this 2103 consumers have faulty meters. As such the billing of above consumers on the basis of exact consumption is not possible. It causes heavy loss to KWA. Hence it is necessary to replace the meters. The progress of replacement of faulty meters shall be intimated to Audit.

As per e-abacus , it is seen that an amount of Rs.21,9101967/- is pending towards LSGD connections. Action taken to collect this amount shall be intimate to audit.

13. Non Maintenance of Tribal Balance Register

As per KWA manual and circular it is specified that all ARU's should maintain Tribal Balance Register, Ledger and journal Register for strengthening of the KWA accounting system. The Sub Division has not been maintain the above mentioned registers. The reason for the non maintaining the registers shall be intimate to audit.

14. Non remittance of 1% of KCWWF collected as income to KWA

On verification of cash book it is seen that KCWWF recovered from the contractors has not remitted to KCWWF for more than six months. As per KWA manual 1% of collected an amount should be retained in KWA and remitted in to Non operative A/c. But this practice was not done by the Sub Division. Reason for non remittance of KCWWF should be intimate to audit

15. Non submission of records

Cash Book (from 4/18 onwards), reconciliation statement, Bank scroll and remittance of challan receipts were not produced for audit. Hence revenue collection and receipts can not be properly audited. Moreover the revenue related register were not promptly maintained. These must be maintained properly and intimate to audit.


Internal Auditor

For Accounts Member
FM&CAO(i/c)