

**INTERNAL AUDIT REPORT OF THE OFFICE OF THE
SUPERINTENDING ENGINEER , PH CIRCLE,
MALAPPURAM**

**PERIOD OF AUDIT: 07 -01- 2020 TO 25 -01-2020
PERIOD COVERED: 1-12-2014 TO 31-3-2019**

AUDIT TEAM

SRI. K.A.ZULPHICAR, INTERNAL AUDITOR

SRI. A.S. PERMKIRAN, DIVISIONAL ACCOUNTS OFFICER

SRI. K. P. RAJAGOPAL, JUNIOR SUPERINTENDENT

SRI. B.MANOJ, HEAD CLERK

**INTERNAL AUDIT REPORT OF THE OFFICE OF THE
SUPERINTENDING ENGINEER , PH CIRCLE, MALAPPURAM
FOR THE PERIOD 2014 -2019**

PART I

A. Introductory

The new circle bifurcating PH Circle Kozhikkode was formed in November 2014 and started its functioning from 1-12-2014. The Circle Office is headed by Superintending Engineer, who exercise administrative and technical control over the Divisions under him. His duties and responsibilities included inviting tender scrutinizing and issuing work orders, executing agreements and monitoring the progress of tendered works till the commissioning of the scheme. There are three Divisions viz PH Division, Malappuram, Project Division, Malappuram and PH Division, Edappal in Malappuram District function under the circle.

B. Officers in charge

Superintending Engineer

Sri. K. Mohanan	(1-12-14to 22-4-15)
Sri. . Hameed Madantavitta,	(23-04-15to 30-4-15)
Sri. CK Preethimol ((01-05-15to 22-05-15)
in charge)	
Sri. C Madhavan	(23-05-15to 01-09-17)
Sri. V Prasad	(2-9-17 to continuing)

PA to Superintending Engineer

Sri. Moideen Koya	(1- 12-14 to 5-12-14)
Sri. CK Preethimol	(06-12-14 to 19-06-15)

Sri. Mohammed Rafi	(19-06-15to 06-07-15)
Sri. C. Sunilkumar,	(06-07-2015 to 31-07-2018)
Sri. K.V.M.AbdulLatheef, (in charge)	(31-7- 2018 to 28-09-2018) (28-09-2018to 31-12-2018)
Sri. K.V.M.Abdul Latheef, Sri. Mohamed Sideque.P, (in charge)	(31-12-2018- 7-1-2019)
Sri. Mohamed Rafi .A,	(7-1-2019- 6-6-2019)
Sri. Mohamed Sedeque.P,	(06-06-2019 - Continuing)

Accounts Officer

Sri. Getha PR,	(01-12-2014- 04-12-2014)
Sri. Muraleedharan Moozad	(04-12-2014- 13-06-2016)
Sri. C Balachandren (in charge)	(13-06-2016- 17-08-2016)
Sri. K.S.Vinod,	(17-08-2016 - Continuing)

C. Financial analysis

<u>Period</u>	<u>Establishment</u>	<u>Capital Expenditure</u>	<u>Contingencies</u>
2014-15	1931885	NIL	155076
2015-16	1177645	NIL	550797
2016-17	8765208	NIL	573499
2017-18	21635690	NIL	503439
2018-19	18631079	NIL	409590

D. Details of Bank account maintained

SB Account - No.67303928857 , SBI, Civil Station Branch Malappuram

E. Internal Audit

The Internal Audit this office by Audit Wing was not conducted till date.

PART II

A Major Irregularities

- I Name of work – SLSSC – 2014 – WSS to Valavannur and Kalpakanchery Panchayath by enhancing the capacity of ongoing WSS to Thirunavaya and adjoining villages – phase –II- distributing system-Idle investment of Rs.9.99 Crores.**

Administrative sanction and Technical sanction for the work were issued vide AS No.KWA/HO/WN/20/2014-15 Dated : 29.11.14 by Managing Director and TS No.KWA/CE/NR /14/2014-15 Dated 18.12.2014 of CE, North, Calicut for Rs.1455/- lakhs. The scope of work include procurement and laying various size of DI pipe 200 mm to 350mm – 18,436 meter, PVC pipe 75mm to 160mm -87873 meter and GI pipes 126 meter. The tender was floated with Rs.10,74,54,777/- based on 2014 SOR and subject work was awarded to M/s Ankush Infra Tech Ltd. , Perumbavoor , Eranamkulam for Rs.9,99,99,990/- vide work order No.SE/PHC/MPM/DB1/41/2014 Dated : 14.01.2016 with time of completion. 9 months which expired on 13.10.2016. As per the work order , the contractor is bound to execute necessary agreement for the fulfillment of contract with in 20 days. (As per PWD manual maximum time can be allowed is14 days) But he has executed only after the stipulated period on 02.03.16 (delayed period one month). But authorities has not imposed any fine which is ranging 1% of the contract amount, Subject to a minimum of Rs.1000/- and maximum of Rs.25,000/- and a fresh proceedings is not inward again permitting the contractor to execute the agreement. Supply of pipes effected and contractor has laid various size of pipes for a length of about 77 KM and preferred 3 bills. It may be noted that contractor has

applied for extension of time up to 31.05.2017, secondly up to 31.01.2018 , and finally up to 31.03.2019 and the request was sanctioned without fine and beyond limit of agreement authority (Maximum time extension can be allowed 50% of the original time). The contractor again applied for extension up to 31.12.2019. Due to the paucity of funds KWA has not remitted restoration amount and hence the PWD kept sanctioning for cut open the roads pending. Now the contractor has submitted two letters on 19.08.19 and 29.10.19 to terminate contract due to the non availability of road cutting sanction and it is found reasonable . As the KWA procedure the AS of the work was sanctioned by Managing Director and TS was issued Chief Engineer (Northern Region) Kozhikode and hence though , the reason for the tar cutting of the work is realistic and the same should be issued by the competent authority ie Chief Engineer (Northern Region) Kozhikode with intimation to Managing Director. So all the steps taken in this regard may be inform to Chief Engineer (Northern Region) for issuing the competent orders and the facts intimated to audit.

In this connection audit observe the following.

- 1.Up to date expenditure of the work.
2. Whether the laid lines are charged or not.
3. It may be clarified whether any benefit out of the scheme has been served to the general public .
4. Whether the road restoration charges paid or not.

II Name of work : SLSSC – 2013 WSS to Thazekkode and Aliparamba Panchayaths in Malappuram District – Phase – I - Intake Well cum pump house, raw water pumping main W.T.P and Clear water pumping main for Zone - I - Idle investment 3.88 Crores.

Administrative sanction and technical sanction were issued for the schemes vide AS No. KWA/HO/WN/82/13-14 Vol. IV Dated; 06.12.2013 of MD and T.S No. KWA/CE/WNR/42/2013-14 Dated; 18.12.2013 of CE, NR, Kozhikode For Rs. 750 Lakhs .E - Tender was invited by the S.E , P.H circle Kozhikkode and work awarded to Sri, T.T Balan vide order No. Se/KKD/D7/7273/11 Dated ; 26.06.2014 for his quoted amount of Rs. 764/- Lakhs . Agreement was executed vide no. SE/PHC/KKD/8/2014-15 dated ; 14.07.2014 with period of completion as 18 months.

The time of completion was first extended to 31.12.2016 due to delay in getting permission for hard rock blasting, for well clarifier, filter house and sump area and the delay the shifting 11. KV KSEB line from the proposed site. Second time of completion was extended to 31.05.2017 without fine due to dispute in the boundary line of the proposed area. Due to the failure of proposal to handover equivalent land[7.180 cent] to Sri. Abdul Rasheed in exchange of the said site was not yet taken up. The complainant filed a case in the High court of Kerala vide WPC No. 87 of 2017 for the settlement of the dispute in which the decision was pending for disposal [11/2017]. The time of completion further the extended up to 30.06.2018 without fine. No further progress has been made in the work due to deadlock and the work couldn't carried by the contractor. Hence audit observed to speed up and disposed the WPC No. 87 of 2017 pending in the Hon'ble High court of Kerala and to ensure the work completed as the KWA has expended up to 388 Lakhs and the schemes is kept idle till date. Present status of the case and work with up to date expenditure may be reported to Audit.

It is also noticed by the audit that the RAO during their audit for the period 2015-16 directed KWA to speed up the WP© pending before Hon'ble High Court so as to finalize the speedy implementation of the project .But no action is seen initiated by the KWA

III Name of work SLSC 2013 – WSS to Valavannur and Kalpakamchery Panchayath Package II design and construction of 14.70 LL capacity OH Tank at Valavannur ITI compound including supplying and laying 300 mm DI K9 pipe from STP to Valavannur OHSR – Idle investment of Rs.4.23 Crores

Administrative sanction for Rs 1250 Lakhs under ARP scheme was accorded by the MD vide Order No. KWA/HO/WN/608/02 Vol IV dated 4-10-2013 and TS issued by the CE(CR) vide TS No. KWA/CE/NR/33/2013-14 dated: 17-10-13 for Rs 1250 Lakhs . The scope of works includes design construction and commissioning of 14.70 LL Capacity OHSR at Valavannur ITI compound and supplying and laying testing and commissioning of 4677 meter 300 mm DI K9 clear water pumping main from sump at water treatment plant Kuttikkalathani to 14.77 LL OHSR at Valavathur ITI Compound. The work was awarded to Sri. V. Shahul Hameed Varikkodan House Down hill PO Malappuram for Rs 42263495/- vide work order No SE/KKD/ D6-5516/13 dated: 10-07-13 by the Superintending Engineer Kozhikkode with time of completion by 12 months which expire on 9-7-2015. The contractor has executed agreement vide No SE/PHC/ KKD/12/14-15 dated: 31-1-14 for the fulfillment of contract. 12 month time was provided for the work which was expired on 9-7-2015. Due to non receipt of permission from PWD for laying DI Pipe and based on recommendation of Executive Engineer , Superintending Engineer has sanctioned (13-10-15) . Time of completion up to 31-3-16 without fine and again SE sanctioned further time extension up to 31-5-2018 and then 31-12-18 with the same reason with out fine. On verification of the file it is noticed that the construction of 14.70 LL capacity of OH tank , inter connection work and laying of 300 mm DI K9

work and laying of 300 mm DI K9 pipe 2513.50 meter etc were completed. The road restoration charges amounting Rs 7874430/- for laying pipe line of clear water pumping main and distribution etc were remitted to the Executive Engineer , PWD Manjeri vide DD no 55157 dated: 29-12-18 Bu the sanction for laying pipeline in the remaining portion of Kallingal to Mampra in Puthenathani- Thanalur road were not obtained till 17-28-2019 This fact were reported by this office vide letter No DB1/SE/MPM/5517/2013 dated 9-7-2019 to Chief Engineer , Managing Director and District collector etc and seek intervention.

More over the contractor also requested (26-07-2019) to the Superintending Engineer for exempt him from the balance work. Considering the request of the contractor SE vide letter No SE/PHC/MPM/DB1 /5516/13 dated: 14-10-2019 issued a termination order from the balance work. But no further action has been taken in this regard. In this connection the audit observed the following:

The accepted PAC of the work was Rs.42263495/- with an up to date expenditure of Rs.41662131/-

1. It may be clarified whether any benefit out of the work has been served to the general public.
2. The expenditure incurred for the work remain idle for the last 4 years
3. No negotiation has been made by the controlling officer to the contractor to continue the work and complete the same.
4. No further action is seen initiated to commence the balance works

B Other incidental findings

I Tardy Progress of Work

- 1 Name of Work NRDWP – SLSSC- 12 –CARWSS to Thiruvalli and adjoining villages (Phase I) Package II construction of 8 m inner dia well cum pump house , supplying and laying 350 mm dia di K9 pipe 11200 meter**

Administrative sanction and technical sanction were issued for the scheme vide AS No KWA/HO/WN/26/12/13 dated 25-8-2012 of MD and TS No KWA/CE/NR/30/2012-13 dated: 27-10-12 of CE (NR) , Kozhikkode for Rs 1450 Lakhs . Working estimate was sanctioned for Rs829 Lakhs based on 2012 SOR

The work was awarded to M/s Reena Engineers and contractors Pvt Ltd., Goa for Rs.79682618/- vide work order No. SE/PHC/KKD/04-1483/12 dated: 20-02-2014 with time of completion by 12 months which expired on 19-02-15 . The contractor has executed agreement vide No SE/PHC/KKD/52/13-14 dated: 4-3-14 based on the request of the contractor tor and recommendation of EE, Superintending Engineer has sanctioned (9-04-15) time of completion up to 31-10-15 without fine with an order for no further extension will be granted. But the reason reported in the application for extension of time under which circumstances for stopping the work by the public was not mentioned. Again time extension granted by the SE (15-12-16) up to 31-5-16 without fine by the recommendation of the EE for the reason site condition were not favorable for the well works due to intermittent summer rains and road widening of PWD etc. These reasons are not found satisfactory as the widening of road will not affect the work because the pipes are laid along the extreme side of the road. Usually summer rain will affect only in the evening time. Hence the exemption of fine is irregular and fine may be imposed and the matter may be reported to audit. Further the audit has observed that the contractor is applying for extension of time of completion again and again and they are not eager to complete

the work within the time frame and the KWA is granting time of completion considering their feeble reasons and no fine was imposed on them even after a lapse of 6 years. Hence urgent action may be taken to complete the work as per NIT condition and if any lapse has happened ample fine should be imposed and reported to audit. It is also observed that no correspondence has been made by the both sides even after sanctioning of time of completion up to 31-12-16 without fine and a revised estimate for rs.650000/- by the SE . But ignoring all these aspects the work is continually dragging on . Remarks to the above observation may be furnished to audit.

2 **Name of work SLSSC 2014 – CARWSS to Thiruvalli and adjoining villages Phase II Vandoor villages Part II (Water Supply arrangements to the eastern side of Railway Line in Vandoor Panchayath)**

Administrative sanction and technical sanction were issued for the subject work vide AS No KWA /HO/WN/21/14 -15 dated: 29-11-14 of MD and TS No KWA /CE/NR /20/2014-15 dated-9-12-14 by the CE(NR) Kozhkkode for Rs.593 Lakhs . Estimate for the subject work for an amount of Rs 593 L.

Tender was floated with TPAC of Rs.32846600/- based on 2012 SOR excluding the road restoration , raw water pump set and unforeseen work. The work was awarded to Sri. NT Kuriakkose contractor , Puthencruz Ernakulum vide order No SE/PHC/ MPM/ DB2 2705/13 dated; 17-7-15 at his quoted amount Rs35481650/- which is 8.55% above the tendered PAC of Rs.32846600/- with a time of completion 9 months due on 16-4-16 . The contractor executed the agreement vide No SE/PHC/MPM/09/15/16 dated4-8-15.

The scope of work is for supplying and laying 300mm and 250mm DI pipes for a length of 8170 meter in PWD roads . An amount of Rs 3714513/- towards the road restoration charges for a total length of 7490 m was remitted to PWD vide cheque No SB/XY No.1503329/- dated 14-9-15 the balance length of 700 meter

PWD road is not included in the above calculation sheet, since that portion road is newly constructed BM&BC under the guarantee period of contractor. The contractor has not carried out the work as per the agreement condition. After a lapse of 17 months the Superintending Engineer has extended. The time of completion up to 30-12-17, resulting a total delay of 29 months imposing a nominal fine of Rs.5000/- for name sake. This is a total violation of NIT Condition of clause 8-10-01. As per the NIT Condition the fine should be imposed at the rate 0.5% of the cost of balance work for every one week for delay occurred in completing the whole work subject to maximum of 10% contract value. This means the contractor is not interest the safeguard the spirit of KWA to implement the work and delaying inordinately. Still the work is pending and executed a small portion of supply has affected (250 mm DI Pipe) Balance supply and the work is pending. This type of omission of the contractor will attract legal provision against him including termination of work and arranging the same with the risk and coast of the contractor and to be advised for blacklisting. But no strong action is seen taken from the part of KWA. A detailed remarks and name of responsible officers with up to date expenditure may be reported to audit.

II Grant Extension of Time beyond limit

- 1 Name of Work : Jalanidhi Rehabilitation of Multi Grama Panchayath schemes – CAWSS to Thennala, Perumanna, Clari and Ozhur Panchayaths - package – II- Design construction and commissioning 567/M³/Hr. capacity Water Treatment Plant and automation and SCADA construction of 23 LL master and 14.7 LL elevated service reservoir, 450mm DI K9 Raw Water pumping main, 300mm to 400mm DI K9 clear water transmission mains.**

Name of Contractor - V.Shahul Hameed , Malappuram.

Work Order No. - DB1/SE/MPM/JN/475/2015 Dated

08.01.2016.

PH Circle - 23,34,27,258/-

Agreement No - SE/PHC/MPM/18/2015-16 Dated
22.02.2016.

Date of - 18 months due on 07.07.2017.

As per the work order contractor shall execute agreement on or before 22.01.2016. But the agreement executed only on 22.02.2016 reason for permitting agreement in a belated date and non adhering existing PWD manual 2012 may be reported to audit.

18 months time was provided for execution of the work which expired on 17.07.2017. On 11.08.17 SE addressed to Managing Director for extension of time completion up to 31.05.2018 by stating the reason that non permission of PWD Road cutting and non availability of power supply, etc. But the same was not sanctioned. At the same time SE sanctioned time of completion up to 31.12.2018. Without imposing fine by stating the above same reasons. Again SE sanctioned (22.12.2018) time of completion up to 30.06.2019, without imposing fine by stating the reason that, non getting permission from local body and due to public protest, 200m Raw Water pumping main work is to be laid.

Hence the audit observe the followings

1. SE has sanctioned of time of completion in two times viz 31.12.2018 and 30.6.2019. As per PWD manual the agreement authority can be sanctioned time of completion maximum for a work shall be limited to half of the original time of completion. In the case whether the approval/ratification from higher up obtained or not.
2. No correspondence is seen made in the file after sanctioning time of completion up to 30.06.2019.

3. Present status of the work shall be reported to audit.
- 2 **Name of Work : Jalanidhi Rehabilitation of Multi Grama Panchayath WSS – CWSS to Urakam, Vengara, Parappur in Malappuram District package –III- supplying ,Errection and commissioning Raw Water pumping system and electrical substation.**

Name of Firm - M/s Electric Project Consultants ,
Malappuram.

Work Order No. - SE/MPM/DB2/JN/1961/B/2014 Dated
23.09.2015

Agreement No - SE/PHC/MPM/13/2015-16 Dated
07.10.2015

Date of completion - 9 months due on 22.06.2016.

As per the work order, the time of completion expired on 22.06.2016. But KWA could not handover the site to the contractor during the specified instead of this. The site was handed over only on 20/07/2016, which is beyond the date of actual completion and ignoring this fact, KWA has extended time of completion up to 31.12.2016. This is totally wrong, on counting time extension KWA has to taken the site condition and whether this site was handed over to the contractor or not. But the time of completion extended up to 31.12.2016, 20.03.2017, and 31.01.2018.

Hence the audit observed that , the actual date of handling over the site was only on 20.07.2016 and here the contractor is eligible to get the time of completion up to 19.04.2017. But here this offices had extended time of completion two time viz on 31.12.2016 and 20.03.2017 Without imposing fine. This action

leads to unnecessary correspondence. In future course, this type of mistake shall be avoided.

III Non Imposition of fine for delayed execution of agreement

- 1 Name of work : SLSSC-2016 WSS to Kunnamangalam Village in Mapalluram District Phase II Supplying laying testing and commissioning distribution networks.**

Name of contractor Sri George Mathew Edapazhathil House Vaazhakkulam Muvattupuzha

Work Order No. SE/PHC/MPM / DB2 /711/16 dated: 22-2-2017

Accepted PAC: 11821498/-(10% above)

Agreement No SE/PHC/MPM/01/17-18 dated: 28-4-17

Date of completion : 9 months (due on 27-1-18)

As per the PWD manual 2012 Rule 2009(6) the contractor should execute agreement within 14 days from the work order, after 14 days a grace period of 10 days with affine of 1% of the contract amount subject to a minimum of Rs. 1000/ and maximum of Rs. 25000/- and thereafter the offer will be rejected and the work shall be awarded to the next lowest tenderer .

As per this office work order the contractor had to execute the agreement within 20 days from the work order. But the contractor had executed agreement only on 28-4-2017 instead of due date on 14-3-2017. No sanction order for extension and no fine is seen imposed for the delayed execution of agreement.

Extension of time beyond limit

As per PWD manual 2014 the extension time of completion that can be granted at a time shall not exceeded 25% of the original time or 6 months whichever is less. The maximum extension that can be granted for work shall be limited to half of the original time of completion.

The time of completion of the subject work is 9 month from the date of agreement (sanctioned by the SE on 30-3-17) Due to non getting permission from PWD and DRDA for the road cutting to lay pipe line SE has sanctioned (12-3-18) the time of completion of the work extended up to 31-7-18 without fine. Further due to non remittance of KSEB arrears of the existing connection Superintending Engineer has sanctioned (15-7-19) further time of completion up to 30-6-19 without imposing fine .The audit observed that granting of the above time extension is found reasonable but the extension is beyond the delegation of power of agreement authority. As per the progress report for the month of 11/2019 the present status of work recorded is completed and commissioned but the date of completion , and commissioned is not furnished.

2 Name of work State Plan – CRWSS to Thiruvalli and Adjoining villages – Phase –I – Thiruvalli villages providing Raw Water Pump Set , Clear Water Pump Set , Infrastructure Gantry Girder and power line Extension.

Name of Contractor : M/s Hydro Electrical System, Chennai.

Accepted PAC : 1,64,54,439

Work Order No. and Date : SE/PHC/MPM/DB2/2016/2017 Dated :
01-12-2018

Agreement No. and Date : SE/PHC/MPM/15/2018-19 Dated : 24-

12.2018

As per the above work order, the contractor has to execute the agreement with the 15 days from the work order. But the Contractor was executed agreement for the work only on 24.12.2018. Time for the delayed executing and sanction for extension of time for executing agreement is not available in the file or agreement. Reason for the same may be reported to Audit.

- 3 **Name of work KIFBI Special investment package – WRD 003- 04- CWSS to Thiruvmaradi and adjoining villages phase I and II to Supplying and laying and commissioning distribution system to Thiruvally Panchayath including clear water centrifugal pump set at CW Pump house and in WTP site.**

The above work was awarded to M/s Tomco Engineering Pvt Ltd Palantil Kunnakal PO Muvattupizha vide order No SE /PHC/MPM /DB2-2804/2016 dated: 13-7-16 for Rs 159174000/- for executing agreement within 15 days for fullfillment of contract due on 28-7-19 . But the contractor has executed agreement only on 24-8-19 vide No SE/PHC/MPM/12/17-18.by delaying period 27 days. Fine for the delayed execution and sanction order for extension time for execution of agreement is not available in file or agreement Reason for allowing agreement in belated date and non complying the existing rule shall be reported to audit.

- 4 **Non imposition of fine for the delayed execution of Agreement**

1. WO. No. SE/PHC/MPM/DB4/AK/SP/2018-19 , Dated: 17.06.2019

Agreement executed vide No. SE/PHC/MPM/81/2019-20, Dated: 15.07.2019

Delayed period 1 month

2. WO. No. SE/PHC/MPM/DB4/PMNA/CH/SP Dated: 20.05.2019

Agreement executed vide No. SE/PHC/MPM/07/2019-20 Dated: 04.07.2019

Delayed period 16 months.

3. W.O No. SE/PHC/MPM/DB1/270/2018 Dated: 27.03.2019

Agreement executed vide No. SE/PHC/MPM/02/2019-20 Dated: 18.05.2019

Delayed Period 52 days

4. W.O. No. SE/PHC/MPM/DB4/PM/SP/2018-19 Dated: 06.03.2019

Agreement Executed vide No. SE/PHC/MPM/01/2019-20 Dated : 18.05.2019

Delayed period 02 Month.

5. W.O. No. SE/PHC/MPM/DB4/CH/SP-2018-19 Dated : 04.02.2019

Agreement executed vide No. SE/PHC/MPM/26/2018-19 Dated: 29.03.2019

Delayed Period 45 days.

6. WO. No. SE/PHC/MP/DB1/1165/2018 Dated: 28.07.2018

Agreement Executed No. SE/PHC/MPM/10/2018-19 Dated: 04.09.2018

Delayed period 1 Month.

7. W.O No. SE/PHC/MPM/2809/DB2/2017 Dated; 02.08.2018

Agreement executed No. SE/PHC/MPM/09/2018-19 Dated : 03.09.2018

Delayed Period 1 Month.

8. W.O. No. SE/PHC/MPM/DB1/768/2017 dated : 11.06.2018

Agreement executed SE/PHC/MPM/07/2018-19 Dated : 28.07.2018

Delayed Period 1 Month

9. W.O. No. Se/PHC/MPM/ DB1/298/13 Dated : 19.02.2018

Agreement executed No. SE/PHC/MPM/31/2017-18 Dated : 28.03.2018

Delayed Period 1 Month

10.SE/PHC/MPM/DB2/2075/2016 Dated : 28.09.2017

Agreement executed No. SE/PHC/MPM/20/2017-18 Dated : 03.11.2017

Delayed Period 1 Month.

Non imposition of fine stipulated in the PWD manual 2012 of the above delayed execution of agreement shall be reported to audit.

IV Short Collection of Cost of Stamp Papers

Govt. vide gazette notification No.3111/Leg. A2/2018/LWA dated 31.03.18 amended the cost of stamp paper for works or service level agreement as one rupee for every rupees thousand or part thereof on the account agreed in the contract subject to a minimum of the Rs.200/- and maximum of in Rs.1,00,000/- (1 lakh). On scrutiny of the agreement register audit noticed that the variation of cost of stamp papers were not affected, the following works resulting in short collection of Rs. 2,49,956/-.

1 **Name of work : Minority Welfare Plan – Water Supply Scheme to Koombra area in ward No.7 of Keezhaparamba Panchayath in Malappuram District.**

Name of Contractor	- Sri.A.V.Basheer
Work Order No.	- SE/PHC/MPM/DB1/267/2018 Dated 06.04.2018
Agreement No.	- SE/PHC/MPM/01/2018-19 Dated 24.04.2018
Tender PAC	- 31,48,046/-
Accepted PAC	- 31,48,046/-

(Accepted PAC Rounded - 31,49,000/-
to nearest Rs. 1000/-)
Value of Stamp Paper Obtained - 200/-
Actual Levi able - 3,149/-
Short Collection - 2,949/-

2 Name of Work : State Plan 2016-17 – RWSS to Kottakkal – Parappur – Renovation to source – Supplying, erection and commissioning of 2 Nos. of Vertical Turbine pump set in Raw Water Pump house at Venkittakayam.

Name of Contractor - M/s. Premier Power Line
Work Order No. - SE/PHC/MPM/DB1/1842/16(A) Dated
03.05.2018
Agreement No. - SE/PHC/MPM/02/2018-19 Dated
16.05.2018
Tender PAC - 25,71,188/-
Accepted PAC - 25,50,000/-
(Accepted PAC Rounded - 25,50,000/-
to nearest Rs. 1000/-)
Value of Stamp Paper Obtained - 200/-
Actual Levi able - 2,550/-
Short Collection - 2,350

3 **Name of Work : KIIFB – Special Investment Package – WRD -010-05- WSS to Thanur Municipality and adjoining 4 Panchayaths - Phase –I- Package –I- Construction, commissioning of 14 m Dia Wall Cum Pump House. protection works and supplying laying commissioning 800mm DI K9 Raw Water Pumping Main.**

Name of Contractor	- M/s. Tomco Engineers Pvt. Ltd., Eranamkulam.
Work Order No.	- SE/PHC/MPM/DB1/2306/16 Vol. (1) Dated 09.04.2018
Agreement No.	- SE/PHC/MPM/03/2018-19 Dated 25.05.2018
Tender PAC	- 33,43,41,884/-
Accepted PAC	- 32,22,00,000/-
(Accepted PAC Rounded to nearest Rs. 1000/-)	- 32,22,00,000/-
Value of Stamp Paper Obtained	- 200/-
Actual Leviable	- 1,00,000/-
Short Collection	- 99,800/-

- 4 **Name of Work : LAC-ADS 2017-18- Kuruva Grameena Sudhajala Vitharana Padhathi in Kuruva Panchayath – Supplying , Laying, Testing and Commissioning of 150mm DI K9 Pumping Main (Balance Work) and construction of pump house, providing sheet roofing.**

Name of Contractor - M/s. MKS Contracting Company (India)

Work Order No. - SE/PHC/MPM/DB1/753/2017 (A)

Dated 21.05.2018

Agreement No. - SE/PHC/MPM/04/2018-19 Dated

06.06.2018

Tender PAC - 32,16,346/-

Accepted PAC - 32,04,785/-

(Accepted PAC Rounded - 32,05,000/-

to nearest Rs. 1000/-)

Value of Stamp Paper Obtained - 200/-

Actual Leviable - 3,205/-

Short Collection - 3,005/-

- 5 **Name of Work : SAARK (2010-11) Improvements of Existing Water Supply Schemes of Kondotty and Nediyruppu villages – Laying 150mm DI K9 Gravity Main Nediyruppu Sump.**

Name of Contractor - Sri. Paul M.V., Thrissur

Work Order No. - SE/PHC/MPM/DB2/191/2018

Dated 27.06.2018

Agreement No. - SE/PHC/MPM/05/2018-19 Dated
09.07.2018

Tender PAC - 79,80,155/-

Accepted PAC - 77,16,809/-

(Accepted PAC Rounded
to nearest Rs. 1000/-) - 77,17,000/-

Value of Stamp Paper Obtained - 200/-

Actual Leviable - 7,717/-

Short Collection - 7,517/-

**6 Name of Work : LAC-ADS – CARWSS to Moorknad and adjoining villages –
pipe line extension to ward Nos. 4,9,12,13& 16 in Puzhakkattiri Panchayath.**

Name of Contractor - Sri. Haseeb Jan

Work Order No. - SE/PHC/MPM/DB1/1079/2018

Dated 18.06.2018

Agreement No. - SE/PHC/MPM/06/2018-19 Dated
09.07.2018

Tender PAC - 25,09,203/-

Accepted PAC - 20,93,428/-

(Accepted PAC Rounded - 20,94,000/-

to nearest Rs. 1000/-)

Value of Stamp Paper Obtained - 200/-

Actual Leviable - 2,094/-

Short Collection - 1,894/-

7 Name of Work : Minority Welfare Plan – WSS to Cheriparamba – Kunchunnipadam are in ward No.10 of Edappatta Grama Panchayath

Name of Contractor - Sri.P.Shaukathali, Malappuram

Work Order No. - SE/PHC/MPM/DB1/768/2017

Dated 11.06.2018

Agreement No. - SE/PHC/MPM/07/2018-19 Dated

28.07.2018

Tender PAC - 25,20,013/-

Accepted PAC - 25,19,916/-

(Accepted PAC Rounded - 25,20,000/-

to nearest Rs. 1000/-)

Value of Stamp Paper Obtained - 200/-

Actual Leviable - 2,520/-

Short Collection - 2,320/-

8 Name of Work : Hiring Vehicle (1200-1500 A/C car) for 1 year to the KWA, P.H. Circle, Kottakkunnu road, Malappuram.

Name of Contractor - Sri.Kunhahammde.K.P.,Kalathur
Work Order No. - SE/PHC/MPM/DB1/7552(A)/2014
Dated 30.08.2018
Agreement No. - SE/PHC/MPM/08/2018-19 Dated
03.09.2018
Tender PAC - 4,15,176/-
Accepted PAC - 4,14,900/-
(Accepted PAC Rounded - 4,15,000/-
to nearest Rs. 1000/-)
Value of Stamp Paper Obtained - 200/-
Actual Leviable - 415/-
Short Collection - 215/-

9 Name of Work : NRDWP – SLSSC – 2014- WSS to Kavanur village in Malappuram Dt. Phase –II- Package –I- Supply erection , testing and commissioning Transformer , Raw Water and Clear Water Pump sets.

Name of Contractor - M/s. Premier Power Line, Erode
Work Order No. - SE/PHC/MPM/DB2/2809/16 2017
Dated 06.08.2018

Agreement No. - SE/PHC/MPM/09/2018-19 Dated
03.09.2018

Tender PAC - 94,59,068/-

Accepted PAC - 81,45,512/-

(Accepted PAC Rounded
to nearest Rs. 1000/-) - 81,46,000/-

Value of Stamp Paper Obtained - 200/-

Actual Leviable - 8,146/-

Short Collection - 7,946/-

**10 Name of Work : Deposit work – Malappuram Municipality – MWSS -
Construction of 6 LL capacity OHSR at Mamparamba (Near vidhy Nagar
School) in Panakkad village.**

Name of Contractor - Sri.P.P.Abbas, Malappuram.

Work Order No. - SE/PHC/MPM/DB1/1165/2018
Dated 28.07.2018

Agreement No. - SE/PHC/MPM/10/2018-19 Dated
04.09.2018

Tender PAC - 1,08,07,252/-

Accepted PAC - 1,07,74,830/-

(Accepted PAC Rounded - 1,07,75,000/-

to nearest Rs. 1000/-)

Value of Stamp Paper Obtained - 200/-
Actual Leviable - 10,775/-
Short Collection - 10,575/-

- 11 **Name of Work : State Plan 2017-18 – RWSS to Kalikavu Replacement of old pipe – Reach –I- Replacing 400mm AC d-10 with 350mm DI K9 pipe for a length 1700m from Madhumala to Krishibhavan – Kalikavu.**

Name of Contractor - Sri. N.T.Kuriakose
Work Order No. - SE/PHC/MPM/DB4/KKV/SP-17-18

Dated 29.08.2018

Agreement No. - SE/PHC/MPM/11/2018-19 Dated
07.09.2018

Tender PAC - 1,14,57,256/-

Accepted PAC - 1,16,88,651/-

(Accepted PAC Rounded - 1,16,89,000/-

to nearest Rs. 1000/-)

Value of Stamp Paper Obtained - 200/-
Actual Leviable - 11,689/-
Short Collection - 11,489/-

- 12 **Name of Work : State Plan 2017-18 - WSS to Valavannur and Kalpakancheri Panchayaths by enhancing the capacity of ongoing ARWSS to Thirunavaya and adjoining villages – supplying , erection and commissioning of 2 Nos. of 50 HP and 35 HP C/F clear water pump set.**

Name of Contractor - M/s. Brothers agencies, Malappuram.
Work Order No. - SE/PHC/MPM/DB1/1338/2018
Agreement No. - SE/PHC/MPM/12/2018-19 Dated
01.10.2018

Tender PAC - 29,76,347/-

Accepted PAC - 26,16,000/-

(Accepted PAC Rounded - 26,16,000/-

to nearest Rs. 1000/-)

Value of Stamp Paper Obtained - 200/-

Actual Leviable - 2616/-

Short Collection - 2416/-

- 13 **Name of Work : KIIFB – Special Investment Package – WRD -002-05 CWSS to Ponnani Municipality and adjoining villages Package –I- construction of 12m Dia well cum pump House , supplying ,laying Raw Water Pumping Main , construction ,commissioning 50 MLD WTP , sump and allied works compound wall staff quoters, convention hall, store buildings , etc.**

Name of Contractor - Sri. Shahul Hameed.V., Malappuram

Work Order No. - SE/PHC/MPM/DB2/694/2017

Dated 15.10.2018

Agreement No.	- SE/PHC/MPM/13/2018-19 Dated 17.10.2018
Tender PAC	- 39,88,91,444/-
Accepted PAC	- 38,84,04,000/-
(Accepted PAC Rounded to nearest Rs. 1000/-)	- 38,84,04,000/-
Value of Stamp Paper Obtained	- 200/-
Actual Leviable	- 1,00,000/-
Short Collection	- 99,800/-

Total short collection of 13Nos. of contractors comes to Rs. 2,49,956/- short collection from each contractors may be realized and shall be deposited either in operative or non operative account till the direction obtained from FM and CAO.

V

Non adherence of Govt. Orders while accepting security deposit / additional performance guarantee

Name of work : SLSSC – 2016 WSS to Kannamangalam village in Malappuram district Phase – II Supplying, Laying, Testing, Commissioning Distribution network.

The above work was awarded to Sri. George Mathew, Contractor, Muvattupuzha, work order No. SE/PHC/MPM/DB2/711/2016 dated 22.02.2017 for an amount of Rs. 10,74,68,108/- as the direction to produce receipt of security deposit amount Rs. 59,10,800,- for fulfillment of executing agreement. Out of this,

Rs.29,55,000/- in this form of Treasury deposit and balance Rs. 29,55,000/- in this form of bank guarantee. But on verifications of agreement register, this agreement for subject work vide No. SE/PHC/MPM/01/2017-18 dated 28.04.2017 is seen executed without remitting/producing the mandatory treasury deposit Rs. 29,55,000/-. Reason for allowing to executed the agreement without collecting Treasury deposit Rs. 29,55,000/- shall be reported to authority.

VI Non adherence of NIT Conditions

Govt. have introduced E tendering system for carrying out works more clear and transparent . During the audit, the file related to KIFB , WRD 002 -06 comprehensive WSS to Ponnani Municipality and adjoining villages (Package II) Supplying , laying, testing and commissioning clear water pumping main 700 mm DI and MS pipes 8000 m , while inviting E Tender No. SE/PHC/MPM/18/16/17dated: 27-3-2017 it is observed that some discrepancies are happened in the case of technical evaluation for qualifying their offers. Out of 9 contractors who have participated in the tender calls one contractor submitted his offer without hard copy . Hence it was rejected and also one contractor was became unqualified because of shortage of annual turnover and net worth. Thus the valued offers came down to 7 nos. As per the guidelines of NIT conditions in volume 1 Clause 7.6 to 7.17 clearly specified how to submit the bid document. The prequalification details in format Q1 to Q8 , particulars showing the status of tender shall be submitted electronically and in hard copy to be the very same of soft copy uploaded further to state that no corrections/ alterations/ additions cannot be include in the hard copy submitted by the contractor. ON verifying the work file related to the above E Tender the audit observed that it is requested by this office to furnish some additional documents from some contractors. It is against the prevailing rules in NIT Conditions. Moreover in one case the firm participated under the joint venture ship, it wants' power of attorney which is seen not furnished and hence it is

liable to be rejected. But there offer was seen for considering prequalification criteria. In future a guide line is issued if a joint venture entrepreneur is participating in the tender call, a power of attorney / authorization must be submitted along both in the soft copy as well as hardcopy. A tabulation statement should be prepared in single broad sheet for ascertaining the pre qualification details easily note in the requirement in numerical order. In this office the tabulation is done in a separate sheet which is violating the provisions. The analysis of the Q1 to Q8 has not done properly by this office. Hence it is directed to separate column provided for Q1 to Q8 describing all the details.

VII Non effecting statutory recoveries

- 1 While verifying the monthly accounts an amount of Rs 9850/ and Rs 19850 has been paid to Sri.Mubarakk Pookkottur towards the office inauguration expenses (Sound System, Generator, Chair , Stage, Panthal . Vide CBV 12 SE of 1/2015 and 13 SE of 1/2015 respectively charging the expenditure head 3499 instead of 2811 sundry creditors contractors without effecting statutory recoveries. Hence the audit observed that the expenditure wrongly booking head may be corrected as 2811 and effects statutory recoveries and report the fact with CBR No.
- 2 On verification of monthly accounts an amount Rs 9662/- has been paid to Sri.M Alavikutty Contractor Malappuram towards the working charges of fixing Ramp in PH Circle Malappuram vide CBV 8 of 3/16. Charging the expenditure head 9219 instead of 2811 sundry creditors contractor. The same may be rectified and reported to audit . More over while making payment statutory recoveries are not seen affected. Reason for not affecting the recoveries may be reported to audit

VIII Non Maintenance of Registers

Tender Register FA- 4

This register as intended to record the details of tenders received for various contractors/suppliers. The details of final verdict choosing the suppliers/contractors as the case may shall be recorded in the tender register on scrutiny of the register, it was noticed some omissions in this following pages.

Page No.	Tender No.	Remarks
84 and 85	14/2016-17	Cancelled, but not authenticated
108 and 109	03/2017-18	Bidders details recorded but not authenticated
110 and 11	04/2017-18	Bidders details recorded but cancelled without authenticated.
162 and 163	30/2017-18	Tender cancelled, authenticated
166 and 167	32/2017-18	Bidders details recorded but not authenticated
172 and 173	01/2018-19	Bidders details recorded but not authenticated

There after page 174 onwards no authenticated signature is recorded in this tender register. Reason for omissions shall be reported to authority.

IX Procedural Lapses

On verification of monthly accounts the following items are seen purchased

SI No	Description	Name of Firm	Invoice No and date	Amount
1	Printer Rycho SP 200 1 No	Pentron Info System Malappuram	1828 dated: 31-12-14	5800
2	Printer Laser Canon 2900 B 1 No	Pentron Info System Malappuram	732 date 13- 7-15	7300

Payment for the purchases are effected vide CBV 4 SE of 1/2015 and CBV 13 of 1/2015 respectively by charging the expenditure head 3499 instead of 2812 sundry creditors suppliers .Hence the following points may be clarified to audit.

1. Mode of purchases
2. Whether the supply order has been placed or not .
3. If so copy of the same maybe produced
4. Whether the details of purchase / supply order register or not.
5. Whether the receipt of printers accounted through GRS or not,
6. If so the number of GRS may be reported
7. Whether the receipt of printer recorded in the asset register or not

X **Non Renewal of bank Guarantee**

As per the bank Guarantee Rule a bank is liable to pay the guarantee amount only if a demand or claim is lodged with the bank in writing on or before the expiry date of the bank guarantee shall be forfeited as per the expiry of validity and the bank shall be relieved and discharged from all liabilities if no claims is made within the validity period.

Due to non renewal of bank guarantee , within the time limit stipulated by the bank authorities the KWA stands at the risk of bank guarantee amount if the contractor leaves the work in mid way .

On verifying of the Bank Guarantee submitted by the contractors it was noticed that, the enclosed Bank Guarantees in the form of Security deposits/additional performance guarantee of various works were not renewed too far their expiry period. Reason for not renewing the Bank Guarantees may be reported to Audit. (Copy enclosed as annexure)

XI **Non Maintenance of Security Deposit Reregister**

The security deposit register maintained in this circle is found with errors and missing. This office was functioning from 01.12.2014 onwards, after that, tenders invited and some security deposits are recorded in this register, but not in numerical order and some cases are found missing. This practice should be discontinued and this security deposit register maintained properly and numerically which will help for releasing this same easily. The omissions left behind without recording this security deposits received against this each work agreement will be incorporated with denoted number [E.g. – if NS after number 3, 3A, 3B etc can be in corporate].

The security deposits remitted by the contractors are found missing and the

released one's are not properly authenticated. In addition to the above the bank guarantees produced by the contractor's towards SD and additional performance guarantee are recorded along with the security deposit register's. This procedure should be discontinued. A separate register for Bank guarantee's are to be maintained and facts reported to authority.

Details of missing SD's

1. FD No. 1701204 , Dated 23.01.2015 of Rs. 2,00,000/- [SD for A class registration of Sri. Fakrudheen Ali Ahammed].
2. FD No. 241558 , Dated: 02.02.2015 of Rs. 1,00,000/- [SD against agreement No. 04/2014-15].
3. Post Office Term deposit No. 507829 , Dated : 23.03.2015 of the 1,00,000/- [SD against agreement No. 06/2014-15]
4. Post office term deposit No. 3039857091 dated; 17.04.2015 of Rs. 3,00,000/- [SD against Agreement No. -01/2015-16]
5. FD No. 0226 - 01714679100001- 4 , Dated: 24.04.2015 of Rs. 5,00,000/- towards performance Guarantee and FD No. 0226-017-14679-100001 - 5 , Dated; 24.04.2015 of Rs. 3,00,000/- towards security deposit, pledged by Sri. Meethiyan. T.A contractor against agreement No. 03/2015-16 as soon as released on 21.03.2016 and 04.06.2019 respectively. But the numbers recorded in the agreement register has not matching in the SD register.
6. SBT FD No. 67351524868 Dated; 01.02.2016 of Rs. 3,00,000/- towards security deposit pledged by M/s Ankush Infra Pvt Ltd, Eranamkulam against Agreement No. 19/2015-16 is not seem recorded in the SD register.

XII Arranging work without inviting quotation

- 1 Vide CBV No. 11 of 4/2015 an amount of Rs. 9600/- has been spent towards maintenance of computer. On verification of the quotation register and connected files , it is found that the payment has been made without following the procedure for arranging work by inviting competitive quotations.
- 2 Vide CBV No 13 of 7/2015 a new printer is seen purchased @ Rs.7300/- by conducting audit the details of competitive quotations and the working status of previous printer purchased vide CBV No 4 of 2015 and the details of guarantee period of the same were called for and no reply in this regard has been received till the end of the audit. Reply in this regard may be furnished to audit.

Vide CBV No 11 of 1/18 and CBV No 12 of 1/18 an amount of Rs 7000/- and Rs 10620/- has been spend towards the purchase of office furniture and the details of quotations obtained were called for vide audit enquiry no 43 has not received till the end of the audit. Reply to remarks may be furnished to audit.
- 4 Vide CBV No 13 of 1/18 an amount of Rs 54779/- has been expended towards the vouchers of furnishing items. The details of competitive quotation has been called for from the circle office vide audit enquiry No 44 has not been received till the end of audit reply with remarks shall be furnished to audit.
- 5 Vide CBV No 14 and 14(a) of 1 /18 an amount of Rs 39000/- and Rs144400/- have been paid to Exide shop. The details of quotation invited, details of item purchased were called for from the Circle Office vide audit enquiryNo45 were not received till the end of audit. Reply with remarks shall be furnished to audit.
- 6 Vide CBV No 10 of 4/16 an amount of Rs.5000/- is seen paid to M/s Pentron info systems towards cost of purchasing UPS vide audit enquiry No .34 the details of competitive quotations obtained in this regard were called for and not received from

the Circle Office till the end of the audit reply shall be furnished to audit.

7 Vide CBV No 2 of 11 /16 a printer has been purchased @ Rs 7700/- and the details of quotation invited and the details of guarantee period of the printer purchased earlier vide CBV No . 4 of 1/15 and CBV no 13 of 7/15 and the working status were called for through audit enquiry no 38 and not received from the circle office till the end of the audit. Reply may be furnished to audit.

8 Vide CBV 11 of 11/2016 an amount of Rs 12500/- is seen paid to m/S Pentron Info System and vide audit enquiry No 40(a) details of item purchased and the details of previous purchase of the item were called for and the same has not been produced till the end of the audit. Reply shall be furnished with remarks.

XIII Non recovery of Income Tax

Vide CBV no 16 of 4/2015 an amount of rs.9900/- has been paid to Sri. Alavi Kuttu contractor and the statutory recovery towards income tax has not been effected from the payment. Reply may be furnished to audit.

XIV Non Maintaining of Asset register in proper format

Vide audit enquiry no 30 the details of electronics items such as printers , computers, Lap top purchased between 12/2014n and 12/2019 were called for since the office does not maintaining an asset register in the proper format. But no reply is received till the end of the audit. Therefore the reply in this regard shall be furnished to audit.

XV Non availability of details of KSEB remittance

1 Vide CBV No 13 of 12/16 and CBV No 17 of 6/17 some payments are seen made to KSEB . The details of building for which the payment is made were called for from the Circle Office vide audit enquiry No 41 has not received till the end of

the audit . The details with remarks shall be furnished to audit.

- 2 The payment vide CBV No 21 of 2/18 shows that the KSEB bill are related to the SE office and watchman shed and EE's quarters. As per the audit enquiry No 47 it was requested to clarify whether the bill includes an occupied quarters or not. No reply is received till the end of the audit therefore you are directed to clarify the above and to ensure the remittance of KSEB charges by Department for non occupied quarters only.

XVI Purchase against Centralized Purchase system of Kerala Water Authority

Vide CBV No 4 of 12/14 an amount of Rs 34900/- has been spent towards the purchase of scanner for Rs.4000/ , printer for Rs 7000/- and Desk top Rs 23900/- . In this regard it may be noted that all the purchases especially item No3 is against the centralized purchase system of Kerala Water Authority. Vide audit enquiry No 48 it was requested to furnish the remarks of the following observations. Any correspondence for obtaining sanction for outside purchase has been made with head office

2 Whether any competitive quotation has been invited in this regard

3 Whether the items are included in the asset register if so produce the copy of asset register.

But no reply is received till the end of audit The reply to the above shall be furnished to audit with supporting documents.

XVII Ineffective Action for collection of water charges and resultant increase of arrears

On scrutiny of demand collection balance statements of the following Divisions it was seen that the closing balance of arrears to be collected as on 31-12-2019 were as detailed below;

Category	PH Division Malappuram	PH Division Edappal
Domestic	1290017	9215656
Non Domestic	10654707	2413609
Specialo / Others	157563	2521
Industrial	64276	17074
Swajal Dhara/ Jalnidhi	4587732	847688
Panchayath/ Municipality	34243195	155919552
Total	62297490	168416100

Major portion of arrear of the Local body/ Swajal Dhar/ Jalanidhi etc. The KWA Circle has not seen taken any effective measures to collect the arrears. Inefficiency of revenue section and absence of internal control resulted in shortage of revenue collection. As per Order No KWA/ HO/AM/16/RM dated 12-5-2005 (procedural orders Superintending Engineer shall be responsible for the coordination / monitoring revenue activities of the circle.

Reason for the huge arrears and action taken to collect the arrears shall be reported to audit.

XVIII Monthly accounts and vouchers

1 Discrepancies found in Maintaining Cash Book

On verification of cash book for the period 1-12- 2014 to 31-3-2019 some irregularities are noted as detailed below:

- As per GO(P) 639/78/Fin dated: 22-8-1978, a certificate duly signed by the controlling officer regarding machine numbered pages of the cash book is need to be written before beginning of a cash book. This was not seen followed in the cash Book .Eg; cash Book started from 1-12- 2014.
- Authentication of PA to SE is seen not done for several months eg: 6/2015 .
- Scoring of figures without specifying sufficient reasons and signature of the person who made corrections are not made in the following dates and pages: eg Cash Book for the month of 04/2015 ie; CBV16 of 4/2015
- Monthly abstract is not written eg: Cash Book for 6/2016
- Over writings in the cash books were observed in audit which should have been avoided as per the proviso contained in KTC Vol I Rule 92(A). Mistake if any occurred has to be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. Some entries in the Cash Book were corrected by over writings/ correction liquid in some pages. The corrections so made were also not attested by the Drawing and Disbursing Officer. Eg CBV 10 of 7/2017 .
- Page nos77 was left blank (7/2016)
- As per Rule 92(a) of KTC Vol.1, Cash book should be closed regularly and actual balance held in cash chest should be stated invariably both in words and figures. This must be initialed by a responsible officer other than the writer of the cash book . This was not seen followed. Eg 6 of 2015
- Entry of 'No transaction' has to be recorded in the cash book when there is no

transaction for a day/period. No such entry was recorded throughout the audit period.

- Cash Book Closing balance for the month of 7/2016 has not been certified by the controlling officer.
- The necessary certificate regarding cash balance for the month of 8/2016 is not entered .
- The entries towards CBV No 18 of 8/2016 in the cash book is not properly mentioned.
- On verification of the cash book for 6/2017 it is found that the required certificate regarding closing balance / Cash balance is not signed by the controlling officer.
- The entries in the cash book has been made and closed up to 30-11-19 only . Reason for the delay may be reported to audit.

2 Non Maintaining of Non Operative Account

On verifying the CB2 receipt Book it is found that an amount of Rs84421/- has been collected between 4-2-2-15 (Rt No. 1701 and 31-12-2019 receipt no 1751) remitted to Operative account, since the office is not maintain Non Operative Account till date.

Therefore necessary steps may be taken to open a Non Operative Account and the amount of collection through CB2 receipt may be transferred to Non Operative account and intimated to audit.

On verification of the Bank Pass Book , Cheque memo register and Cash Book , It is found that an amount of Rs.119897/- has been received as bank Interest during the period form 31-12-2014 to 31-12-2019. Urgent steps may be taken to open a non operative account and the interest credited by bank may be transferred to Non Operative A/c and reported to audit.

On verification of Cash Book, Cheque memo register with Bank reconciliation statement. It is seen that the fund received bank interest Bank Charges and CB2 collection are not reordered in Cash Book, Cheque Memo register properly.

Fund received should be recorded in Cash Book Cheque Memo Register on receipt of month itself. This is not seen done. The reason for the same may be intimated to audit.

Amount	Date		Taken in Cash Book
3252	31-5-15	Interest	31-3-2016
5000	31-8-11	Interest	17-8-15
5204	25-3-18	Interest	30-11-18
1516	25-6-18	Interest	30-11-18
6071	25-9-18	Interest	30-11-18
79000	17-8-18	Interest	25-9-18

3

Imprest Account

While verifying the imprest account register the account are not closed properly . As per the rule the imprest account shall be closed on march 31 in every year. But the imprest account of this office has not closed on march since 2014 onwards. Therefore the reason for not closing the account may be reported to audit.

While auditing the imprest account register and cashbook, it is seen that an amount of Rs. 5000/- has been drawn on 19-12-2014 But the imprest account is not closed till date. Reason for not closing the imprest account may be reported to audit.

4 Unwanted expenditure towards HR Wages

On verification of the cash book it is found that (1) vide CBV No 12 of 1/2016 an amount of Rs.4356/- has been paid as HR wages (2) vide CBV No 13 & 14 of 2/2016 two numbers of HR Claims @ Rs8712/- each has been claimed (3) vide CBV No 8&9 of 3/2016 two number of HR Claims is seen paid @ Rs. 9662/- and Rs.9108/- (4) vide CBV No 12 of 7/16 an amount of Rs.17947/- has been paid as HR wages under the head 3359 .

Vide audit enquiry No31, 32 , 33 and 35 the remarks of the Superintending Engineer in this regard were called for and no reply is received till the end of the audit. Therefore the details and necessity of the payment shall be furnished to audit.

5 Non Collection of 1 % Service Charge form KCWWF remittance

Vide CBV No 17 of 2/18 and vide Cheque No 385021 dated 12/2/18 an amount of Rs14495/- is seen paid to CEO, KCWWF . The details of payment made to KCWWF @ rate of Rs1495 and from which the payment the amount has been arrived and whether the service charge @ 1% from the payment has been deducted in favour of KWA were called for vide audit enquiry No 46 no reply is received till the completion of audit.

As per the existing provisions 1% service charge are need to be deducted from all the payments made to KCWWF department and later the same shall be transferred to NOP account . therefore the 1 % service charge from all the payments made to KCWWF department may be calculated and recovered from the future remittances to KCWWF department and transferred to Non Operative Account with

intimation to audit.

6 Non Maintaining of Trial Balance Register

As per KWA manual and circular it is specified that the all ARU's should maintain Trial Balance Register, Ledger and Journal Register for strengthening of the KWA Accounting System. These Registers are not maintained in this office. The reason for the non maintaining the register shall be intimated to Audit.

7 Bank Reconciliation of Account

Reconciliation for the Bank A/C No. 673039288557 in SBI Malappuram was done only May 2019. Bank Reconciliation from 6/2019 to 12/2019 is pending. As per the Finance / Treasury rule reconciliation of Bank/Treasury account has to be conducted at the end of the month. So Reconciliation shall be done up to 12/2019 and report to Audit.

8 Non/ Improper Maintenance of Ledger and Journal

As per KWA manual and circular, it is specified all ARU's should be maintained Trail Balance Register, Ledger and Journal Register for strengthening, the proper maintenance of Accounting system of KWA. Even through , the PH Circle , KWA Malappuram is start functioning with effect from 01.12.2014 onwards . But this office is not maintaining the above mentioned registers. This practice is highly irregular and action should be taken to prepare the above registers with effect from 01.12.2014 onwards and the facts will be reported to Audit.

9

During December 2015, under the head 2825, Rs 16634/- subscribed from the salary bills of employees and Rs 16934 /- remitted under the head. Reason for Rs.300/- remitted as excess under the head may be reported to audit.

- 10 Rs 204 is seen outstanding against the head 2841. The reason for the same may be furnished to audit.

XIX Establishment Matters

1 Improper maintenance of Attendance Register

Office procedure in Kerala Water Authority is regulated as per the Manual of Office Procedure published by Government of Kerala. An attendance register in the prescribed form will be kept in the custody of the Superintendent each section. All employees should mark their attendance in the attendance register as soon as they come to Office. It will be closed by the Superintendent , 10 minutes after the office opens and will be laid before his immediate superior officer.

All staff should mark their daily attendance (in the Forenoon and Afternoon) in their regular attendance register. If any member of the office does not attend office punctually, the word late will be entered against his name in the column for that date. If comes later on, the hour at which he arrives should be entered by the immediate superior. On verification of the attendance register of PH Circle Malappuram it is found that some employees are not marking their attendance promptly in the register. The columns seen left blank on the following days.

01/2019	Askar Ali.C.O	21-
01/2019	Narayanan. P	25
01/2019	Renjith P	3 , 8, 9 , 18 & 23
01/2019	Raheena Umminiyil	28
02/2019	Askar Ali.C.O	8, 18 & 28
02/2019	Renjith P	1, 6 ,13 & 21

02/2019	Raheena Umminiyil	15, 18 & 23
02/2019	Fasiya CP	11, 12 & 20

Such irregularities in maintaining attendance register are noted up to 12/19. The absence of all the employees may be cross checked with bio metric punching system and their absence shall be regularized with reference to their leave account and report to audit.

2 Non Maintaining of Personal Register

Personal Register is not maintained in this office. So strict intimation and action may taken to keep Personal Register and report to Audit.

3 Casual Leave granted to Temporary Employees Recruited Through Employment Exchange

Temporary employees recruited through employment exchange for the period of 179 days vide Rule 9 (a)(i) of the General rules KS&SSR Rule 1958 and as per GO(P) 651/2010 Fin dated: 1-2-10 shall be eligible for Casual Leave at the rate of one day for a month subject to a maximum of 6 days. On condition that the number of days of absence from duty , including holidays, shall not exceed 4 days at a time . But in the case of and Smt.Sheeja Nallat Smt. Raheena Ummil , LD Clerk (Provl.) , it is noticed that more than 6 casual Leave sanctioned to them. Casual Leave sanctioned as excess may be converted as other kind of leave and recover the amount paid as excess.

4 Non Subscription of SLI and GIS

As per Rule 22A Part I KSR and G.O(P)No.556/08/Fin dated 16.2.2008, all new entrants in Government service shall subscribe to SLI policy within one month

of joining duty. GIS was extended to the employees of Public Sector Undertaking and Semi Government bodies as per GO(P) No.26/04/fin dated 12.01.04. On verification of the salary bill for 12/19 it is seen that SLI &GIS is not recovered from the salary of the many staff. Hence the same may be examined and reported audit.

5 Leave Travel Concession (LTC)

Vide G.O(P)No. 5/2013/Fin. Dated : 02/ 01 / 2013government issued guidelines/Rules in respect of the LTC. As per the order he Controlling Officers should maintain a register of LTC claims and advance registers. The register should be closed monthly on the last day and put up to the Head of office for obtaining orders in regard to recovery of outstanding advances due for adjustment. The LTC register maintained in the office may be produced to audit .

The LTC Claim Rs.60023/- in respect of Sri.C.Sunil Kumar, PA to SE may be limited Vide letter No . ACCTS/ A3/11/2018/F18 dated;16-08-2016 of the Principal Accountant General (C&SSA), Gov. Kerala .

Sri. C.Sunil Kumar PA to SE has performed journey to Kolkatta in connection with training at Kolkatta. The details of journey is not mentioned in the TA bill claim and proceedings sanctioning the journey is not attached with the bill. In his TA Bill he has claimed room rent Rs 2550/- As per GO(P) No 26 /16/WRD/ dated: 27-9-16 room rent for Rs.2000/- can be reimbursed on production of the voucher. But he has claimed @ Rs2550/- per day. Hence the Rs.4400/- the amount paid as excess may be recovered from him.

6 Earned Leave Re Casting

Vide Order No E1/KWA/SE/PHC/MPM/512/2015 dated: 3-1-19 of PA to SE sanction was accorded to Sri.Anoop PP, D/Man II for surrendering Earned Leave for

30 days as on 1-4-2019. On verification of his service book number of earned leave surrendered is 27 days and as per pay bill register he has been disbursed 30 days salary . The GO(P) No.75/2007 Fin 27/2/2007 is seen not complied in his case. The Earned leave in respect of him may be re-casted and three days Earned salary may be disbursed his since the salary bill reveals he has been disbursed leave salary for 27 days.

GO (P) No.75/2007/Fin 27/2/2007 is not complied in the case of followings employees working the office

1. Smt. Prasanna Pandikkat - UD Typist
2. Sri. Nabeel Babu - OA

Recast Earned Leave @ 1/11 days and Intimate to Audit.

7 Earned Leave Surrender Excess amount drawn

On verification of pay bill monthly accounts for the month of 11/2015 it is seen that Sri.Ayoob KK Surveyor Gr I ^{has} drawn an amount of Rs 500/- as excess towards the earned leave surrender by availing permanent travelling allowance vide CBV 25 of 12/2015 .

Hence the excess amount paid to him may be recovered from the salary and report to audit with CBR No.

8 Service Book

While verifying the Service Book in respect of Smt.Prasanna P, Typist . Difference noticed in Column 3 of Earned leave account. Hence the leave account of all employees may be re casted and reported to audit

On verification of Service Book of Sri. Anoop PP, D/Man II Entry related to 3

rd increment is seen recorded without written and authenticated the 2 nd increment . Reason for the same may be furnished to audit.

While verifying the service Book of Sri.Girish K , Overseer III , Page 107 & 108 is seen not up to dated. The photograph may be substituted by a fresh one as directed in page 13 of Service Book .

xx **Details of loss theft misappropriation etc.**

Vide audit enquiry , it was directed to furnish the details of loss theft misappropriation etc. during the audit period. But no reply furnished until the completion of audit.

XXI **Conclusion**

Some irregularities, procedure lapse and supervisory lapse have been noticed . The Accounts Officer's inspection register along with the details such as name of office, period of inspection , irregularities found if any may be produced to audit.

PART III

The Internal Audit of this office by Audit Wing was not conducted till date.

PART IV

Best practices noticed

Substantial points were not observed

PART V

There was full cooperation of the Circle Office for the satisfactory conduct of audit. The Audit party expresses its gratitude for the cooperation extended by the Superintending Engineer and staff towards the smooth conduct of audit.

Countersigned

Accounts Member


Internal Auditor