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Urgent

KERALA WATER AUTHORITY

Jalabhavan
Thiruvananthapuram-695033
Kerala

No. 5175/IA2 (AUDIT)/2021/KWA

Dated: 11.03.2021

From

Accounts Member

To

The Project Manager
UDISSMT Project Division
Kerala Water Authority
Alappuzha

Sir

Sub:- KWA-IA Wing-Internal Audit Report of UDISSMT Project Division Alappuzha for the period from 1.04.2014 to 31.03.2019 forwarding of-reg

Ref:- Letter No. KWA/HO/IA-1360/TP/2008 dated 29.09.2020 of this office.

I am forwarding herewith the Audit Report of UDISSMT Project Division, Alappuzha for the period from 1.04.2014 to 31.03.2019 for further necessary action. You are hereby directed to take corrective measures pointed out by the audit and submit the parawise reply to the undersigned within four weeks

Yours faithfully,

V. Ramasubramani , IA & AS
Accounts Member

Copy To

CA to MD/CA to TM for favour of information
Chief Engineer(CR),KWA for information
Superintending Engineer,PH Circle,Alappuzha for information.

Encl:

Audit Report-1 No(45 pages)

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KERALA WATER AUTHORITY

Internal Audit Wing

INTERNAL AUDIT REPORT

UDISSMT Project Division Alappuzha

Period of Audit :04.03.2020 to 21.03.2020

Period covered :01.04.2014 to 31.03.2019

Audit Team

K.A Zulphicar, Internal Auditor

N Prasannalal, Divisional Accounts officer

**INTERNAL AUDIT REPORT OF THE OFFICE OF THE PROJECT MANAGER UIDSSMT
PROJECT DIVISION, ALAPPUZHA FOR THE PERIOD 2014-2019**

PART-1

A. INTRODUCTORY

The UIDSSMT Project Division has formed for the implementation of Water Supply Projects under UIDSSMT for Alappuzha Municipality and adjoining Panchayaths. The World Bank Project Division, Ambalapuzha was renamed as UIDSSMT Project Division under the control of Superintending Engineer, PH Circle, Kottayam and Chief Engineer, Southern Region ,Thiruvananthapuram. Later on the control of UIDSSMT Project Division Alappuzha were transferred to newly formed Circle office at Alappuzha under the control of Chief Engineer Central Region, Kochi and continued as such Executive Engineers [Project Manager] as the Head of the Division, who exercise administrative and technical control of the Division. The Internal audit was conducted for the period from 4/3/2020 to 21/3/2020 covering the period 2014-2019.

B. FINANCIAL ANALYSIS

Period	Establishment	Capital Expenditure	Contingencies
2014-15	12843924	119446544	272976
2015-16	32200583	220778554	311964
2016-17	13153084	342137333	471472
2017-18	28264503	1805469582	309811
2018-19	15689536	10341123	210960
2019-20	17452616	359957338	223635

C. OFFICERS INCHARGE

Executive Engineer[Project Manager] in charge

Name	Date of Joining Present station	Date of Relieving Present station
V.Satheesh Babu	01.04.2008	31.03.2010
H. Jalaludeen(Add.Charge)	01.04.2010	17.04.2010
Mohammed Sabu.K	17.04.2010	9.12.2010
D.Shaji(Adddl. Charge)	09.12.2010	17.12.2010
M.M.Prabhakaran	17.12.2010	28.02.2011
D.Shaji(Addl.Charge)	28.02.2011	16.03.2011
T.G.Rajasekharan	16.03.2011	16.07.2011
D.Shaji	16.07.2011	25.08.2011

(Addl. Charge)		
G.Sreekumar	25.08.2011	30.11.2011
D.Shaji (Addl. Charge for the T/C of Sreekumar)	30.11.2011	03.03.2012
M.S. Sajith	03.03.2012	26.12.2013
T.A. Naushad	26.12.2013	16.11.2014
D.Shaji(Addl.Charge)	17.11.2014	05.12.2014
Kishore Babu.S	05.12.2014	06.07.2015
Thomas John	06.07.2015	13.03.2019
Sabeer.A Rahim	18.03.2019	03.06.2019
Sheeja.A	03.06.2019	

Deputy Project Manager

Name	Date of Joining Present station	Date of Relieving Present station
Muhammed Basheer. V.A	01.04.2009	31.03.2010
Shelton Noronha (Addl. Charge)	01.04.2010	19.04.2010
Koshy Jacob - DPM - I	19.04.2010	26.04.2010
D. Shaji - DPM- I	26.04.2010	31.01.2016
Jochan Joseph - DPM - II	07.12.2012	01.02.2013
M.A. Joseph - DPM- II	11.02.2013	09.09.2015
Sajila. S, DPM-II	19.09.2015	25.09.2015
John Morris, DPM -II	05.10.2015	29.01.2016
Nelson. P, DPM -II	01.02.2016	04.03.2016
Bijeesh. D, DPM - I	24.02.2016	30.07.2016
Dileep Gopal, DPM -II	04.03.2016	
Gireesh. K.L	21.10.2016	

Divisional Accounts Officer

Name	Date of Joining Present Station	Date of Relieving Present station
Rani Premila Rapheal	02.12.2014	02.12.2014
Mathew Varghese.T.V	08.12.2014	18.06.2014
P.A. Sabiya	26.06.2015	07.11.2016
M.V. Vincent	07.11.2016	22.08.2019
A.C.Shine	29.09.2019	

D.Details Bank Account Maintained

ARP A/C No.	67150982098 SBI
UDISSMT A/C NO.	67150982688 SBI
ESTT. A/C NO.	67150982463 SBI
NON-OPERATIVE A/C. NO.	67089955597 SBI
AMRUT A/C NO.	37955189112 SBI
CURRENT A/C NO.	67235981590 SBI
NRDWP A/C NO.	38915473116 SBI
STATE PLAN A/C NO.	10150100327478 (FEDERAL BANK)
KIIFB A/C NO.	10150100327486 (FEDERAL BANK)
TREASURY SAVINGS	799012700002053

E. Internal Audit

The last Internal Audit of the Division was conducted covering the period up to March 2014.

Part II**Major Irregularities****I IRREGULARITIES IN EXECUTION OF WORK IDLE INVESTMENT OF RS 23.85 CRORES.**

Administrative Sanction for the Water Supply Scheme to Alappuzha Municipality and adjoining 8 Panchayaths under the Urban Infrastructure Development for Small and Medium Towns (UIDSSMT) was accorded by the Government vide G.O (Rt) No.2455/2007 dated 11 September 2007 for Rs 91.94 corers and Revised AS accorded vide G.O (Rt) No.2604/2011 LSGD date 10.11.2011 for Rs 193.51crores. Technical Sanction stated to have been issued for the work which was not available in the Division file as well as in PH Circle, Kottayam. The sanctioned estimate of the above work was also not available in the relevant file.

As per the scope of work, provision for the supply, laying, testing and commissioning of 1000mm HDPE pipe for a length of 5435m from East Pacha Bridge to WTP at Karumady (Reach III) including maintenance for a period of 36 months from the date of commissioning.

Tender for the work was invited on 29.12.2011 and work was awarded to the lowest firm .M/s. Abhiram Infra Projects Pvt Ltd, Hyderabad-34 for Rs. 18.40 corers. Work Order was issued by the Superintending Engineer, P.H Circle, Kottayam vide No.PHCK.A5/2997/2008/Vol.II (B) dated 31.07.2013. But the work was cancelled and re-tendered based on judgment in SLP

No.1127/2013 of Hon'ble Supreme Court of India. (A copy of the judgment may be obtained and the reason for cancellation of the tender may be stated) The reason for cancellation of the original tender may be stated.

The work was re tendered vide tender No.36/SE/PHCK/2013-14/UIDSSMT dated 19.11.2013 and awarded to Sri.M.V.Viswanathan, Binanipuram, Aluva based on the 44th Empowered Committee meeting held on 02 January 2014 at his quoted amount of Rs.19.42 crores The contractor executed the agreement on 16.01.2014 with time of completion by 15.5.2014.

The road restoration charges amounting to Rs.4.83 crores demanded by the Executive Engineer, PWD Roads Division, Alappuzha was remitted on 02.04.2013 (Rs.1,24,77,216) and (Rs.3,58,35,038) 21.01.2014 respectively.

The contractor was granted mobilization advance amounting to Rs 97.10 lakhs in terms of clause GCC 48.1 .However, recovery of the same as per GCC 48.3 was not effected. . Reason for the same may be stated.

As per the work order the contractor was entitled to get Excise Duty Exemption Certificate. Hence, the Superintending Engineer, Kottayam addressed (17.01.2014) to The District Collector Alappuzha for the issuance of ED certificate and contractor placed orders for the supply of 1000mm HDPE pipe 5535m with M/s. Time Techno Plast Mumbai. M/s. Superintendence Company India Ltd Kolkata was entrusted for the third party inspection by witnessing by the officials of KWA. Accordingly, the first lot of 720m of HDPE pipes were inspected between 09.02.2014 and 11.02.2014 and dispatched. . The second lot of HDPE pipe at a length of 2363m was dispatched after the inspection on 06.05.2014 to 08.05.2014 by witnessing the Project Manager. The firm finally offered 2448m for inspection on 11.03.2014 to 13.03.2014 which was witnessed by the KWA official. Thus the total quantity of 5535m pipe was ready for dispatch. However, 4370m of pipes was only reached at the site and the balance quantity of 1215m pipe remained in the factory.

In the meantime the supplier M/s. Time Techno Plast Ltd, through a letter dated 21.01.2015 addressed to Sri.M.V Viswanathan with copy to Project Manger Alappuzha, requesting to make arrangements for outstanding balance payment of Rs.97.12 lakhs due to them for the pipes earlier supplied and Rs.2.45 crores towards the cost of 1215m of balance pipes to be supplied.

M/s. Time Techno Plast Ltd. informed (21 January 2015) the Project Manager, Alappuzha not to entertain the request of Sri.M.V Viswanathan for placing orders for the balance quantity of pipes 1215m to any other manufacturers without discussing with them. The manufacture had also informed to the Project Manager that they were holding the balance supply of pipe on the outstanding payments due to them and the firm also assured that the balance quantity of pipes will be dispatched immediately on getting the dues from Sri.M.V Viswanathan.

Sri.M.V Viswanathan vide his letter dated 04.02.2015 informed the firm that on delivery of the major quantity of pipes at site, certain numbers of pipes having abnormal ovalty and jointing this pipes ends could not be possible. Accordingly 200m of pipes were not laid and was kept aside. But the afore said defects were not brought to the notice of KWA officials. Meanwhile, the contractor has demanded to change the manufacturer and requested to issue Excise Duty exemption certificate for the balance quantity of 1500m of 1000mm HDPE with M/s. Purma Plast Pvt Ltd, Bhiwadi Industrial Area Alwar, and Rajasthan. On 04.02.2015 itself the contractor placed an order for 1500m of 1000mm HDPE pipes to M/s. Purma Plast Pvt Ltd and a copy were sent to Project Manager, Alappuzha requesting to issue Excise Duty exemption certificate. Accordingly the Project Manager in turn addressed to the District Collector Alappuzha requesting for the issue of Excise Duty exemption certificate in favour of M/s. Purma Plast Pvt Ltd urgently. Apart from the above, the original firm M/s.Time Techno Plast Ltd vide letter dated 24.02.2015 addressed to the Superintending Engineer, Kottayam (which was received 06.03.2015) requested to advise Sri.M.V Viswanathan remitting the balance payments due to them and to take away the quantity of 1215m pipes, which was ready in the factory for the past 9 months. In this connection, audit observed the following:

- 1) M/s. Time Techno Plast Ltd requested Sri.M.V Viswanathan to make the outstanding payments and arrange to take delivery of the balance supply. Action taken in this regard to obtain the balance quantity of pipe from the above firm may be reported to audit ,
 - i) On 04.02.2015 a complaint regarding the manufacture defect put forward by the contractor and expressed his inability to use the pipes. It is evident that the contractor was interested to place orders with M/s. Purma Plast Pvt Ltd and requested to issue Excise Duty Exemption certificate. In this regard, remarks on the following points may be furnished to audit.
 - ii) The original firm requested to settle the outstanding dues to them and to arrange the supply of balance quantity of pipes.

- iii) As per the agreement condition the change of supply of firm can be effected only after prior approval from Superintending Engineer (Agreement Authority).
- iv) On receiving the request for the issue of Excise Duty Exemption certificate, the Project Manager in a haste manner addressed to the District Collector, recommending to issuing the same without obtaining sanction from the Superintending Engineer who was the agreement authority, for altering the MOU which was incorporated in the agreement.
- v) The defects pointed out by the contractor have not reported by the field officers.

Further vide letter No.PHCK/A2/2997/2008/Vol.II (C) dated 26.06.2015 of Superintending Engineer, P.H Circle, Kottayam as sought reply to the comments dated 19.03.2015 and 16.02.2015 of Sri.M.V Viswanathan and it is noticed by the Superintending Engineer, the Excise Duty exemption and the third party inspection for the full quantity of pipes were already done in favor of M/s.Time Techno Plast Ltd. But the Project Manager has not replied promptly in respect of the comments raised by the Superintending Engineer. However the Superintending Engineer vide letter dated 28.03.2015 directed the Project Manager to depute a third party for inspection in the factory of M/s. Puram Plast Pvt Ltd. Moreover the inspection fee for entire quantity of pipes (5535 m) for third party inspection and Travelling Allowance expenses met by KWA. If the quantity of 1215m of pipes is to be inspected by the third party, the fees should be recovered from the contractor. The remarks shall be obtained from Superintending Engineer and reported to audit.

HEAVY LOSS TO GOVERNMENT DUE TO PREPARATION OF IMPROPER ESTIMATE

The work was tendered with PAC of Rs16.76 crores and awarded to Sri.M.V Viswanathan for Rs. 19.42 crores at 15.86% above the TPAC with time of completion by four months. The agreement was executed on 16.01.2014 and the contractor commenced the work from April 2014.

The supply of pipes and specials were started during 03/2014 and laying works started by April 2014. During the course of execution the delay occurred was beyond the control of the Authorities. On going through the file it was noticed that the estimate was prepared in a casual manner. It is also noticed that no thorough investigation was carried out on the soil condition of the site for laying of pipes, existing culverts where MS pipe are to be laid for crossing and to

avoid traffic congestion. Moreover line is passing through beneath of railway line at Thakazhi, the proposal was altered and changed to lay the pipes on push through method. Though the tender for the work was approved by the Tech Advisory Group (TAG) the change in alignment and other factors were not brought to their as shown below:

It is reported by the Project manager due to the narrow lines and the limited width of State Highway, the trenching cause hindrance to traffic as well as public. To tied over the criticism, it was decided to change the alignment through the Vettukuzhy road instead of State Highway. Due to the change, it is reported that the change in alignment, considerable amount has been saved on account of Road restoration charges and increase the speed of execution and the inconvenience to the public is minimized. Also the original scope of work 1000mm MS pipe with 10mm thick for a length of 164m was supplied facilitating the culvert crossing, coming in the 1000mm HDPE pipe alignment. Since the pipe is not suitable for connecting 1000mm OD HDPE pipe, the proposal was changed to alter with 900mm MS pipe which is the corresponding joint, and hence the contractor were directed to supply 900mm MS pipe at his quoted rate of 1000mm. This action resulted a material benefit to the contractor due to the oversight. While preparing the estimate no thorough investigate not done in the respect of width of road, culverts, diameter of the pipes and inconvenience of the public. Further

- 1 There was a savings as regard to the road restoration charges due to the change in alignment through Vettukuzhy road, no action has been taken to measure the length of deviation and addressed to Executive Engineer, PWD for refund of excess payment made.
- 2 Due to the change in alignment under water excavation was required and avoids the floating of the pipe when it become empty sleeve provision was made. Remarks may be offered to audit.
- 3 The pipe line crossing through railway track was altered by crossing push through technical at Thakazhi and the excess expenditure if any met may be reported to audit.
- 4 It is reported that the road restoration charges of pipe laid portions was entrusted to PWD and the road restoration charges were remitted well In advance. Due to the delay in restoration by PWD, public criticism. In a meeting held on 13.06.2015, it was directed by the Managing Director to spread the quarry muck to prevent accidents. Though the expenditure has to be met by the PWD, but the KWA has expended on behalf of them. So the amount incurred in this regard shall be realised from PWD and action taken may be reported to audit.

Thus due preparation of incorrect estimate, the Authority had incurred an extra expenditure of Rs.4.47 crores towards execution of extra items without competitive offer.

Time of completion

Agreement was executed on 16.01.2014 with time of completion by 4 months ie, 15.05.2014. The contractor was sanctioned extension of time up to 30.04.2016. But the work was completed on 06.05.2017. The various reasons stated by the Project Manager was delayed supply of pipes, public protest against road cutting and restoration, deviation of alignment, culvert crossing using 900mm MS pipe etc. Moreover there was a railway crossing which was sanctioned in earlier, the work could not carry out due to finalization of tender and in the meantime the sanction period of railways exhausted. So fresh proposal was submitted to railways but the same was not sanctioned. Due to the doubling of railway tracks finally the sanction was obtained on a later date (12/2015) which delayed the completion of work. On verifying the file, there is no communication regarding the extension of time from 01.05.2016 to 06.05.2017. No LD provision as per PWD Manual Revised Edition 2012 was imposed on the contractor for the delay in completion of the work. The same shall be examined and the matter may be reported to audit after executing supplemental agreement.

Trial Run

Trial run was conducted on the laid pipes and during trail pumping on 04.03.2017 a major leak was developed in Thakazhi junction and contractor took one week time to rectify the same. As the roads are very narrow and the traffic is very high, the rectification works has to be carried out on war footing basis so as to avoid the resentment among the public but the contractor took nearly one week time to rectify the leak. In addition vide letter No.UIDSSMT/1832/13/RWPM-3 dated 16.03.2017 of Project Manager, instructed the contractor to undertake the repairs immediately after refilling the trenches and shall be done as per the instructions of KWA officers by using quarry dust and also informed that additional cost of refilling using quarry dust/GSB etc which can be claim separately. On verifying the agreement conditions the contractor is bound to carry out repair works in trial run and the cost of the same should be borne by the contractor. But the instructions given through the letter dated 16.03.2017 is against the agreement conditions and hence the clarification and detailed report should be submitted to audit.

The official date of completion of the scheme was 06.05.2017 and by that time several leaks were occurred and the contractor was directed to attend the rectification works as per agreement conditions (DLP for 3 years) which expired by 05.05.2020. But the contractor has not turned up. Hence the KWA was forced to rectify the leak by engaging other contractors for restoration of drinking water supply and avoiding obstructions for the road traffic. The action taken in this regard was intimated to the contractor by way of addressing 19 letters informing him imposition of the Risk and Cost conditions under intimation to Superintending Engineer. But all efforts became futile and the contractor attended to certain minor work and major works were carried out by other agencies.

As per the statement prepared regarding the repair work carried out from 05.06.2017 to 31.10.2019 and amount of Rs.97.39 lakhs was expended including road restoration charges of Rs.29.04 lakhs As per the agreement condition, the DLP is 3 years from the date of commissioning. Thus the contractor is responsible for whole repair works from 06.05.2017 to 05.05.2020. But on verifying the file, the repair work was attended by KWA and hence the total cost towards rectification charges may be intimated to audit.

Bursting

The scheme was commissioned on 06.05.2017. Prior to this from 04.03.2017 onwards the trail run was started and some leakages was noticed and rectified along with the work. But after commissioning the scheme, regular pumping was started from 06.05.2017, major leaks was noticed. On inspection it was found that the reason for the leakages was by developing longitudinal cracks at top and bottom of the pipes. The matter was brought to the notice of the third party on 20.03.2017 and requested to furnish an explanation as to how the breakages was occurred. In reply to this (28.03.2017) third party M/s. Superintendence Company of India Pvt Ltd informed that after 2 years of supply a complaint was raised by KWA if it was raised immediately on receipt of consignment with photographs so that, they could take initiated corrective action. It is questionable after 2 years of supply whether the materials were properly transported to the site, stacked and unloaded properly. But no further follow-up action is seen taken by the contractor or KWA. It is noticed that the other branded pipes used for this projects (M/s .Time Techno Plast Ltd, M/s Dura Line etc) had undergone a test pressure of 9 Kg cm² during the factory test, but the pressure test of the pipe supplied by M/S. Purma Plast Pvt Ltd had undergone a pressure test of 5.6Kg cm². The pressure test was conducted in the presence Mr D. Mukherjee on behalf of M/s .Superintendence Company (third party) which was witnessed by Mr.D .Shaji Deputy Project Manager and satisfied themselves. It may please be

reported the reason why 9Kg cm² pressure was not been given to the pipes during the factory test.

Vide letter No.UIDSSMT-1832/13/RWPM-3/ dated 01.06.2017 of Project Manager instructed the contractor Sri.M.V Viswanathan directing to submit the reason for bursting the Purma Plast pipes and was directed to replace the above pipes with good quality pipes, on a permanent remedial measures. Moreover the road where this pipes was laid under a new widening project undertaken by the PWD. But the contractor has not turned up for the rectification works and to replace the damaged pipes, it was decided to make a quality test of Purma Plast Pipes in CIPET, Eloor, Udyogamandal P.O,Kochi and obtain the test results on 16.08.2017, which indicates that, samples do not meet the requirements as per IS 4984: 2016 which may be due to lower oxidative stability of sample. Moreover the CIPET has raised the proforma invoice for Rs.2,95,000/- towards the testing charges. The cost of testing charges may be recovered from the contractor under intimation to audit.

The procedure adopted for the test of pipes may attract dispute, since the sample piece of pipe has not been sealed in the presence of the supplier /contractor. Representative of contractor/ supplier have not been informed the matter. Vide letter dated 06.07.2017 Project Manager addressed to M/s.Purma Plast Pvt Ltd informed them 3 samples of Purma Pipes has been sent for various tests at CIPET, Ernakulam and the samples totally failed in the testing as per IS 4984 :16 due to which the replacement of total quantity of pipes supplied by them. The contractor Sri.M.V Viswanathan was also addressed on 08.08.2017 by the Project Manager informing the test and its results and directed to replace the inferior quality of pipes. After wards on 06-03-2018 a detailed letter addressed to Sri M.V.Viswanathan was send for replacing the entire defective pipes along with a copy of relevant NIT conditions in clause 4.8.1(c).

Sri.M.V Viswanathan was addressed on 10-11-2018 by Project Manager to ensure the repair works providing 1000mm HDPE stub ends 2 No's and MS flanged TP 2 No's and complete the repair works and the warned the contractor by fining Rs.500000/-.

The reason for the bursting of pipes was due to the change of brand. As per the MOU put forth with M/s. Time Techno Plast, for the supply of 5535m, of which 4320m manufactured by them. The supply order for the balance quantity 1215m was changed by the contractor himself without the concurrence of the agreement authority (Superintending Engineer). But on informing the change of firm, the authorities do not have initiated any action against contractor.

Contrary to this the Project Manager addressed the District Collector for issuance of ED exemption certificate for the quantity of 1250m based on request of the contractor. But the District Collector has already issued an ED exemption certificate for a quantity of 5535meters earlier to M/s.Time Techno Plast Ltd through the contractor. Out of which 4320 meter pipe was only supplied by the contractor. The company have not returned the balance ED exemption certificate after their use which might have been misused. The total value of ED exemption certificate comes around Rs. 60,63,593/-.

Moreover, M/s.Time Techno Plast Pvt Ltd vide their letter dated 22.01.2015 informed Mr.Kishore Babu, Project Manager, Alappuzha, the balance inspected quantity of 1215m pipe is lying with them since March 2014 and could not be dispatched as the payment due to them was not cleared by the contractor. Position being this had the pipes laid were of as per agreement condition the present condition could have been avoided.

Financial commitments due to the bursting pipes

The trail runs of scheme started by 04.03.2017 and the scheme commissioned on 06.05.2017 .During trail run as well as after commissioning of the scheme, many leaks were developed along the pipe line and the same was attended by the contractor Sri.M.V Viswanathan as per the agreement conditions. The bursting of pipes were occurred on regular intervals particularly in the area of Kelamangalam bridge to Thakazhi railway gate, which lead resulting the public agitation lambasting of PWD in the case of traffic conditions.

Accordingly the Project Manager directed the contractor to attend the rectification work so as to maintain the regular water supply. But the contractor had not turned up to attend the rectification works and hence KWA was forced to arrange the rectification works by other means. The road restoration charges raised by PWD and the repair charges met by KWA.

The Executive Engineer, Roads Division, Alappuzha Vide letter No.AB4-2982/17 dated 28.09.2019 submitted an estimate for road restoration charges amounting to Rs.1.11 crore. The details of rectification work arranged and up-to-date expenditure may be furnished to audit.

Several correspondences were made between the contractor and this office in respect of the non compliance of the repair works and hence it was informed that the repair works would be arranged through other contractors imposing the Risk and Cost clause. An amount of Rs 42,63,546/- was forfeited from his bank guarantee towards the leak repairs and the restoration charges. But no action is seen taken to recoupe the bank guarantee in full , as the DLP expired on 05.05.2020. Over and above it was noticed that the clause Risk and Cost were mentioned in

all correspondence. But no penal action has been taken, except the forfeiting of BG. So as initial steps at least a minimum fine would have been imposed for the whole failure and irresponsible attitude of the contractor.

In the high level meeting held on 30.05.2019 and it was resolved to change the pipes laid from Kelamangalam bridge to Thakazhi railway gate by relaying Purma Plast pipes which comes about 2Km due to the frequent bursting of pipes. Audit noticed that the contractor has laid the pipes in a mixed up manner utilizing the pipes supplied by M/s. Time Techno Plast Ltd and M/s.Purma Plat Pvt Ltd. If the pipes of Purma Plast were laid separately the replacement work and the expenditure would have been easier for replacement. Hence it is directed to furnish your remarks on the above points. Further to the above the audit has sought the performance of the WTP at Karumady from where pure water is supplied. The following information shall be furnished to the audit.

- 1) Whether there was any occurrence of high pressure on the lines during the pumping.
- 2) If the pressure was lowered the regular bursting can be avoided if possible.
- 3) A huge quantity of pure water has been lost which resulted a huge revenue loss to KWA.
- 4) What is the proposal to regain the above loss

Vide letter No.UIDSSMT/1832/13/RWPM-3(DB)/Vol.3 dated 24.08.2019 of the Project Manager addressed to Managing Director KWA Thiruvananthapuram reporting that an estimate is prepared worth for Rs. 15.41 Crore have been prepared and submitted for sanction for the replacement of 2100m pipe line. In this connection it is noticed by the audit that the frequent bursting of pipe line is happening at Kelamangalam bridge to Thakazhi railway gate. Hence it was decided to lay a fresh line to avoid frequent bursting. Due to these incidents, the matter was brought to notice of contractor of Sri.M.V Viswanathan. But he did not come to heed the directions issued by the KWA officials.

Hence the matter was considered in detailed and action initiated against the contractor for the violation of the agreement conditions, a proceedings No.KWA/PHC/ALP/A5-2997/08/Vol11. (A) Package 1B Reach III dated 25.07.2019 issued and recommended to backlist the manufacturer M/s.Purma Plast Pvt Ltd and contractor Sri.M.V Viswanathan and to terminate the contract. It was also decided to replace the inferior quality of pipes at his Risk and Cost. Moreover an amount of Rs.42, 63,546/- recovered from the BG an amount of Rs.23.85 crores was expended as part payment. In addition to this an amount of Rs. 2.21 crores kept in abeyance as surety towards the

works related to various NABARD works due to Sri M.V.Viswanathan. But it was seen released and the matter reported to Managing Director by the Project Manager vide Letter No.JS/HSC/423/10 dated 07.03.2020.

Based on the above proceedings and arranging the work at Risk and Cost of the contractor Sri M.V.Viswanathan, no action is seen taken to realize the required amount as per the estimate prepared and submitted for Rs.15.41 crores for the work.

Though the estimate for the balance work was prepared for Rs.15.41 crore, no action was taken either to re-arrange the work at Risk and Cost or to direct the original contractor to relay the balance quantity of pipe.

Remarks on the observations and present status shall be reported to audit.

II Unproductive expenditure of Rs. 10.65 crores

Name of Work: XIIIth Finance Commission Augmentation of Kuttanad Water Supply Scheme Supplying, Laying and Testing and Commissioning of various size of HDPE and DI K (9) pipes for distribution system I and construction of 4.5 LL capacity OH tank at Thakazhy.

Administrative Sanction for the scheme was accorded by the Managing Director vide AS No. WS/107/2013-14 dated 28.12.2013 and Technical sanction was issued by the Chief Engineer (SR) KWA, Thiruvananthapuram vide No.KWA/CE/SR/45/2013-14 dated 01.01.2014 for Rs.70 crores. The work consisted of the following components .

- 1) Clear water Transmission system 1 for Rs. 1194.00 lakhs
- 2) Clear water Transmission system 2 for Rs. 2576.00 lakhs
- 3) Over head service reservoirs at
 - a. Thakazhy for Rs. 68 lakhs
 - b. Kavalam for Rs.68 lakh
- 4) Distribution system (new) for Rs. 3000 lakhs
- 5) Strengthening of existing transmission lines for Rs. 40 lakhs
- 6) Strengthening of existing distribution lines for Rs. 57 lakhs

The estimate for the XIII th Finance Commission- Augmentation of Kuttanad water supply scheme- Supplying Laying and testing and commissioning of various size of HDPE and DI K (9) pipes for distribution system 1 and construction of 4.5.LL capacity OH tank at Thakazhy was sanctioned by the Chief Engineer (SR) Thiruvananthapuram vide letter No.KWA/CE/SR/PHTVL/2956/2014 dated 22.07.2014 for Rs.15.35 crores excluding the Road Restoration charges based on SOR 2012. The scope of work included design and construction of 4.5LL capacity circular OH reservoir at Thakazhy including supply and laying and fixing various size of HDPE and DI K(9) pipes in Thakazhy, Edathua, Muttar, Nelamperoor, Veliyanad, Thalavady Panchayaths. The work was awarded to M/s. Process Construction and Technical Service Pvt Ltd. Navi Mumabi for Rs. 16.48 crores vide work order No.PHCK/A2/1537/2014 dated 15.01.2015 of Superintending Engineer, P.H Circle, Kottayam with time of completion by 12 months from the date of agreement (as per PWD manual maximum time can be allowed is 14 days from the work order). The contractor executed the agreement vide No.25/SE/PHCK/2014-15 dated 03.02.2015 ,which expired on 02.02.2016. The time of completion was extended twice viz 30.05.2017 and 30.05.2018 due to non availability of road cutting sanction. The road cutting sanction was obtained from the PWD on 24.05.2017. The Executive Engineer vide his letter No.PDK-AB1-180/2015 dated 25.05.2015 addressed to the firm instructing them to carry out the work immediately on receipt of this letter and to complete within the shortest time as the PWD has accorded permission for road cutting .

In spite of repeated reminders by the Executive Engineer as well as the Superintending Engineer P.H Circle, Kottayam urging to take necessary action to expedite the work, but there was no response from the firm. Finally, the Executive Engineer vide his letter No.PPK-AB1-180/2015 dated 23.11.2018 requested to the Superintending Engineer citing the slackness of the firm and action may be taken to terminate the work at risk and cost. But no action was taken by the Superintending Engineer.

In the mean time, the administrative control of the work was transferred from Executive Engineer, Project Division, Kottayam to the Project Manager ,UDISSMT ,Project Division, Alappuzha which is under the control of Superintending Engineer P.H Circle, Alappuzha. The exact date of transfer of the work was not available in the file.

Moreover vide letter No.PDA/800/19/KIIFB/Kuttanad dated 04.01.2020 of Project Manager UDISSMT,Project Division Alappuzha addressed to the P.H Circle, Alappuzha informing that the construction of OH tank is almost completed and the firm is ready to lay the pipes. On verifying the files, Executive Engineer, PWD Road Division, Alappuzha vide their letter No. AB-

3/2020/114/price dated 22.01.2020 directed to remit an amount of Rs.97.54 lakhs towards the Road Restoration charges of Muttar Central Road for which Rs.9.66 lakhs already remitted on 23.05.2017, thus the net amount of Rs.87.88 lakhs. Executive Engineer PWD Alappuzha also reiterated that sanction for laying pipe along the road was accorded on 23.05.2017 and due to delay in laying the pipe line, the work could not be completed before the commencement of road work at BMBC standards after 2 years 7 months. In this connection audit observed that

- The agreement was executed on 03.02.2015 with time of completion for 12 months which expired on 02/2016. Extension was granted twice vize 30.05.2017 and 30.05.2018 as recommended by the Division without fine. But the contractor continued to execute the work beyond the extended period without granting extension of time by the Superintending Engineer.
- It is seen that the Executive Engineer Project Division, Kottayam recommended to terminate the work at risk and Cost of the contractor. The course of action taken in this respect may be intimated.
- The Executive Engineer Project Division Kottayam worked out liquidated damage for Rs.1.65 crores towards non compliance of NIT condition and intimated the same to the Project Manager UDISSMT Project Division, Alappuzha. The course of action taken in this regard may be intimated to audit.
- Initially the work was entrusted with Project Division Kottayam under the control of P.H Circle, Kottayam. After 3 years, during execution, the whole work was transferred to UDISSMT Project Division, Alappuzha and its Circle. Due to this arrangements, there was a slackness and speed of the work came to a grinding halt. This has resulted in excessive payment of Rs.87.88 lakhs towards road restoration charges to PWD on account of delay in completing the work before the commencement of BMBC standards at Muttar Central Road. The distribution system has not been commenced and hence the benefit cannot be derived to the Public.

Thus the expenditure Rs 10.65 crores expended for the Scheme (as on 3.02.2020) remain unproductive.

Part II B

I Other Incidental Findings

Name of work : AMRUT – Augmentation and modernization of water supply distribution system in Alappuzha Municipality – Phase – III – providing new distribution system and connected works in zone VI & IX.

Administration sanction and Technical sanction for the work vide GO(Rt.) No. 3530/2017/LSGD dated 02/11/2017 for Rs. 58.13 crores and TS/2017-2018/285 dated 05/02/2018 of Chief Engineer, Central Region, Kochi-11 for Rs. 34 crores. The scope of work included supply of various sizes of PVC pipes viz.177162mtr, DI pipes – 12857mtr, HDPE pipe-1500mtr, MS pipe-1120mtr with various size of valves and providing water connecting 8000nos etc. The tender was floated with Rs. 33.90crores based on 2016 DSR and subject work awarded to M/s. ABG Engineering Thiruvalla for Rs. 34.92crores vide order No. KWA/PHC/ALP/DB-1772/2015/Phase-III dtd. 28/07/2018 with time of completion by 18 months from the date of executing agreement which expired on 09/11/2019. As per the work order, contractor was to produce security deposit receipt for Rs.1.75 crores for executing agreement for fulfilment of contract. But on verification of 2nos. Security deposits receipts, the period of one of the Bank guarantee (50%)was only for one year instead required period of 18months.

The CC1st and part bill submitted by the contractor for supplied materials passed by the Project Manager as per clauses 8.8 of NIT conditions and payment effected on 20/12/2018 (80% of the value of total materials) charging the head 2811 instead sundry creditor contractor instead of 1661 Advance to suppliers/mobilization advance. As per the agreement condition the time of completion expired on 09/11/2019. But the contractor couldn't complete the work in time, and applied for extension of time up to 31/03/2020 stating that, heavy mansoon and delay in getting road cutting sanction from KRFB and PWD. Then Superintending Engineer sanctioned the time of completion up to 31/03/2020 without fine. As per the work order the time of completion of the work was 18 months from the date of agreement. But in the sanction order of time extension in original completion period recorded as 13/08/2019. Hence necessary clarification in this regard may be obtained from the agreement authority.

Moreover, several correspondences(24/12/2019 & 04/01/2020) from the Project Manager addressed to M/s. ABG Engineering Pvt. Ltd., were made on for speedy completion of the work.

In this connection audit observed the following

- 1) Whether the road restoration charges allocated to this work was fully remitted or not.

- 2) Up-to-date expenditure
- 3) No. of house connections effected.
- 4) Whether CC1st and part bill paid for advance (80%) and payment charged head **2811** have been regularised or not.
- 5) The present status of work
- 6) Security Deposit pledged in the form of Bank Guarantee, period less than one year remarks of Superintending Engineer may be obtained.

II Slow Progress of work

Name of work : **AMRUT – Augmentation and modernization of W S Distribution system in Alappuzha Municipality-Phase I – Construction of 28LL capacity OHSR and connected works in Alissery.**

Administrative and Technical Sanction were issued for the above work under GO(Rt.) No. 534/2017/LSGD dtd. 23/02/2017 of WRD, TvpM and TS No. TS/TECWS(SR)/AMRUT/04/2017-18 dated 20/07/2017 for Rs. 33.90 Crores by Technical Expert Committee (AMRUT)W S Project(SR), Trivandrum. The work was awarded to Sri. Shahul Hameed V, Contractor, Malappuram for Rs. 9.67 crores- vide work order No. KWA/PHC/ALP/DB-1772/(C)15/Phase I dated 25/05/2018 with time of completion by 18 months which expired on 02/01/2020. The contractor executed agreement vide No. 04/2018-19/SE/PHC/ALP dtd. 03/07/2018 instead of due date on 09/06/2018. On 05/04/2019, Project Manager addressed to Superintending Engineer, Alappuzha stating that M/s. WASCON had approved the design and drawings of the proposed OHSR at Alissery with 64 Nos of 45 meter deep piles having dia meter of 1000mm against the original estimate design of 28 nos. of 600mm twin piles and 36 nos of 700mm twin piles of each of 16.5 meter deep and hence the contractor requested to sanction the excess amount required for executing 45 meter deep piles over and above the depth recommended by the Centre for continuing Education (CET), Govt. Engineering College, Barton Hill, Trivandrum arranged by the KWA. Later the contractor submitted his structural design and drawing of OHSR with 64 nos, 25 meter deep piles having dia meter of 1000mm and claimed extra amount. On 27/05/2019, Technical Member had issued a direction to obtain an expert report in this regard from HOD, Civil Engineering Department, Govt. College, Thrissur, and they had submitted their report on 29/05/2019. However the report submitted by the CET was considered. Later on 24/06/2019 the Project Manager submitted a revised estimate exceeds the original estimate by Rs. 1.73 crores which is 18.9% in excess of original estimate. On 10/11/2019, the Municipal Council had approved the additional

requirement vide resolution No. E2/52024/15(2) and the copy of the same has submitted to Managing Director on 04/01/2020 by the Superintending Engineer. In the mean time, the contractor has submitted time extension application seeking time up to 02/07/2021 and the same were submitted to Superintending Engineer for sanction.

Hence it is observed by the audit that the construction of 28LL OHSR and allied works at Alissery are kept un attended to 19moths. The time of completion of the work expired on 02/01/2020, but no action has been taken to resume the balance work and to complete it. The actual reasons for the bottleneck was attributed due to non conducting of detailed investigation and proper site verification of the tank site by the concerned before preparing the detailed estimate.

Remarks on the observations and present status shall be reported to audit.

III Non imposition of fine

Name of Work : AMRUT – Augmentation & modernization of water supply distribution system in Alappuzha Municipality – Phase – I – Construction of 12.00LL OHSR and allied work at Thathampally.

The above subject work was awarded for Sri. Abu Mathew, Contractor vide work order No. KWA/PHC/ALP/DB-1772/(D)/15/Phase-I dtd. 30/07/2018 for Rs. 3.23 crore with time of completion 12 months for the date of agreement fell due on 13/08/2019. But the contractor didn't complete the work within the period and he has applied for time of completion up to 03/2020 stating the reason that heavy mansoon and flood in the area was water logged and couldn't start work in time. Based on the request of the contractor and recommendations of Project Manager, Superintendent Engineer has sanctioned time of completion up to 28/02/2020 without fine vide order No. KWA/PHC/ALP/AB-1772/(D)/15/Phase-I dtd. 13/08/2019.

Hence the audit observed the following.

- The date of handing over the tank site to the contractor is not seen in the file same may be furnished.
- Granted extension of time without fine on the agreement put forth by the contractor cannot be acceded to as per NIT conditions.

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

IV Non Imposition of fine for the delayed execution of Agreement

Name of Work : NABARD-RIDF-XIX-Extension of additional distribution lines in Cherthala Taluk – Supplying and laying testing and commissioning of the distribution lines in Vayalar and Thannermukkam Panchayath – Package – II.

The subject work was awarded to Sri. M V Viswanathan, Contractor, Edayar vide work order No. KWA/PHC/ALP/A1-468/2014/Package II dtd. 22/04/2015 for Rs. 4.29 crores for execution of agreement on or before 12/05/2015. But the contractor had executed agreement vide No. 2/2015-16/SE/PHC/ALP dated 19/12/2015. Delayed period 4 month 7 days. As per the work order the contractor had to execute the agreement within 14 days from the work order. After 14 days a grace period of 10 days will be allowed with a fine of 1% of the contract amount subject to a minimum of Rs. 1000/- and maximum of Rs. 25,000/- and thereafter, the offer will be rejected and the work awarded to the next lowest bidder. The agreement for the work was executed only on 19/12/2015 instead of due date 12/05/2015. Fine for the delayed execution and sanction for extension of time for executing agreement is not available in the file or agreement.

Grant of Extension of time beyond limit

The original time of completion of this work was expired on 31/05/2016. But the contractor could not complete the work within the stipulated period. Due to non receipt of road cutting sanction from PWD authorities, Superintending Engineer has granted extension of time of the work up to 15/05/2017 without fine.

The road cutting sanction from PWD was obtained on 18/04/2017 and 07/11/2017 by remitting Rs. 20,99,076.00 and Rs. 12,77,2014.00 but the contractor didn't complete the work even after issuing direction from the Project Manager vide his letter No. PDA/AB1/1002/2014 dated. 03/10/2017, 10/10/2017. Later the Project Manager addressed to Superintending Engineer on 08/11/2017 for granting time extension upto 31/05/2018 with due recommendation. But copy of sanction order of time extension is not seen in the work file and agreement.

In the mean time, the Project Manger has prepared 3rd and final bill for an amount of Rs. 23,64,839/- and submitted to Head Office on 17/01/2019 for fund allotment without obtaining of time extension of the work.

MAS account

On Verification of final MAS account the following materials are seen balance with contractor.

- 1) 160mm PVC pipe 6Kg – 5.3 meter
- 2) 140mm PVC pipe 6Kg – 113.5 meter
- 3) 110mm PVC pipe 6Kg – 272.9 meter
- 4) 90mm PVC pipe 6Kg – 121 meter
- 5) 75mm PVC pipe 6Kg – 113.5 meter

In this connection, the audit observed the following

- Whether extension of time up to 31/05/2018 granted by the Superintending Engineer received before preparing final bill.
- Whether the balance pipe has been handed over by the contractor before preparing final bill
- If not cost of the same were recovered or not
- The breakup details of recoveries of un returned materials may be furnished.
- The MAS accounts of the final bill has not been closed properly.

Replies in respect of above points shall be reported to audit.

V Non imposition of fine for the delayed execution of Agreement

Name of Work : NABARD-RIDF-XIX-Extension of additional distribution lines in Cherthala Taluk – Supply and laying, testing and commissioning of the distribution lines in Kanjikuzhy and Muhamma Panchayaths – Package I.

The subject work was awarded to Sri. M V Viswanathan, Contractor, vide work order No. KWA/PHC/ALP/A1-468/2014/Package I dated 22/04/2015 by the Superintending Engineer, P H Circle, KWA, Alappuzha for Rs. 4.64 crores with time of completion 9 month for execution of agreement on or before 12/05/2015. But the contractor had executed the agreement only on 19/12/2015. As per the PWD manual 2012, rule 2009(6) the contractor had to execute the agreement within 14 days from the work order. After 14 days a grace period of 10 days will be allowed with a fine of 1% of the contract amount subject to a minimum of Rs. 1000/- and

maximum of Rs. 25,000/- and thereafter, the offer will be rejected and the work awarded to the next lowest bidder. Fine for the delayed execution of agreement was not realized from the contractor.

Grant of extension of time beyond limit

As per the agreement, the time of completion of the work was 9 months which expired on 31/05/2016. Based on recommendation of the Project Manager, the reason for the delay in completion of works was due to delay in obtaining road cutting sanction from PWD and monsoon season etc. The Superintending Engineer has sanctioned time of completion up to 15/05/2017 without imposing L.D. vide order No. KWA/PHC/ALP/A1-468/2014(Pkg-1) dtd. 08/02/2017. But the granting of extension is beyond the delegation of powers for 16 months and 28 days.

MAS Account

CC 5th and final bill of the above subject work was passed for payment and fund requisition submitted to Finance Manager & Chief Accounts Officer on 20/06/2019. But the final MAS account of this work has not closed properly and not authenticated by the Project Manager. In this MAS account, the following quantities (1) 75mm PVC 6Kg – 4334.6 meter (2) 90mm PVC pipe 6Kg-122.70meter (3) 110mm PVC pipe 6Kg-1743 meter (4) 140mm PVC pipes 6Kg-217 meter (5) 160mm PVC pipe – 234 meter was lying with contractor. In this connection it may be stated:-

- Whether the balance materials are returned by the contractor or not
- If returned, copy of MRN with number and details of receipt may be furnished
- If not returned, details of recovery effected may be furnished
- Copy of final MAS may be furnished.

VI Sanctioning Extra Items for the Rs.0.45 crores - without approval of Competent Authority

Name of work : UIDSSMT – Augmentation of WSS to Alappuzha Municipality – Supplying, laying, testing and commissioning of 1000mm HDPE pipe and 1000mm MS pipe from intake well to east of Purackal Culvert of raw water pumping main (6650 meter) Reach – 1 and maintenance for a period of 36 months after commissioning – Package IB Reach I

The subject work was awarded to the firm M/s. ABG Engineering India (P) Ltd., vide work order No. PHC.A5/2997/08 Vol. II(A) Dtd. 04/06/2012 by the Superintending Engineer, P H Circle, KWA, Kottayam for Rs. 20.66 crores with time of completion by 9 months which expired on

01/04/2013. The contractor executed agreement vide No. 23/SE/PHCK/2012/13/UIDSSMT dated 02/07/2012. 9 months time was provided for execution of the work which expired on 01/04/2013. But the contractor couldn't complete the remaining pipe laying about 3Kms in the Kandakary road is the only balance work and it is uncertain the date of handing over the said portion, Superintending Engineer had sanctioned time of completion up to 29/02/2016 without fine vide order no. KWA/PHC/ALP/AS/2997/08 Vol. II(A) dated. 15/04/2016 without adhering PWD manual 2012.

Besides the Superintending Engineer had sanctioned an amount of Rs. 0.45 crores vide order No. KWA/PHC/ALP/AS/2997/08 Vol. II(A) dtd. 25/06/2016 towards the cost of 6 nos. of extra items carried out by the contractor without obtaining sanction from Technical Sanctioning Authority (Chief Engineer)

CC XIII and final bill for the above work was paid to the contractor on 16/08/2019 through the Manager, Axis Bank Ltd., Thiruvalla Branch instead of Original Power of Attorney holder of Dhanalakshmi Bank Ltd., as per the agreement. Moreover while verifying the final bill, copy of final MAS account and work completion certificate FA-12 etc. were not seen in the work file.

Reasons/ Remarks to the above observations shall be furnished to audit.

VII Award of works by waiving tender calls

On a scrutiny of the quotation register, audit noticed that the following works were awarded without wide publicity by obtaining two valid quotations. As per the provisions contained in PWD code three competitive offers are required to be obtained for finalising offers. In the following cases works were awarded by obtaining two quotations which is appended as

Annexure I

Award of works beyond delegations of Powers

Certain quotations were passed and paid beyond delegation of powers (No. KWA/HO/WN/33/97 (B) dated 15/09/2012). As per the existing powers, Executive Engineer/Project Manager is competent to pass quotations upto Rs.70,000/- only. In the following cases quotations were passed without obtaining sanction from the Higher Authorities which is appended as **Annexure II**.

On verification of quotation works connected with leak rectification and all other works and supply of materials, it is observed that the whole process adopted by this office is totally irregular by violating the PWD code rules.

1. The normal procedure of obtaining three quotations due to urgency are not followed, have only two quotations are submitted and lowest were awarded.
2. Whether necessary agreement have executed and levied the statutory recoveries.
3. Whether the quotations were invited waving the delegation of power's and if so regularising the action, sanction have been obtained from the competent authority.
4. As per progress report almost schemes were completed and commissioned, whether the completed schemes handed over to maintenance division or not.
5. If this nature of work is continuing, a running contract can be settled.
6. Rectification works are happened during the period of guarantee, it is to be the responsibility of contractor who has executed the original works and if so KWA has addressed the original contractor's to rectification work If the same has not done the matter have brought to the superior officer for further necessary action.
7. Whether the expenditure towards the rectification work is to be recovered from the original contractor.
8. In the case of placing supply order for purchased materials whether it recorded in supply order register or not.

VIII Sanctioning Extra Items for the Rs. 4.03 corers without obtaining approval from Technical Sanctioning Authority.

Name of work : UIDSSMT – Augmentation of WSS to Alappuzha Municipality – Supplying, laying, testing and commissioning of 1000mm HDPE pipe from east of Purackal Culvert to west up to east of Pacha Bridge for raw water pumping main 7215 meter Reach II and maintenance for a period of 36 months after commissioning.

The subject work was awarded to the firm M/s. TOMCO Engineering Pvt. Ltd., Muvattupuzha vide work order No. PHCK.A5/2997/08/Vol. II B Dated. Nil/01/2014 by the Superintending Engineer, P H Circle, KWA, Kottayam for Rs. 24.53 crores with time of completion by 4 months which expired on 21/05/2014. The contractor had executed agreement vide No. 33/SE/PHCK/2013-14/UIDSSMT dated 22/01/2014 Four months time was provided for executing the work which expired by 21/05/2014. But the contractor could not complete the work within the original period. The agreement authority (Superintending Engineer) sanctioned extension of time upto 30/04/2016 without fine vide order No. KWA/PHC/ALP/A5/2997/05 Vol. II(B) PKG 1B(R.II)

dtd. 15/04/2016 based on the 55th meeting of Empowered Committee held on 18/02/2016. As per PWD manual 2012 the execution of the time of completion that can be granted at a time shall not exceed 25% of the original time or 6 months whichever is less, the maximum extension that can be granted for a work shall be limited to half of the original time of completion. But the subject work, time of completion was extended by the Superintending Engineer without adhering to the existing rules and with a valid reasons.

Moreover the Superintendent Engineer has sanctioned an amount of Rs. 4.03 crores, vide order No. KWA/PHC/ALP/A5/2997/05 Vol. II (B)PKG I B (R.II) Dated. 19/03/2018 towards the extra claim for 19 nos. works carried out by the contractor which was sanctioned by the 55th Empowered Committee held on 18/02/2016. But on verification of the file the huge claims of extra items amounting to Rs. 4.03 crores admissibility of claim and sanctioned from Technical Sanctioning authority (Chief Engineer) were not seen obtained by the agreement authority. After sanctioning the extra claims, the final revised contract value as Rs. 27.96 crores which against the sanctioned estimate Rs. 22.83 crores.

On verification of FA 12 the subject work were completed on 24/04/2016 and commissioned on 16/05/2016 but the copy of final MAS account is not seen in the work file.

Reasons/ Remarks to the above observations may be furnished to audit.

IX Cancellation of Agreement without authentication

On scrutiny of the Agreement Register, it was noticed that some pages of the agreement register is seen cancelled without authentication (Example-Pages 15, 16, 17 etc.....) and some agreement are seen recorded in the agreement register but not executed agreement in properly (Example -Agreement Nos. 10/2011-18/PM/PDA, 11/2017-18/PM/PDA in page number-37 and Agreement No. 09/2018-19/PM/PDA in Page-58, No. 15/2018-19/PM/PDA in Page-60, No. 70/2018-19/PM/PDA in Page-79 No. 07/2019-20/PM/PDA to 10/2019-20/PM/PDA in page 81 and 82, No. 17/2019-20, 18/2019-20 in Page -85, No.22/2019-20 in Page-86, No. 23/2019-20 in Page 87.

The above omissions are brought to notice.

Besides certain agreement are seen executed without obtaining security deposits.

Example :-

Agreement No. 07/2015-16/PM/PDA for Rs. 33,52,688.00

Agreement No. 02/2016-17/PM/PDA for Rs. 2,65,414.00

Agreement No. 13/2016-17//PM/PDA for Rs. 1,03,226.00

Agreement No. 14/2016-17/PM/PDA for Rs. 58,865.00

Agreement No. 15/2016-17/PM/PDA for Rs. 62,225.00
 Agreement No. 04/2017-18/PM/PDA for Rs. 64,019.00
 Agreement No. 05/2017-18/PM/PDA for Rs. 68,063.00
 Agreement No. 07/2017-18/PM/PDA for Rs. 51,517.00
 Agreement No. 08/2017-18/PM/PDA for Rs. 51,517.00
 Agreement No. 09/2017-18/PM/PDA for Rs. 51,517.00
 Agreement No. 12/2017-18/PM/PDA for Rs. 25,755.00
 Agreement No. 13/2017-18/PM/PDA for Rs. 52,819.00
 Agreement No. 14/2017-18/PM/PDA for Rs. 2,06,983.00
 Agreement No. 15/2017-18/PM/PDA for Rs. 69,570.00

In addition to the above, subsequent agreements executed in later periods were also executed without obtaining the mandatory security deposits, reason for allowing for execution of agreement without obtaining the security deposits shall be reported to audit.

X Non-maintenance of Register

1. FA-1- Register (Work Register)

As per Accounts Manual 1993 Chapter III-A and PWD code, work Register is to be maintained by each Divisions to upkeep the accounting system of related works with the details of expenditure incurred, such as advertisement charges, land acquisition charges, road restoration charges and all payments made to contractor's in a separate files and maintaining of the register the details of work and it's up to date expenditure can be available.

2. FA 4-Tender Register

This register is intended to record the details of tenders received for various contractor's/suppliers. The details of final verdict choosing the supplier's/contractor's as the case may shall be recorded in the tender register. On scrutiny of the register it was noticed some omissions in the following pages

Page No.	Tender No.	Remarks
21	Re-e-tender No. 01/2014-15/PM/PDA	Details recorded but not cancelled

22	02/2014-15/PM/PDA	---Do---
32.	01/2016-17/PM/PDA	Tender cancelled but not authenticated
33.	02/2016-17/PM/PDA	---Do---
35.	04/2016-17/PM/PDA	Bidder's details recorded but not authenticated
39.	08/2016-17/PM/PDA	Details recorded but not cancelled
40.	09/2016-17/PM/PDA	---Do---
41	10/2016-17/PM/PDA	---Do---

The position is brought to notice.

3. FA8 – Register (Contractor's Register)

It is intended to make the details of each work in the register separate files for each work shall be made use. But this Division has not maintained this register.

Reason for not maintaining the above registers shall be reported to audit.

4. FA-11 Register (Abstract of work register)

As per the Accounts Manual FA-11 is to be prepared monthly which is dealt with details of work which shall be consolidated from FA-I. This procedure is not followed by the diversion. This may be complied with.

5. FA-12 (Work completion/commission certificate)

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

All the scheme handed over to Maintenance Division in earlier period prepared in FA-12 and forwarded with asset transfer note in FA-18. On verification, it is noticed that, preparation of FA-12 and FA-18 were not done and the scheme is being handed over with a list of balance

materials. Superior Officer may also insist on the subordinates to submit. FA-12 and FA-18 while releasing the security deposits. The position is brought to notice.

6. MA-9-Register (Register of supply order)

This register is to be maintained for each and every supply order's. On verification many purchase work made by this division, but the same were not seen recorded in the supply order Register.

Example

- 1) Supply of 160mm PVC pipes and specials (File No. UIDSSMT/1575/2013 dtd. 28/001/2016)
- 2) Supply of 160mm PVC pipes (File No. UIDSSMT/1832/13-RWPM Reach III Vol. II dtd. 18/03/2016.

This register should be maintained strictly and details reported to audit.

XI Non closing of MAS account

The final bill for the work – NABARD-RIDF-Extension of additional Distribution lines in Cherthala Taluk – Supply and laying, testing and commissioning of the distribution lines in Package – VII – Arookutty, Panavally & Perumbalam Panchayaths work bill prepared for an amount of Rs. 25,24,416/- and CB3 with fund recursion etc work submitted to Technical Member, KWA, Tvpm vide letter No. PDA/AB1-1004/2014 dtd. 04/01/2019. On verification of the subject work final MAS account, some materials are seen balance with contractor (110mm PVC pipe 6Kg – 86.5 meter, 90mm PVC pipe 6Kg - 334.30 meter)

In this regard, Project Manager(Executive Engineer) addressed to Sri. M V Jayaraj, Contactor to return the above said materials and produce MRN. But no action is taken to recover the cost of balance materials or to produce MRN and record in the final MAS account with proper authentications.

Remarks of the above observations shall be reported to Audit.

XII Non Settlement of temporary advance

Temporary advance granted to the following officers has not been settled (3/20) as shown below.

Name of Project Engineer	Cheque No. & date	Amount
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1) Sri. Ben Bright	926730 dtd. 16/12/2015	Rs. 20000.00
2) Smt. Priya P P	622215 dtd. 15/05/2019	Rs. 20000.00
3) Sri. Shihabudeen A	792969 dtd. 13/06/2019	Rs. 12000.00
4) Sri. Shihabudeen A	221017 dtd. 22/10/2019	Rs. 5000.00
5) Sri. Xavier N X	221003 dtd. 28/09/2019	Rs. 5000.00
6) Sri. Aneesh M S	221018 dtd. 22/10/2019	Rs. 5000.00

Temporary advances were sanctioned to Project Engineer's to meet contingent expenditure. Usually the Project Engineer's are bound to submit the vouchers and settle the accounts within a span of 3 months (KPWA code 6.6.14 and unspent balances if any should be remitted back of the disbursing office after expiry period of 3 months and suitable adjustments are to be made in the book of accounts.

As per GO(P) 417/11/Fin. Dated 4.10.2011, stated that temporary advance sanctioned to meet contingent expenditure of specified kind or on any specific occasion granted to the 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% will be charged on unutilised portion of the advance from the date of drawal to the date of refund of advance. Even though the advance was settled, the prescribed time limit was not following in the above cases.

Action taken in this regard may be intimated to audit.

XIII Non-crediting of Time Barred/Security Deposits to revenue account.

As per paragraph 15:4:1 Kerala Public work account code, it is specified that the balance under deposits unclaimed for more than three completed years should be credited into revenue as lapsed deposits. The time barred fixed deposits receipts as detailed below were not credited to the KWA account.

1. Post office term deposit account No. 864010 dtd. 21/10/2011 Rs. 8,600.00
2. Canara Bank, Charumoodu FD No. SNSP-622240 dtd. 11/11/2015 Rs. 8,509.00

3. Corporation Bank, Alleppey, FD No. Rs. 65,194.00
KCC/01/150361006922 dated 07/08/2015
4. SBI, Vazhicheery Cheque No. 162978 dtd. Rs. 50,000.00
10/08/2015
5. Canara Bank, Punnapra Cheque No. 153645 dtd. Rs. 25,000.00
09/12/2017
6. Canara Bank, Punnapra deposit Receipt No. Rs. 25,000.00
SNSG-954250 dtd. 09/12/2016

The above lapsed deposit may be credited to non-operative account of the Authority and results intimated to audit.

XIV Discrepancy in Cash Book

On verification of the Cash Book the following discrepancies were noticed.

- 1) In cash book no. 6 & 8, certificate regarding number of pages on the first page is not furnished
- 2) Name of officer who prepared the cash book is not mentioned in the almost all the cash book.
- 3) Cash balance certificate at the end of the month in the cash book were not furnished for the period from 10/2018 to 03/2020.
- 4) For the period from 09/2016 to 01/2017 the Project Manager has not signed the cash book.
- 5) Abstract of cash book for the period from 09/2016 to 09/2017 were not prepared.

XV Non-remittance of interest credited by bank of AMRUT A/c in to Non-operative A/c

On verification of the Bank Statement of A/c No. 37955189112 of AMRUT Project work up to 31/01/2020 it is seen that Rs. 25,04,509.00 (Rupees Twenty five lakhs four thousand five hundred nine only) has been credited by the bank as interest.

The details are given below

25/12/2018	Rs.	6,50,444.00
------------	-----	-------------

25/03/2019	Rs.	5,59,400.00
25/06/2019	Rs.	7,70,857.00
25/09/2019	Rs.	11,61,67.00
25/12/2019	Rs.	4,07,641.00
	Rs.	<u>25,04,509.00</u>

As per the existing norms the amount collected towards interest credited by Bank, the concerned ARU bound to credited the same amount in to Non-operative A/c. This practice is not followed by the UIDSSMT Project Division, Alappuzha. The amount collected towards interest shall be remitted into Non-operative A/c without any further delay and reason for the delay occurred shall be report to audit.

XVI Non-remittance of interest credited by bank in to Non-operative A/c of ARP Schemes

On verification of the Bank Statement of A/c No. 67150982098 of ARP schemes upto 31/01/2020 it is seen that Rs. 10,52,864/- is pending in UIDSSMT Project Division, KWA, Alappuzha towards interest credited by bank without remittance in to Non-operative A/c.

Date	Amount
31/05/2014	Rs. 39,654.00
30/11/2014	Rs. 55,140.00
31/05/2015	Rs. 1,19,999.00
30/11/2015	Rs. 51,954.00
25/04/2016	Rs. 32,735.00
25/02/2016	Rs. 16,836.00
25/10/2016	Rs. 9,581.00
25/12/2016	Rs. 80,51.00
25/03/2017	Rs. 28,142.00
25/06/2017	Rs. 39,630.00
25/09/2017	Rs. 36,321.00
25/03/2018	Rs. 67,525.00
30/10/2018	Rs. 42,189.00
25/12/2018	Rs. 1,18,447.00
25/03/2019	Rs. 1,21,727.00
25/06/2019	Rs. 1,05,801.00
25/10/2019	Rs. 76,317.00
25/12/2019	Rs. 82,815.00
Total	Rs. 10,52,864.00

As per the existing norms the amount collected towards interest credited by Bank the concerned ARU bound to credited the same amount into Non-operative A/c. This is not complied by this office. The amount collected towards interest should be remitted into Non-operative A/c without any further delay and reason for the delay and intimated to audit.

XVII Non-remittance of interest credited by bank in to Non-operative A/c of UIDSSMT project work

On verification of the Bank Statement of A/c No. 67150982688 of UIDSSMT Project work it is seen that Rs. 73,75,870/- (Rupees Seventy three lakh seventy five thousand eight hundred seventy only) has been credited in to above A/c towards interest of deposit.

	Date	Amount
1.	30/11/2011	Rs. 30,814.00
2.	31/05/2012	Rs. 2,82,092.00
3.	30/11/2012	Rs. 2,67,765.00
4.	31/05/2013	Rs. 5,38,800.00
5.	30/11/2013	Rs. 10,72,462.00
6.	31/05/2014	Rs. 9,01,776.00
7.	30/11/2014	Rs. 8,04,773.00
8.	31/05/2015	Rs. 5,56,471.00
9.	30/11/2015	Rs. 2,84,519.00
10.	25/04/2016	Rs. 78,190.00
11.	25/12/2016	Rs. 2,33,201.00
12.	25/03/2017	Rs. 80,264.00
13.	25/06/2017	Rs. 3,71,458.00
14.	25/09/2017	Rs. 2,77,549.00
15.	25/12/2017	Rs. 2,47,120.00
16.	25/03/2018	Rs. 2,08,337.00
17.	25/06/2018	Rs. 1,81,358.00
18.	25/09/2018	Rs. 2,17,722.00
19.	25/12/2018	Rs. 1,65,666.00
20.	25/03/2019	Rs. 1,57,399.00
21.	25/06/2019	Rs. 1,78,880.00
22.	25/09/2019	Rs. 1,35,403.00
23.	25/12/2019	Rs. 1,03,651.00
	Total	Rs. 73,75,870.00

As per the existing norms the amount towards interest of deposits credited by bank, shall be accounted and credit the same amount to Non-operative A/c. The practice is not followed by this office. The amount collected should be remitted into Non-operative A/c without any further delay and reason for the delay occurred shall be report to audit.

XVIII Non-Remittance of 1% KCWWF collected as Income on KWA

As per Kerala Water Authority manual one Percentage from each bill of the contractor shall be recovered towards KCWWF and the amount collected shall be remitted to the Welfare Board. Out of the collected amount one percent should be retained in KWA towards collection charges. But this practice was not followed by the UIDSSMT/Project Division. The details of short collections are as follows.

Sl. No.	CBV No.	Amount of remittance	1% of collecting charges
1.	08 of 05/2014	3,13,217.00	3,132.00
2.	09 of 05/2014	7,79,073.00	7,791.00
3.	27 of 06/2014	33,372.00	334.00
4.	13 of 08/2014	72,891.00	729.00
5.	26 of 09/2014	4,04,682.00	4,047.00
6.	17 of 10/2014	18,543.00	185.00
7.	21 of 12/2014	27,737.00	277.00
8.	21 of 01/2015	1,80,908.00	1,809.00
9.	14 of 02/2015	21,505.00	215.00
10.	30 of 03/2015	26,268.00	263.00
11.	27 of 05/2015	58,377.00	584.00
12.	35 of 12/2015	36,393.00	364.00
13.	11, 17, 30 and 37 of 11/2015	3,49,528.00	3,495.00
14.	29 of 04/2016	1,50,732.00	1,507.00
15.	9 and 10 of 06/2016	49,488.00	495.00
16.	36 and 37 of 07/2016	14,65,590.00	14,656.00

17.	21 and 22 of 09/2016	3,52,809.00	3,528.00
18.	9 and 13 of 12/2016	1,44,988.00	1,450.00
	Total		44,861.00
1	As per register for 01/2017	4,61,506.00	4,615.00
2	----do---- 02/2017	6,57,397.00	6,574.00
3.	----do---- 03/2017	8,756.00	88.00
4	----do---- 04/2017	8,55,176.00	8,552.00
5	----do---- 05/2017	8,97,587.00	8,976.00
6	----do---- 05/2017	5,000.00	50.00
7.	----do---- 06/2017	77,853.00	779.00
8	----do---- 07/2017	26,793.00	268.00
9	----do---- 08/2017	2,21,903.00	2,219.00
10	----do---- 09/2017	89,879.00	899.00
11	----do---- 11/2017	5,17,486.00	5,174.00
12	----do---- 01/2018	20,568.00	206.00
13	----do---- 02/2018	1,72,302.00	1,723.00
14.	----do---- 03/2018	6,72,276.00	6,723.00
	----do---- 03/2018	7,131.00	71.00
15	----do---- 04/2018	91,437.00	914.00
16.	----do---- 05/2018	3,856.00	39.00
	----do---- 05/2018	1,00,282.00	1,003.00
	----do---- 05/2018	2,245.00	22.00
17	----do---- 06/2018	10,94,199.00	10,942.00
18	----do---- 07/2018	3,790.00	38.00
	----do---- 07/2018	6,889.00	69.00
19	----do---- 08/2018	113,32,058.00	13,321.00
20	----do---- 09/2018	204.00	2.00
21	----do---- 10/2018	13,85,930.00	13,859.00
	----do---- 10/2018	4,033.00	40.00
22	----do---- 11/2018	75,000.00	750.00

23	----do--- 12/2018	3,67,889.00	3,679.00
24	----do--- 01/2019	3,03,491.00	3,035.00
25	----do--- 02/2019	2,92,029.00	2,920.00
26	----do--- 03/2019	2,37,098.00	2,371.00
27	----do--- 03/2019	8,77,725.00	8,777.00
28	----do--- 04/2019	2,01,032.00	2,010.00
29	----do--- 04/2019	2,15,985.00	2,160.00
30	----do--- 06/2019	9,50,391.00	9,504.00
31	----do--- 07/2019	5,752.00	58.00
32	----do--- 08/2019	17,875.00	179.00
	----do--- 08/2019	44,392.00	444.00
33	----do--- 09/2019	14,240.00	142.00
34	----do--- 09/2019	5,60,908.00	5,609.00
35	----do--- 09/2019	59,338.00	593.00
36	----do--- 10/2019	2,28,970.00	2,289.00
	----do--- 10/2019	4,75,346.00	4,753.00
37	----do--- 11/2019	11,282.00	113.00
	----do--- 11/2019	73,080.00	731.00
	----do--- 11/2019	21,000.00	210.00
38	----do--- 12/2019	6,479.00	64.00
	----do--- 12/2019	1,80,149.00	1,801.00
39	----do--- 01/2020	4,14,727.00	4,147.00
	----do--- 01/2020	10,468.00	105.00
	----do--- 01/2020	99,180.00	992.00
	----do--- 01/2020	3,21,180.00	3,212.00
40	----do--- 02/2020	3,73,393.00	3,734.00
	Total		1,51,548

On verification of accounts service charge of KCWWF up to 12/2016 amounts to Rs. 44861/- is not seen collected and from 01/2017 to 02/02/2020 an amount of Rs. 1515148/- were collected but not remitted to non-operative account (as on 3/2020). Hence urgent action may be taken to collect service charge and remitted the entire amount to non-operative amount and intimated to audit.

XIX Non-Remittance of VAT towards the cost of Tender form

As per CB2 receipt Book Rt No. 884676 dtd. 22/07/2016 and Rt No. 884677 dtd. 22/07/2016 Rs. 441/- each has been collected from M/s. V. V. Associates and Sureshkumar and Rt No. 1031315 dtd. 13/03/2018 and Rt No. 1031316 dtd. 13/03/2018 Rs. 1200/- each has been collected from Roy Varghese and C K Mammen respectively towards cost of tender form. But on verification of Bank Payment slip and Bank Statement of the concerned month the amount collected has been remitted in Bank in lump without deduction of VAT. When an amount collected in connection with sale of tender form VAT amount should be remitted in concerned Dept. is mandatory. This practice is not followed in the above cases. Hence the reason for the lapses occurred shall be intimate to audit and necessary steps shall be taken to remit the VAT amount and report.

XX Non-Remittance of IT recovered from contractor's bill

On verification of the IT remittance register of contractor's bill, it is seen that the amount deducted towards Income Tax from the contractors bill had not been remitted (March 2020) in bank within the stipulated time.

Date of payment	Amount of IT recovered	No. Date of Chalan
05/02/2014 to 12/02/2014	1183	00003 dtd. 22/03/2014
10/03/2014	1035	00002 dtd. 03/05/2014
10/04/2014	118263	00005 dtd. 17/06/2014
17/06/2014	52415	00002 dtd. 14/07/2014
01/08/2014 to 26/08/2014	789414	00004 dtd. 16/09/2014 & 00006 dtd. 16/09/2014
05/01/2015 to 19/01/2015	46072	00001 dtd. 10/02/2015

Delay in remittance of IT in time may lead to payment of fine to income tax Department. The fine, if any, imposed by the Income Tax Department for the delayed remittance and reasons thereof may be intimated to audit.

XXII Improper maintainance of Pay Bill Register

On verification of the Pay Bill Register almost all the coloums are not filled up. The designation of Sri. Santhoshkumar B, Rahteesh Kumar N, Louis V H, Haridas M, Dileepkumar, Pravav G. Pradeep, Kurian M K, Maheesh Kumar M, Xavier N X etc; were not furnished in the Pay Bill Register. And also Smt. Soumya T G appointed through Employment Exchange as Computer Operator on daily wages @ Rs. 500/day. But on verification of Pay Bill Register she has given full month wages irrespective of holidays. The excess wages drawn by her may be recovered and intimated to audit.

XXIII Payment of advertisement charges

Payment was been made to the following firms towards advertisement charges for the AMRUT works without deducting the Income Tax @Rs. 2%.

	Name of firm	Cheque No. & Date	Amount
1)	Aparna Communications	745563 dtd. 07/05/2018	Rs. 91,350.00
2)	Chakkra Communications	745564 dtd. 07/05/2018	Rs. 51,080.00
3)	Chakkra Communications	745572 dtd. 11/07/2018	Rs. 2,16,630.00
4)	Global Village Media Syndicate	745565 dtd. 07/05/2016	Rs. 1,08,315.00
5)	Unique Communications	745566 dtd. 07/05/2018	Rs. 45,990.00
6)	Unique Communications	732091 dtd. 17/10/2018	Rs. 45,990.00
7)	Varnachithram	745567 dtd. 07/05/2018	Rs. 1,08,315.00
8)	Media mate	745574 dtd. 11/07/2018	Rs. 68,040.00
9)	Media mate	732089 dtd. 17/10/2018	Rs. 77,571.00
10)	Guide Advertisement	745573 dtd. 11/07/2018	Rs. 13,486.00
11)	Guide Advertisement	732090 dtd. 17/10/2018	Rs. 68,040.00
12)	Segment Communications	732089 dtd. 17/10/2018	Rs. 81,144.00

Income tax@ Rs. 2% is statutory for while making the payments to the firm's bill. Hence the IT @2% shall be deducted from the firm and intimated to audit.

XXIV Non-maintenance of trail balance register

As per KWA manual and circular it is clearly specified that all ARU's should maintain Trial Balance Register Ledger and Journal Register for strengthening the KWA account system. But UIDSSMT Project Division, Alappuzha has not been maintaining the above mentioned registers. These registers should be maintain without any further delay and reason for the non-maintenance of the registers shall be intimate to audit.

XXV Irregularities in CB2 Receipt Book

On verification of the CB2 receipt Book the following Irregularities were found.

Rt Nos. 1031324 dtd. 16/08/2018, 1031325 dtd. 16/08/2018, 1031326 dtd. 16/08/2018 the name of the remitter were not noted.

In Rt No. 1031327 dtd. 16/08/2018 and Rt No. 1031328 dtd. 21/08/2018 the name of the remitter noted only in original copy but in duplicate copy the name of remitted left in blank even though the original copies were not issued to the remitter and also reason for the amount received are not furnished in the receipt book. If the amount received for the purpose of cost of tender form, the GST amount has not been deducted and remitted in concerned Department.

This is a serious irregularity and the circumstance under which the lapses occurred may be reported to audit

XXVI Non-Pasting of Photograph

On verification of the Service Book of Smt. Lovy Faria, UDC the photograph of the incumbent is not pasted on the prescribed page. Hence the necessary steps shall be taken to affix the photograph of the incumbent and countersign by the concerned officer on the photograph and report to audit.

XXVII Recasting of E/L at the rate of 1/11 days

As per GO(P) No. 75/2007/Fin dtd. 27/02/2007 the employees who have completed 3 years of service will become eligible for E/L at the rate of 1/11 for the period Spent on duty for the first year of service as admissible to permanent employees. On verification of the Service Book of the under mentioned employees, E/L at the rate of 1/11 for the 1st year service has not been re-cast till date.

- 1) Smt. Seetha P, Illrd Grade Overseer
- 2) Smt. Maya D M, Illrd Grade Overseer
- 3) Smt. Sheela K S, D'man Gr. 1st
- 4) Smt. Majisha M, D'man Gr. 2nd

Recast the E/L at the rate of 1/11 and report to audit.

XXVIII Erroneous Entry of Date

Smt. Seetha P, Overseer Gr. III has been completed her probation period as on 04/12/2016 and declared satisfactorily as on 05/12/2016 FN as per order No. PDA/AB2-1351/2013/2015 dtd. 18/07/2018 of the Project Manager, UIDSSMT Project Division, Alappuzha.

But on verification of the Service Book of the incumbent (Page No. 20) it was noted as 04/12/2016 AN. Hence the erroneously entered probation date may be rectified and intimated to audit.

XXIX Operators engaged for pumping duty

Three employees were appointed as operators and worker through Employment Exchange for a period of 179 days on daily wages at well cum pump house at Kadapra. The pumping duty tabulation sheet and log sheet for the pumping duty of the employees were engaged on duty of the each month were submitted without authentication of the concerned officer. Hence necessary steps may be taken to authentication to be made in the above documents and it intimated to audit.

XXX Excess Casual Leave availed by Provisional Employee

Sri. Shyju S P recruited through employment exchange as Overseer Gr. III and joined duty as on 07/01/2019 and terminated from service as on 04/07/2019 on completion of 179 days. On verification of attendance register for his provisional period it is seen that the incumbent neither marked his attendance nor the concerned officer marked his absent on 09/01/2019, 27/02/2019, 24/04/2019, 02/05/2019, 18/05/2019, 23/05/2019 FN of 01/06/2019, 06/06/2019 and 07/06/2019 respectively. Casual Leave availed only on 11/03/2019. If the absent period considered as casual leave the total leave availed comes to 9 ½ leave including 1 day casual leave. As per Rule the provisional employees are eligible for availing casual leave for six days only. Hence, excess salary drawn by the incumbent due to availing of excess leave may be recovered and intimate to audit.

XXXI Availing of Half pay leave

On verification of the Attendance Register for the year 2016 Smt. Shyja K. L., D'man Gr. II had availed Half Pay Leave for 20 days from 02/12/2016 to 21/12/2016. But on scrutiny of pay bill register for the month of 12/2016 it has mentioned as half pay leave commuted for 20 days from 02/12/2016 to 21/12/2016.

Hence the necessary clarification shall be intimate to audit regarding the actual leave availed by the incumbent for the above period and necessary correction shall be made thereof.

XXXII Huge amount in Bank Balance

On verification of the CBR up to 20/03/2020 Rs. 54951961.25 (Rupees five crore forty nine lakhs fifty one thousand nine hundred sixty one and five paisa) is seen as bank balance exists on various account nos.

Bank balance as on 20/03/2020

	Name of A/c. No.		Amount
1)	AMRUT Project Work A/c No. 37955189112	Rs.	35634695.75
2)	UIDSSMT Project Work A/c No. 67150982688	Rs.	10181010.25
3)	State Plan Fund A/c No. 10150100327478	Rs.	1401127.00
4)	ARP Schemes A/c No. 67150982098	Rs.	5648422.25
5)	KIIFB Project Work A/c No. 10150100327486	Rs.	62475.00
6)	NRDWP Project Work A/c No. 38915473116	Rs.	2024231.00

The reason for the un-operated the huge amount shall be intimate to audit.

XXXIII Audit Objection Register

According to Article 63 of KFC Vol. 1, every office should maintain a register in the prescribed format to watch the clearance/action taken in respect of the audit objection raised by the Accountant General /Internal Audit during the audit. These two registers are seen not maintained in this office. The position is brought to notice.

PART III

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

PART IV

Best practices noticed during the course of audit.

**PART V
Conclusion**

There was full cooperation of the UDISSMT Project Office for the satisfactory conduct of audit. The records and documents called for were produced for verification. The audit party express its gratitude for the cooperation extended by the Project Manager and staff towards the smooth conduct of audit.


Internal Auditor

Annexure I

Details of quotations sanctioned without adhering norms

Sl. No.	Quotation No.	Amount	Remarks
2014-2015			
1.	01/2014-15/PM/UIDSSMT dated. 19/06/2014	12,100.00	Work
2.	06/2014-15/PM/PDA dated. 29/08/2014	21,812.00	---Do---
3.	07/2014-15/PM/PDA dated. 29/08/2014	69,795.00	---Do---
2015-2016			
4.	05/2015-16/ PM/PDA dated. 28/01/2016	20,890.00	Supply & pumps
5.	06/2015-16/ PM/PDA dated. 28/01/2016	26,237.00	---Do---
6.	07/2015-16/ PM/PDA dated. 18/03/2016	23,940.00	---Do---
7.	08/2015-16/ PM/PDA dated. 18/03/2016	28,728.00	---Do---
8.	09/2015-16/ PM/PDA dated. 18/03/2016	28,728.00	---Do---
9.	10/2015-16/ PM/PDA dated. 30/03/2016	79,570.00	---Do---
2016-2017			
10.	08/2016-17/ PM/PDA dated. 20/10/2016	66,227.00	Work
11.	09/2016-17/ PM/PDA dated. 20/10/2016	61,950.00	Supply of cable
12.	11/2016-17/ PM/PDA dated. 09/11/2016	28,000.00	Work
13.	13/2016-17/ PM/PDA dated. 09/02/2017	69,724.00	---Do---
14.	14/2016-17/ PM/PDA dated. 15/02/2017	64,019.00	---Do---
15.	15/2016-17/ PM/PDA dated.	68,063.00	Work
16.	17/2016-17/ PM/PDA dated. 09/03/2017	39,641.00	---Do---
17.	18/2016-17/ PM/PDA dated. 09/03/2017	69,570.00	---Do---
18.	19/2016-17/ PM/PDA dated. 13/03/2017	44,000.00	---Do---
19.	20/2016-17/ PM/PDA dated. 13/03/2017	16,100.00	---Do---
20.	21/2016-17/ PM/PDA dated. 15/03/2017	22,000.00	---Do---

2017-2018			
21.	01/2017-18/ PM/PDA dated. 09/04/2017	69,570.00	work
22.	02/2017-18/ PM/PDA dated. 03/05/2017	13,200.00	---Do---
23.	03/2017-18/ PM/PDA dated. 09/05/2017	69,570.00	---Do---
24.	04/2017-18/ PM/PDA dated. 15/05/2017	18.60 Km	Hiring of Vehicle
25.	05/2017-18/ PM/PDA dated. 15/05/2017	25,755.00	Work
26.	06/2017-18/ PM/PDA dated. 15/05/2017	52,819.00	---Do---
27.	07/2017-18/ PM/PDA dated. 15/05/2017	50,100.00	---Do---
28.	09/2017-18/ PM/PDA dated. 09/06/2017	51,517.00	---Do---
29.	11/2017-18/ PM/PDA dated. 09/06/2017	51,517.00	---Do---
30.	12/2017-18/ PM/PDA dated. 09/06/2017	68,689.00	---Do---
31.	13/2017-18/ PM/PDA dated. 09/06/2017	68,689.00	---Do---
32.	14/2017-18/ PM/PDA dated. 09/06/2017	69,570.00	---Do---
33.	16/2017-18/ PM/PDA dated. 13/06/2017	16,100.00	---Do---
34.	17/2017-18/ PM/PDA dated. 16/06/2017	38,018.00	---Do---
35.	18/2017-18/ PM/PDA dated. 19/06/2017	18,176.00	---Do---
36.	20/2017-18/ PM/PDA dated. 03/07/2017	66,424.00	---Do---
37.	21/2017-18/ PM/PDA dated. 10/07/2017	69,570.00	---Do---
38.	22/2017-18/ PM/PDA dated. 12/07/2017	38,000.00	Supply of valve
39.	23/2017-18/ PM/PDA dated. 12/07/2017	47,500.00	DRW work
40.	24/2017-18/ PM/PDA dated. 24/07/2017	56,026.00	DRW work
41.	25/2017-18/ PM/PDA dated. 02/08/2017	69,760.00	DRW work
42.	26/2017-18/ PM/PDA dated. 09/08/2017	69,570.00	DRW work
43.	28/2017-18/ PM/PDA dated. 22/09/2017	53,443.00	Work
44.	30/2017-18/ PM/PDA dated. 28/09/2017	69,995.00	Work
45.	31/2017-18/ PM/PDA dated. 28/09/2017	69,851.00	Work
46.	33/2017-18/ PM/PDA dated. 13/11/2017	48,000.00	---Do---
47.	36/2017-18/ PM/PDA dated. 08/12/2017	67,879.00	---Do---

48.	38/2017-18/ PM/PDA dated. 19/12/2017	14,950.00	---Do---
49.	39/2017-18/ PM/PDA dated. 22/12/2017	14,750.00	---Do---
50.	40/2017-18/ PM/PDA dated. 29/12/2017	69,850.00	---Do---
51.	41/2017-18/ PM/PDA dated. 29/12/2017	69,703.00	---Do---
52.	42/2017-18/ PM/PDA dated. 29/12/2017	69,850.00	---Do---
53.	43/2017-18/ PM/PDA dated. 29/12/2017	69,703.00	---Do---
54.	44/2017-18/ PM/PDA dated. 10/01/2018	62,584.00	---Do---
55.	45/2017-18/ PM/PDA dated. 19/01/2018	26,218.00	---Do---
56.	46/2017-18/ PM/PDA dated. 19/01/2018	28,313.00	---Do---
57.	48/2017-18/ PM/PDA dated. 03/02/2018	68,224.00	---Do---
58.	49/2017-18/ PM/PDA dated. 14/02/2018	69,950.00	---Do---
59.	50/2017-18/ PM/PDA dated. 22/02/2018	46,657.00	---Do---
60.	51/2017-18/ PM/PDA dated. 22/02/2018	37,698.00	---Do---
61.	54/2017-18/ PM/PDA dated. 24/02/2018	27,000.00	---Do---
2018-2019			
1.	01/2018-19/PM/PDA dated. 10/05/2018	40,300.00	Work
2.	02/2018-19/PM/PDA dated. 14/05/2018	69,884.00	---Do---
3.	03/2018-19/PM/PDA dated. 18/05/2018	69,665.00	---Do---
4.	04/2018-19/PM/PDA dated. 19/05/2018	68,075.00	---Do---
5.	05/2018-19/PM/PDA dated. 08/06/2018	17,383.00	---Do---
6.	06/2018-19/PM/PDA dated. 18/06/2018	11,761.00	---Do---
7.	07/2018-19/PM/PDA dated. 18/06/2018	67,681.00	---Do---
8.	13/2018-19/PM/PDA dated. 30/07/2018	53,343.00	---Do---
9.	14/2018-19/PM/PDA dated. 21/08/2018	61,720.00	---Do---
10.	16/2018-19/PM/PDA dated. 09/10/2018	66,923.00	---Do---
11.	17/2018-19/PM/PDA dated. 25/10/2018	14,002.00	---Do---
12.	18/2018-19/PM/PDA dated. 25/10/2018	38,000.00	---Do---
13.	20/2018-19/PM/PDA dated. 25/10/2018	77,500.00	---Do---

14.	21/2018-19/PM/PDA dated. 25/10/2018	14,950.00	--Do--
15.	22/2018-19/PM/PDA dated. 25/10/2018	69,900.00	--Do--
16.	28/2018-19/PM/PDA dated. 25/12/2018	69,570.00	--Do--
17.	35/2018-19/PM/PDA dated. 10/01/2019	75,600.00	--Do--
18.	36/2018-19/PM/PDA dated. 10/01/2019	72,000.00	--Do--
19.	38/2018-19/PM/PDA dated. 24/01/2019	69,570.00	--Do--
20.	40/2018-19/PM/PDA dated. 04/02/2019	67,635.00	Supply
21.	41/2018-19/PM/PDA dated. 04/02/2019	67,635.00	Supply
22.	42/2018-19/PM/PDA dated. 04/02/2019	67,635.00	Supply
23.	44/2018-19/PM/PDA dated. 04/02/2019	28,000.00	Work
24.	49/2018-19/PM/PDA dated. 20/02/2019	69,570.00	Work
25.	50/2018-19/PM/PDA dated. 14/03/2019	67,913.00	Work
26.	53/2018-19/PM/PDA dated. 15/03/2019	17,143.00	Work



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Annexure II**Award of quotations beyond delegation of powers**

Sl. No.	Quotation No.	Amount	Remarks
1.	02/2015-16/PM/UIDSSMT dated. 18/11/2015	1,60,143.00	Work
2.	10/2015-16/PM/PDA dated. 30/03/2016	79,570.00	Supply of pumps
3.	01/2016-17/PM/ PDA dated. 18/04/2016	2,65,414.00	Work
4.	07/2016-17/PM/ PDA dated. 15/10/2016	1,05,145.00	---Do---
5.	16/2016-17/PM/ PDA dated. 09/03/2017	1,48,327.00	---Do---
6.	27/2016-17/PM/ PDA dated. 18/08/2017	1,16,062.00	---Do---
7.	32/2017-18/PM/ PDA dated. 28/09/2017	1,45,086.00	---Do---
8.	34/2017-18/PM/ PDA dated. 13/11/2017	1,43,952.00	---Do---
9.	09/2018-19/PM/ PDA dated. 24/07/2018	95,937.00	---Do---
10.	10/2018-19/PM/ PDA dated. 30/07/2018	73,094.00	Work
11.	11/2018-19/PM/ PDA dated. 30/07/2018	1,47,696.00	---Do---
12.	12/2018-19/PM/ PDA dated. 30/07/2018	71,750.00	---Do---
13.	19/2018-19/PM/ PDA dated. 25/10//2018	99,822.00	---Do---
14.	24/2018-19/PM/ PDA dated. 14/11/2018	1,42,451.00	---Do---
15.	26/2018-19/PM/ PDA dated. 10/12/2018	88,028.00	---Do---
16.	33/2018-19/PM/ PDA dated. 10/01/2019	72,000.00	---Do---
17.	31/2018-19/PM/ PDA dated. 10/01/2019	98,517.00	---Do---
18.	32/2018-19/PM/ PDA dated. 10/01/2019	93,637.00	---Do---
19.	34/2018-19/PM/ PDA dated. 10/01/2019	85,860.00	---Do---
20.	43/2018-19/PM/ PDA dated. 08/02/2019	85,327.00	---Do---
21.	46/2018-19/PM/ PDA dated. 20/02/2019	78,971.00	---Do---
22.	49/2018-19/PM/ PDA dated. 14/03/2019	1,04,945.00	---Do---
23.	51/2018-19/PM/ PDA dated. 15/03/2019	78,666.00	---Do---
21.	52/2018-19/PM/ PDA dated. 20/02/2019	78,277.00	---Do---

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