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KERALA WATER AUTHORITY

Jala Bhavan
Thiruvananthapuram-695 033
Kerala, India

NO.KWA/HO/IA/431/2021

Dated 05/05/2021

From

The Internal Auditor

To

The Executive Engineer,
Project Division, KWA, Kollam

Sir,

Sub;- KWA- Internal Audit Report: Project Division Kollam-2014-2020-
Report forwarding -reg.

Ref:- proceeding No. KWA/HO/TP-1360/2008 vol.2 dated 26/02/2021 of the
Accounts Member, KWA.

The internal Audit report of Project Division Kollam for the
period from 01/04/2014 to 31/03/2020 is enclosed herewith. Your reply in
their regard shall be furnished within four weeks positively.

Acc- Report- 1set.

Yours faithfully

Internal Auditor

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KERALA WATER AUTHORITY

Internal Audit wing

INTERNAL AUDIT REPORT PROJECT DIVISION KOLLAM

PERIOD OF AUDIT : 02-03-2021 TO 20-03-2021

PERIOD COVERED : 01-04-2014 TO 31-03-2020

AUDIT TEAM

SRI. S. VIKRAMAN NAIR ,INTERNAL AUDITOR

SRI.A .S.PREMKIRAN, DIVISIONAL ACCOUNTS OFFICER

AUDIT REPORT ON THE AUDIT OF RECORDS AND REGISTERS OF PROJECT DIVISION KOLLAM.

PART -1

A. INTRODUCTION

The Project Division Kollam was started functioning during the year July 2009. Project Division Kollam execute various Water supply schemes in Kollam District under Auxilarated Rural Drinking Water supply Programme (ARDWP), National Bank for Agriculture and Rural development (NABARD), KIIFB, AMRUT and State plan. After commissioning the project the schemes will be handed over to the concerned O&M Division with the sufficient spare materials which are required for future maintenance. Executive Engineer is the head of the Division. The Audit has been conducted from 02-03-2021 to 20-03-2021 and covered the period from 01-04-2014 to 31-03-2020.

B. OFFICERS IN CHARGE

Incumbency details of Executive Engineer

1. Sri. Ajayakumar. K from 1/4/2014 to 31/12/2015 (Rtd.)
2. Smt. Sandhya. P from 31/12/2015 to 13/1/2016 (Full addl. Charge)
3. Sri. Saju. C. Varghese from 13/1/2016 to 31/7/2018
4. Sri. James. D from 1/8/2018 to 27/9/2018AN (Full addl. Charge)
5. Sri. Sajeev. C from 27/9/2018 to 8/6/2020AN
6. Sri. Manu. B from 10/6/2020 to 9/11/2020
7. Sri. Arunkumar. A from 12/11/2020 to 17/11/2020FN (Full addl. Charge)
8. Smt. Sreeletha. B.V. from 17/11/2020 to 7/1/2021FN (Full addl. Charge)
9. Sri. Santhoshkumar. S from 7/1/2021 to 1/3/2021FN (Full addl. Charge)
10. Sri. Sabeer A Rahim from 1/3/2021FN to continuing

Incumbency details of Assistant Executive Engineers

1. Sri. V. Vasanthakumar - from 1/4/2014 to 14/8/2014AN
2. Sri. Sabeer A Rahim - from 1/4/2014 to 21/1/2015
3. Smt. Sajeeda. Y - from 21/1/2015 to 25/7/2018
4. Sri. Varghese Abraham - 16/9/2015 to 1/8/2019

5. Sri. Arunkumar. A - 25/7/2018 continuing
6. Sri. Salin P - 20/1/2018 continuing
7. Smt. Rajasree. G - from 22/11/2018 to 22/8/2019AN
8. Smt. Ruksana. S - from 23/11/2018 to 22/8/2019
9. Sri. Thulaseedharan. T - from 6/12/2018 to 18/6/2020
10. Sri.Abdul Rahim.A - from 1/8/2019 to 14/11/2019
11. Smt.Sonia.s -from 28/12/2019 continuing
12. Smt.Archana.k -from 25/7/2020 to 25/1/2021 AN
13. Sri.Hashim.M A -from 22/6/2020 to 9/10/2020
14. Sri.Abdul Rahim. A -from 14/10/2020 continuing
15. Sri.Prasad.K.R -from 25/1/2021 AN continuing

Incumbency details of Divisional Accounts Officer

1. Smt. Geetha Prasad - from 1/4/2014 to 29/10/2014
2. Smt. V.P. Sujatha - from 29/10/2014 to 9/11/2016FN
3. Smt. S. Jayasree - from 9/11/2016 to 21/8/2019
4. Sri. Shaji. J - from 26/11/2019 to 24/11/2020FN
5. Sri. Sajith. K - 25/11/2020FN to continuing

PART II

- A. Major Irregularities Nil
- B. Other Important irregularities
1. **Idling of Deposit Amount**

Name of works : Deposit works – WSS to Technopark at Kundara – Laying 150mm DI K9 pipes. Pumping main from well pump house at Chittumala Chira to water treatment plant at Technopark.

As per the T.S.No.KWA/CE/SR/01/2010-2011, dated 25/4/2010 of the Chief Engineer (SR), Thiruvananthapuram the above subject works was taken up by the Kerala Water Authority as Deposit work with the project cost of Rs.490 lakhs. The main compact of the above project is (1) intake well cum pump house (2) Raw water pumping main (3) leading channel or pipe (4)Water Treatment plant 1.3 input capacity. Based on the direction of the Division the beneficiary (Technopark, Kollam) has been deposited an amount of Rs.3,02,95,000/- Vide DD No.549724. Accordingly the work was tendered by the Superintending Engineer, P.H. Circle, Kollam and the work was awarded to M/s. Kerala State Construction Company Ltd., Thiruvananthapuram at 24.10% above estimate rate and the work was commenced on

23/6/2011. Again the Technopark Authority has deposited an amount of Rs.63,95,000 vide DD dated 4/8/2011. On gathering the file it is seen that the all components of the works were completed in April 2012 except two 6m long road crossing works near Randu road junction in Chittumala-Perayam Road and Chittumala – Mulavana Road.

Due to protest from the part of local people of East Kallada Grama Panchayath, the work could not be completed in the stipulated time. Accordingly a meeting was convened by the Principal Secretary (IT) on 5/7/2013 and their demand for the tarring of the Panchayath road from well cum pump house at Chittumala Chira to the main road and the tarring works was completed on 26/11/2013. Once the work was completed, the same local people again objected to the road crossing works raising further demand that a Mini Water Supply Scheme to the their area. A proposal for a Mini Water Supply Scheme for Rs.42.80lakhs to that area was prepared and submitted to the Superintending Engineer, P.H. Circle, Kollam during the year 2013. Action taken in this regard by the Kerala Water Authority for preparation of DPR and obtaining sanction may be intimated to audit.

The objective of the scheme to supply water to Technopark at Kundara could not be achieved due to public protest and not finding out an amicable solution by Kerala Water Authority, even after expending an amount of Rs.366.90/- lakhs which has been come idle investment since 2012 onwards.

2 Non Collection of centage charges

Name of works : Deposit works – WSS to Technopark at Kundara – Construction of silt and fluent collecting chamber and disposal arrangements.

The above work was arranged on the basis of deposit work. The estimate for the work was prepared for an amount of Rs.4,32,000/- and awarded to Sri. Mathew. P. Abraham and the work was completed on 25/7/2013 and the payment for an amount of Rs.397957/- was paid to the contractor on 14/1/2015. As per the existing norms the Divisional Officer shall prepare the memo of cost by including the cost of materials, Labour charges, Advertisement charges. The memo cost of the work is not prepared by the Division till date.

The memo of cost shall be prepared by incorporating the above mentioned items and plus or minus if any shall be adjusted and Rs.61,942/- towards supervision charges shall be remitted in to NOP with intimation to the Audit.

3. Non recovery of cost of materials supplied from the store to the deposit work.

Name of works : Deposit works – WSS to Technopark at Kundara – Construction of silt and fluent collecting chamber and disposal arrangements.

Estimate for the above work has been prepared for an amount of Rs.4.90 lakhs with the 2012. SOR and the work was arranged on deposit basis. The work was tendered and awarded to Sri. Mathew. P. Abraham with the accepted PAC of Rs.4,32,000/- (including 10% above tender excess). The selected contractor was started the work on 29/5/2013 and completed on 2/7/2013. The estimate amount is including the cost of 100mts. Of 300mm AC pipe. On gathering the details, it is seen that 100mts. of 300mm AC pipe is issued to the work vide store indent dated 23/5/2013 and the cost of the above pipes is worked out to Rs.97,578/- (975.78/m). The materials were procured and stacked in the store is by utilizing the own fund of Kerala Water Authority with the intension of using for the future maintenance of the schemes. Hence the amount included in the estimate towards the cost of A.C. Pipe. Shall be deducted and remitted in to the NOP account of Kerala Water Authority. The same is not done by the Division. The same amount should be remitted in to NOP account and intimated to Audit.

4. Non hand overing of the scheme to the O&M Division.

Name of works : NABARD-RIDF-XXIV-Water Supply Project to Thrikkovilvattom and Nedumpana panchayaths – Phase – II Part I- Distribution system.
(Agt.5/2019-20/SE/Q, dated 26/6/2019)

The above mentioned works has been tendered and awarded to Sri. James Paul at 13.04% below estimate rate. The work has been commenced and completed on 19/3/2020 in all respects. An amount of Rs.20355063/- has been paid to the contractor through the three CC bills on account of this work. The scope of the work is to provide Water Supply to the Thrikkovilvattom and Nedumpana Panchayath. On gathering the file the following remarks are offered.

1. The Division has been paid an amount of Rs.88,46,785/- on 21/12/2019 towards secured advance as per the provision contained in para 8.8 of NIT. In the para it is specified that, the contractor shall raise a claim for 70% of the value of tested materials he has supplied at site, at the estimate rate and in accordance with the breakup of payment approved as secured advance. Which shall be considered by

the authority in accordance with the relevant provisions of the rules for release the secured advance in Kerala Water Authority. Sanctioning of such secured advances shall be at the discretion of the agreement authority and shall not be taken as a right of the contractor.

In the present case the secured advance is seen released to the contractor without obtaining the sanction from the agreement executing authority. The reason for non adhering the NIT condition shall be explain to Audit.

2. Since the work has been completed on 19-3-2020, the Illrd CC and final bill has been paid to the contractor during 10/2020, while closing the final bill, the Divisional Officer was to be observe the para of 17.2 of the NIT. In the para it is specified that the contractor shall prepare and submit detailed as laid built drawings of all Structures and Pipelines, Plants and machinery constructed installed by him in proper scale and clearing marking all the dimensions, levels, chainages etc. of all such structures and such as built drawings shall in variably accompany the final bill of the contractor and without such detailed as built drawings the contractors works as per this tender will not be considered as complete. The final bill payment shall be released only after approval of the such drawings. This mechanism is not seen satisfied by the Division while releasing the final bill. The non adhering the clause shall be intimated to Audit.
3. As per the existing NIT condition, as and when the works of the scheme is completed the same shall be handed over to the O and M Division with the list of spare materials for future maintenance. This mechanism is not followed by the Division. The reason for the non handing over the scheme shall be intimated to Audit.

5. Slow progress of work.

Name of works : AMRUT-Augmentation of WSS to Kollam Corporation Phase I, Package IV, Design, Construction and commissioning of 100MLD Water Treatment Plant at Vasoorichira.

(Agt. No.14/2018-19 of SE/Q, dated 20-2-2018)

Administrative sanction for Augmentation of Water Supply Scheme to Kollam Corporation sanction was accorded vide G.O.(Rt.)No.3170/2017/LSGD, dated 28/9/2017 for Rs.78.35crore under AMRUT and Technical sanction issued for an work for Rs.57.11crore vide TS No.95/2017-18, dated 7/3/2018 of CE(SR). The scope of works includes Design, Construction and Commissioning of 100MLD conventional Water Treatment Plant at

Vasoorichira with clear water sump of capacity 43.50LL including construction of structures for various units and filter house of area 400m², Supply and installation of Mechanical and Electrical equipments, interconnecting the existing 1219mm M.S. Raw Water pumping main etc.

The work has been tendered by the Superintending Engineer, P.H. Circle, Kollam vide E-Tender No.39/17-18/SE/Q and the work is awarded to M/s.Ramky Infrastructure Ltd. JV with M/s. VASCO Environmental India Pvt. Ltd. at the quoted amount of Rs.43,92,00,000/- which is 23.10% below the Tendered PAC. Accordingly the firm has been executed the agreement vide Agt.No.14/2018-2019 of SE/Q, dated 20/12/2018 with the time of completion 18 months from the date of agreement. Thus the firm was to be a completed the work on or before 19/6/2020. On gathering the progress report of the Division, it is seen that only 8% of the progress is achieved and Rs.4.54crore has been released to the firm up to 12/2/2021. Being the situation, any follow up action is not seen initiated from the part of the Division or any communication is not issued to the firm for speed up the work. This practice is highly irregular and action shall be initiated against the firm based on para 8.10.1 if NIT and the fact shall be reported to Audit.

6. Non inclusion of retension provision in the agreement.

Name of works : NABARD-RWSS to Vilakkudy, Vettikkavala and Melila panchayaths construction of indoor transformer room and operation room and supply of correction and commissioning of 400KVA USS transformer.
(Agt. No.10/2017-18 of SE/Q, dated 26/12/2017)

The above subject work has been tendered by the Superintending Engineer, P.H. Circle, Kollam and awarded to M/s.V.S. Associates, Market road, Karunagappally, Kollam with the PAC of Rs.5083341/- and the agreement has been executed by the contractor on 26/12/2017. The contractor has been commenced the work on 22/2/2018 and completed on 24/9/2018 and CC Ist and final bill for an amount has been released to the contractor for an amount of Rs.4891504/- on 19-10-2019. On gathering the details, it is seen that the up to date value of work done has been released to the contractor through the Ist CC bill. As per the CB3 Rs.59000/- and Rs.342405/- respectively have been retained towards deposit for sanctioning power connection and deposit for power connection. But any amount towards ensuring the guarantee has not been deducted from thrice bill. Each though the work has been completed on 24/9/2018, the scheme has not been commissioned till date. Since the power connection has to obtained. As per the General Principal, minimum 24 months

guarantee period was to be provided in the agreement and also provided that the condition 90% or 80% payment only released on completion of the work and the balance shall be released after commissioning the scheme. But the same provisions were not added in the agreement. This is a very serious irregularity occurred from the port of agreement executing authority. The reason for the non inclusion of the above provision in the agreement shall be intimated to the audit and any amount incurred towards maintenance up to the commissioning shall also be intimated to Audit.

7. Time of extension granted without imposing the fine.

Name of works : KIIFB-Tranche-12 WRD-12 WRD-025-35 (2017-2018)Chathannoor Drinking Water Project-Extension of Distribution system from JICA-Scheme in various constituency-Meenad Village Package III
(Agt. No.21/2019-20 of SE/Q, dated 17/12/2019)

The scope of the works is to provide the Drinking Water to the various villages under Chathannoor Assembly Constituency and the work has been arranged under KIIFB. The work has tendered and awarded to M/s. M-Power Constructions with the accepted PAC of Rs.17754393/-. The contractor has been executed the necessary agreement on 17/12/2019. As per the agreement condition the contractor shall be completed the work on or before 17/9/2020. As per the details available in the file it is seen that the contractor has not completed the work within the agreed time limit.

Hence the contractor has applied for the extension of time for completion up to 28/2/2021. As per the report of the Executive Engineer it is mentioned that, the firm has supplied and laid 8.5km of pipe out of total 26.9km. and completed the laying works in almost all nodes as per the scope of work. It is also reported that new road new to be identified for further laying in consultation with the panchayath. As per the DPR, the scope of the works is to lay the pipes total length of 26.9km in the various places under the Meenad Village. This is being the situation, there is no need to identifying the new roads for laying the pipes. The reason has been accepted by the Superintending Engineer P H Circle Kollam and permission for extension has been granted upto 28/2/2021 without imposing the fine. The reason mentioned in the application is not occurred from the part of Kerala Water Authority side and hence the granting of time of extension without imposing the fine is not justifiable and the action shall be initiated for realizing the fine as per the agreement condition.

8. Unauthorized entertaining of contractor's request.

Name of works : AMRUT- Phase I, Package II Augmentation of WSS to Kollam Corporation – Construction of 12mm dia cum pump house at Njankadavu.
(Agt. No.03/2018-19 of SE/Q, dated 4-4-2018)

The above work has been tendered and awarded Sri. Paily Abraham, Contractor of 4.47% above estimate rate. The contractor has started the work on 4/4/2018 and completed on 15/2/2020 and the payment has been released through the VI CC bills. On 12/2/2021, the contractor has requested that the retention amount and amount recovered on account of maintenance may be released as he has been completed the work. The request of the contractor has been recommended by the Assistant Engineer, Assistant Executive Engineer and the Executive Engineer has sought the clarification regarding the releasing of the amount.

As per the clause 8.14.1 of the NIT Vol.I, 5% of security deposit can be released within one month on the commencement of maintenance period and balance 3% of security deposit will be released on completion of full guarantee period of 12 months. Moreover as per the clause 5 of NIT Vol.II maintenance period is 12 months from the date of commissioning of the scheme. But the maintenance period has not been started as the scheme is not commissioned till date. Being the situation, the request of the contractor couldn't be entertained at any rate. The entertaining of the contractor's request is highly irregular and against the NIT condition. The reason for the entertaining the request may be intimated to Audit.

9. Non Maintenance of DAO's objection register

As per para 4.2.7 of KPW A code it is specified that the Divisional Accounts Officer should maintain the register of Divisional Account Officer objections in KPW Form 57 and lay the register before the Divisional Accounts Officer, so that the latter may have an opportunity either of accepting Divisional Accounts Officers advice on reconsideration and ordering action accordingly or of recording his reasons for disregarding that advice. In the month of April each year an extract from the register should be submitted to the finance department (in the case of Kerala Water Authority to Finance Manager & Chief

Accounts Officer) for review. The mechanism has not been done in this Division. The reason for the non maintaining the Divisional Accounts Officers objection register shall be reported to audit.

10. Non settlement of Temporary Advance.

On verification of the temporary advance register, it is seen that amount of Rs.10,000/- has been disbursed to Sri. Anoop. C, Assistant Engineer vide cheque No.828921 dated 28/9/2019 towards temporary advance. As per G.O.(P)419/11/fin. dated 4/10/2011, it is specified that the temporary advance sanctioned to meet the contingent expenditure of specified kind or any specific occasion granted to this Government officials and this same shall be adjusted by detailed bills and voucher as soon as possible and not being more than 3 months. In case of default, interest @ 18% annum will be charged on the unutilized position of the advance from this date of drawl to the date of refund of advance. In case where the adjustment bill not submitted within the prescribe time limit the entire amount of advance may be recovered one in lump on this expiry of such time limit. Interest at the rate of 18% will be charged in the entire amount of the advance from the date of drawl to the date of recovery. Hence it may please be ascertained the date of settlement and action shall be take to recover the interest as specified in Government order dated 4/10/2010.

11. Non crediting of interest received from Bank.

On verification of this cheque memo register it is revealed that an amount of Rs.1,44,197/- has been credited by Bank towards interest during the period from 5/15 to 12/20 against the Account No.67147586806. As per the existing norms any amount collected by the ARU's shall be remitted into NOP Account. This practice is not seen done by the project Division, Kollam. This is the violation of Rules. Hence this amount shall be remitted into NOP Account and intimate to audit. The details of interest credited by the Bank is appended to this.

INTEREST

Account No.67147586806

31/05/2015	- 37740/-
11/15	- 3134/-
25/04/2016	- 2920/-
25/07/2016	- 1619/-
25/12/2016	- 1118/-
25/03/2017	- 1710/-
25/06/2017	- 1700/-
25/09/2017	- 1600/-
28/12/2017	- 1513/-
25/6/2018	- 1557/-
25/9/2018	- 1570/-
25/12/2018	- 9663/-
25/3/2019	- 19391/-
25/6/2019	- 17285/-
25/9/2019	- 2455/-
25/12/2019	- 1847/-
6/2020	- 2086/-
29/12/2020	- 35289/-

144197/-

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12. Retaining of huge amount without observing the Head office directions.

On scrutiny of the cheque memo Register (Account No.67147586806) of Deposit Register, it is revealed that an amount of Rs.51,41,426/- is retained unutilised. As per circular No. 0038/2012/DYAM/Fin./KWA dated 25/10/2013 of the Managing Director was direct to that the whole funds laying in the Deposit account maintained by the Field Officer shall be transferred to Head Office by

drawing a cheque in favour of Finance Manager and Chief Accounts Officer, Kerala Water Authority account No.3340868329 with State Bank of India, Althara junction branch, Vellayambalam on or before 10.11.2013. In this circular it is also mentioned that the total funds under Deposit works of a particular Division of an amount of Rs.25.00lakhs whichever is lower, will be allotted to the filed Officer as an imprest towards deposit works. Hence maximum amount that can be retained in a Division is Rs.25.00 lakhs only. But the Project Division, Kollam is retained an amount of Rs.51,41,426/-. This practice is violation of the circular dated 25/10/2013. The reason for the non adhering the circular dated 25/10/2013 shall be intimated to audit.

13. Non authentication of head of office in the Cash Book.

As per rule 92(A)KFC Vol.I, all the entries on receipt side and payment side of the cash book shall be attested by the competent authority. Entries made in cash book were not seen authenticated eg.4/14,7/2014 etc.

14. Non authentication of the stationary register.

According to article 149(1) of KFC Vol.I the receipt and issue of all stationary articles shall be recorded in the stationary register and got signed by the recipient. This practice is not seen done in Project Division, Kollam.

The register of stationary is not in the prescribed format.

15. Unauthorized engagement of labours through H R

Vide circular No.KWA/HO/6825/2001, the Managing Director, Kerala Water Authority has given strict directions to discontinue the system of engaging HR labours. The following defects are noticed in this regard.

(1) vide CBV No.10 of 4/14 an amount of to 13888 of Rs.14061 were seen paid as HR wages to Computer Operator and Driver engaged for vehicle No.KL2AM 5000.

(2) Vide CBV No.13 of 9/2014 as amount of Rs.9619/- is seen paid as HR wages.

(3) Vide CBV No.41 of 2/2015 an amount of Rs.57,936/- is seen paid towards HR wages.

The Managing Director, Kerala Water Authority vide circular No.KWA/JB/E3/7571/04, dated 19/6/2004 has already given strict directions to engage employees only through Public Service Commission and provisional / temporary employees would be engaged through employment exchange. The directions are not seen followed in this Office.

16. Improper maintenance of Deposit register

On verification of the Deposit register of Project Division Kollam, it is seen that crore of Rupees is received from other agencies such as Technopark Kundara , Collectorate and Local bodies . As per the existing practice of Kerala Water Authority is the main implementing agency of the water supply schemes in Kollam districts and hence the authority is liable to charge at prescribed rate of Centage Charges against the Deposit works. Due to the improper maintains of deposit register, the audit team could not workout the total amount collected by the Division on account of Deposit work. Accordingly huge loss sustained to Head office towards Cent age charges urgent action will be taken up to uptodate the Deposit register and proportionate Centage charges will be transfer credit in to Non operative Account with intimation to audit.

17. Unauthorized debiting the amount by Bank.

On verification of the bank statement (Non Operative Account No.57004858713) it is seen that an amount of Rs.590/ is debited by bank in each month in the name of "min balance CHGS". This practice is started during the year 2014 to 31/1/2021 and huge amount is sustained to loss to Kerala Water Authority. Kerala Water Authority is an autonomous body, which

is purely owned by Government of Kerala and hence Kerala Water Authority is also eligible to get all concession as allowed to the State Government Departments. Hence action will be initiated to transfer credit the amount in to Kerala Water Authority Account and the fact will be reported to Audit.

18. Non proper maintenance of pay bill register.

On verification of the pay bill register (PA3) it is seen that the mandatory columns such as Designation, Scale of Pay, Date of Joining, Date of Completion of Probation, Date of Increment, GPF a/c. No., PRAN No. LIC / SLI / PLI No., Advances details (GPF NRA, GPF-Refundable and Onam Advance MCA and HBA) are not filled up. These columns are to be filled up, since this detail is necessary for future verification of this employees concerned. Hence this must be done and intimate to Audit.

19. Non realizing of the collection charges(KCWWF).

As per Kerala Water Authority manual one percent of charges shall be recovered from the bills of contractors towards KCWWF and the amount collected shall be remitted to the Welfare Board. An amount of one percent of the collected amount should be retained as revenue by Kerala Water Authority towards collection charges. On verification of the accounts of Project Division, Kollam it is seen that huge amount have been collected towards KCWWF and one percent is retained in the Division during the period from 2014 to 31/1/2021. The Division shall quantify the total amount collected up to 31/1/2021 and one percent retained in the Division should be remitted in to the NOP and the fact will be reported to Audit.

20 Non crediting of unclaimed security and EMD.

As per para 15:4:1 of KPWA code it is specified that the balance under Deposit unclaimed for more than three completed years should be credited in to Revenue as lapsed Deposit. On verification of the SD/EMD register it is seen that an amount of Rs.81600/- as per list attached received as SD from contractors were seen not forfeited / credited into Non-Operative Account which is highly objectionable. Such

type of lapsed deposit shall be listed out and credited into NOP with intimation to Audit.

List of unclaimed securities.

Sl. No	No. and date	Amount in Rs.
1	934453, 03.09.2010	5000
2	002250, 03.09.2010	1000
3	002249, 03.09.2010	1000
4	248499, 03.09.2010	1000
5	Amrutha Enterprises G597537	8000
6	Sujai S, 177661, 01.01.2014	14500
7	Chandramohan, 701181	17300
8	Sreekumar V S, 20.04.2016 Term Deposit	30000
9	Term Deposit	10300
	Total	81600

21. Non maintenance of Trial Balance Register

As per Kerala Water Authority manual and circular, it is specified that all ARU's should maintain Trial balance Register , ledger and Journal register for strengthening of Kerala Water Authority accounting system. This Division has not maintain these registers. Urgent necessary action shall be taken to maintain these registers under intimating to audit.

22. Exorbitant expenditure towards Hiring of vehicle.

There are two departmental vehicles are seeing used at Project Division Kollam. In addition to the departmental vehicles, two numbers of hired vehicles were used in the Division:

1. Departmental vehicle KL2AE1050

The vehicle has been used to travel a total distance of 10516 KM during the year 2018-19 with an average monthly usage of 876.3 KM/month.

During 2019-2020 the same vehicle has been seen travelled 11474 KM with an average usage of 956 KM/ Month.

2. Departmental vehicle No. KL2AM 5000.

The vehicle has been used to travel 19986 KM during the year 2018-19 and 17749 KM during 2019-20 with an average monthly usage of 1665 KM and 1479 Km per month, respectively.

3. Hired vehicle No. KL23M 3546.

The average monthly usage for the year 2018-19 is 2802KM per month and for the year 2019-20 is 2208 KM/ month respectively.

4. Hired vehicle No. KL2AM 2558.

The vehicle has been used to travel with an average of 2568 KM/month during 2018-19.

5. Hired vehicle No.KL2AW 9529.

The vehicle has been used to travel at an average usage of 2516 KM/ month during the year 2019-20.

While going through the data and log book of vehicles, it is found that one of the dept vehicle has been used to travel nearly 876KM/month only where on the other side, the hired vehicles are often used exclusively to travel @ 2802 KM/month, 2208 KM/month, 2568KM/month and 2516 KM/month at the rate of 28.50 for the first 1000KM and there after Rs.15.50 per KM vide present agreement and Rs.20 for the first 1000KM and there after RS.12 per KM as per agreement dated 01-01-2020.

The inordinate the usage of hired vehicle than the dept vehicle causes lead loss to KWA. On scrutiny of the log book of departmental vehicles it is seen that the departmental vehicle has been kept unused in several occasions. The total expenditure towards hiring of vehicles for the year 2019-20 alone comes to Rs.1046768/-. The audit is observed the following.

- a. On scrutiny of the agreement, it is seen that the tendering authority is not observed the guidelines as laid down in GO(P).45/2018 Tran dated 11.12.2018, the reason for the non adhering of the guidelines shall be explained.
- b. The reason for incurring abnormal expenditure on account of the hired vehicles shall also be intimated to audit.

23. Improper maintenance of registers.

On verification of registers of this office, it is noticed that the following registers are not maintained properly.

Income tax register

ST/GST register

KCWWF register

Work register

Incumbency register

FA1 register

FA2 register

FA11 register

Stamp Account Register

24. Pending LAR reports.

On verification of the pending LAR reports, it is seen that 23 paras are pending in this division from 07-2009 to 31-03-2020. Urgent necessary action shall be taken to drop the paras and intimate to audit.

Sd/-

Internal Auditor