

INTERNAL AUDIT REPORT OF PH DIVISION ALAPPUZHA

PERIOD OF AUDIT:15/04/2016 TO 20/05/2016

PERIOD COVERED:01/04/2012 TO 31/03/2015

AUDIT TEAM

- 1. Smt. S.Leelamany, Internal Auditor**
- 2. Sri. K.J.Nizar, Internal Auditor**
- 3. Smt. Rajeswari.R, Divisional Accounts Officer**
- 4. Smt. Usha Devi.S, Divisional Accounts Officer**
- 5. Sri. P.S.Reghu, Head Clerk (HG)**

5	Sri.S.RajasekharaKurup(in charge)	12.07.2013AN	12.08.2013AN
6	Sri.K.A.Zulphikar	21.08.2013	16.02.2016FN
7	Smt.Susan Jacob	16.02.2016FN	onwards
DIVISIONAL ACCOUNTANT			
1	Sri.C.S.Sasikumar	26.07.2011FN	25.01.2013 FN
2	Sri.S.RajasekharaKurup	25.01.2016FN	Onwards
IV	JUNIOR SUPERINTANDENT		
1	Smt.Susan Jacob	22.08.2008FN	07.02.2013
2	Smt,Saibiya.P.A	07.02.2013	12.05.2014FN
3	Sri.T.Madhusudhanan	12.05.2014	onwards

PH DIVISION ALAPPUZHA

Following registers are verified in the internal audit and following facts were noticed.

I. Cheque Memo Register

1. Treasury account balance Rs. 1000/- remains without closing the account and crediting into non-operative account as per direction of MD.

2. TRP Account

(a) Interest credited in new TRP account on 30/06/2011 Rs. 2707, 31/12/2011 - Rs. 3539, 30/06/2012 - Rs. 5,542/- and 31/12/2012 - Rs. 3,505/- has not credited into non-operative account while that of 30/06/2013 - Rs. 3,632/- credited into non-operative account. This may be updated under intimation to audit.

(b) Also check whether the remaining amount in old TRP account has transferred to new one.

3. A/c No. 57019277517 (Salary)

(a) No mandatory certificate regarding number of pages is seen in the register.

(b) Balance amount is written in pencil since 05/2014 in all cheque memo registers. Correction are also done with pencil.

(c) Interest credited by bank is not credited in to non-operative account. (As on 03/2015 - Rs. 201818). The interest accrued may be taken up to date and remitted into Non operative account and the remittance details may be intimated to audit.

2825 (LIC)	5029388.00
2825 (SLI)	5855.00
2826 (Professional Tax)	723035.00
2829	3751009.00
2835	1250437.00
2841	100414.00
2895	207867.00
9219	4953893.00
9211	10403.00

This may be verified and corrected and copy of revised trial balance may be submitted to audit, or the reason for the same may be intimated to audit.

(b) Also variations are found in trial balance prepared manually and in tally software in 03/2015. This is irregular. This may be corrected and copy of revised trial balance may be submitted to audit.

eg:-

Account Code	Trial balance in manual		Trial balance in tally	
1511 - Balance in Operative account	9811130.00	Dr	11007956	Dr
1512 - Balance in non-operative account	2308257	Dr	7508376	Cr
1531 - Cash in hand	692924	Dr	3451478	Dr

(c) Revolving fund of Rs. 19,45,677/- is seen in the trial balance as debit balance which is reported as given to Panchayat as loan to be refunded by Panchayats. It is seen that Mannar Panchayat has remitted Rs. 81,577/- on 11/09/2014 which is taken in the head of account 9132 in non-operative account. This has not seen reduced in trial balance. Hence the details of payment and repayment of the above fund may be submitted to audit with the necessity of such a revolving fund.

reason for belated payment may be reported to audit and this may be taken special care in future.

46 **VI. KCWWF collection charge** - 1% of the KCWWF deducted from contractors payment is to be taken as collection charge to KWA non-operative account. An amount of Rs. 8,642/- for the period from 01/04/2012 to 31/03/2015 has lost to Kerala Water Authority. This is for further action and future compliance.

47 **SERVICE BOOK**

Irregular sanction of increment

Sri.Safeer.A, LDC joined in Kerala Water Authority on 19/02/2010 and was relieved from Kerala Water Authority on 28/06/2010 to take over the post of hostel attendant in Kerala legislative hostel. He was seen reappointed in Kerala Water Authority as LDC (as a new entrant) vide proceedings No. KWA/HO/E-10-6900/06 dated 02/01/2011 of Senior AO and joined duty on the FN of 07/02/2011. As per the proceedings of the Executive Engineer, PH Division, Kochi dated 24/02/2015, service from 19/02/2010 including the service as Hostel attendant was reckoned for granting increments in the post of LDC and his pay was regulated accordingly, quoting the letter of MD, Kerala Water Authority as the authority (which was not produced). The action of the Executive Engineer in fixing his pay reckoning the previous service from 19/02/2010, ignoring the fact that he was allowed to rejoin Kerala Water Authority as a new entrant, is not in order. Remarks/orders, if any, justifying the action may please be furnished. It may also be stated whether there is any order considering previous Government service for granting increment in Kerala Water Authority.

WORKS

PH Division, Alappuzha is entrusted with the supply of drinking water and the pipeline maintenance work in 5 municipalities and 45 Panchayat of Alappuzha District. This division is having 5 sub divisions viz. PH Sub Division, Alappuzha, Cherthala, Thaikattusseri, Harippad and PH Sub Division Mavelikkara.

Sl. No.	Name of Sub Division	Working pump house	Abandoned pump house	Remarks
1	Alappuzha	50	7	
2	Cherthala	5	52	
3	Harippad	90	17	
4	Mavelikara	32	-	
5	Thycattusery	JICA intake and plant	-	

The HR wages paid to each sub division from 2012-13 to 2014-15 are as follows:

Year	Alappuzha Rs. Lakhs	Cherthala Rs. Lakhs	Harippad Rs. Lakhs	Mavelikara Rs. Lakhs	Thycattusery Rs. Lakhs	Gross Amount Rs. Lakhs	Remarks Rs. Lakhs
2012-13	87.26	17.26	123.29	64.58	0	292.39	-
2013-14	110.24	6.74	148.24	85.16	0	350.38	-
2014-15	162.14	10.46	215.94	107.73	5.74	502.01	-

In the above table it is noted that the graphic of HR wages are uncontrollably increasing year by year in all sub divisions especially in PH Sub division Harippad.

II. Name of work

Janakeeyasoothranam 2012-13 supply and erection of ROD plant at Thampakachuvadu pump house in Mannachery Panchayat.

Agreement No. 76/13-14/EE/PHA dated 22/06/2013.

PAC :Rs. 4,75,000/-

Contractor :M/s Jeekay Marketing Division

Time of completion : On or before 05/08/2013.

Irregularity

1. Short levy of fine for the extension of time of completion

The subject work was awarded to the above firm with time of completion on or before 05/08/2013. But the firm could not complete the work on the due date and

No entries are seen after 14/09/2015 onwards. Moreover initials of Asst. Exe. Engineer is not seen in the register.

2. Temporary Advance register

1. It is seen that an amount of Rs. 8,000/- is sanctioned to Sri. K.I.Nizar, AE, Mavelikkara as temporary advance on 11/07/2014 vide cheque No. 503717. It is not settled till date and no transaction after 11/07/2014. Fact may be intimated.

2. The following amounts are seen sanctioned on temporary advance to Sri. Muhammed Rashid, AE, Chengannoor as temporary advance.

Rs. 10,000/- vide cheque no.444672 dated 25/04/2012

Rs. 5,000/- vide cheque no. 00866 dated 30/12/2012

The total outstanding balance is Rs. 15,000/-. It is not seen settled.

No transactions are seen from 30/10/2012 and the fact be reported.

3. Movement Register M Books

No entries are seen after 26/04/2014.

4. Service Books

(1) Details regarding DA enhancement and its claim, service verification report, are not seen entered in all service books.

(2) Page no. 15, 18 of the Service book in respect of Smt. Syamala.E.P, LDC is not authenticated by the Assistant Executive Engineer.

(3) An amount of Rs. 1000/- is claimed as spectacle allowance by Smt. SujayaP.V., UD Clerk vide proceedings dated 20/12/2012. But the fact entered in the Service book is not seen authenticated by Assistant Executive Engineer (Page 13 of the service book). These defects may be rectified with intimation to audit.

5. Cash books

seriousness is given in closing the same and keeping the cash books updated.

2) **6. Quotation Register**

Irregularities

1. The mandatory certificate of the head of the office to the extent of total count of pages has not been done.
2. Splitting of works in to more than two for avoiding the sanction of higher authorities has been totalling banned by the Managing Director vide order.

But this sub division is being executing the work by splitting the work more than 4.

For instance:

Quotation No: 1/2015, 2, 3 and 4/15.

Name of Work

3) **Maintenance of RWSS to Cheerakunnam pump repair of 7.50 HP - pump 8 motor.**

3. Assistant Executive Engineer has not signed against the lowest quotations in many cases which means he has not seen it.

For eg:

Quotation No.: 5/13-14 dated 16/04/2013, 6/13-14 dated 14/05/2013, 08/13-14 dated 17/05/2013, 09/13-14 dated 17/05/2013 etc.

4. Some quotations are seen recorded with a pencil and no other details entered which is highly irregular.

For instance:

Quotation Nos.: 61/12-13 dated 08/03/2013, 62/12-13 dated 16/03/2013, 63/12-13 dated 16/03/2013 etc.

The Assistant Executive Engineer may be replied for the above irregularities to audit.

CPL

- 30
1. Disconnection entry in CPL is not signed by the Head of office.
eg. T.2009, T 1649

Details such as date of disconnection details of disconnection fee remitted, whether the disconnection done on request or due to non-payment etc. are to be recorded in the CPL.

Only bone entry that" disconnected" is vague and malpractice can be done if this is not authenticated then and there.

2. Only 20 industrial connections in the subdivision but meter reading is not satisfactory.

eg. (1) T 2157.

The secretary Sunday school, St. Thomas Orthodox Church, Kallummel, Vettiayar.

Date	Meter Rading
05/07/1993	78.00
29/01/2016	NA
28/03/2016	D/L

The consumer remitted water charge up to 03/2016.

(2) T 1923 – B.Harikumar, KochupurakkaVettiayar

Date	Meter Reading
26/11/2015	1118 KI
22/11/2016	1118 KI
28/03/2016	NA

Whether M/F or disconnected or notice given details not clear in CPL. The consumer remitted water charge arrear on 27/07/2015 on D/C advice.

T. 1904 – The Secretary Service co-operative society, Arunnoottimangalam, Vettiayar.

Date	Meter Reading
26/04/2015	573

PH SUB DIVISION, ALAPPUZHA

On verification of cash book, cheque memo registers, remittance registers etc. following points are noted for rectification and future guidance.

21 1. Treasury account has a balance of Rs. 20,235/- which is to be closed and remitted to non-operative account as per direction of MD.

22 2. Cash book and remittance register have no mandatory certificate regarding the number of pages.

From 04/2012 onwards cash verification certificate with signature of writer and other person who verified the entries seen missing in the cash book.

2 3. Interest from bank is not seen taken in cheque memo register and remitted in to non-operative account. Interest credited by bank as per reconciliation is seen as Rs. 3,91,978/- as on 30/11/2015. This may be cleared under verification to audit.

2 4. Temporary Advance and imprest are seen given before settling the previous ones and in some cases not given in the name of the Assistant Engineer. The settlement in receipt side of cash book should be self-explaining by noting the name of Asst. Engineer who submitted the vouchers and CBV numbers of settled vouchers. As per trail balance Rs. 2,974/- is seen in debit balance of imprest which means this amount is not settled.

5. Security deposits kept in the office after three years shall be treated as time lapsed deposits and may forfeited and credited into non-operative account.

DD for Rs. 2500/- 3 numbers dated 03/12/2008

DD for Rs. 1800/- dated 20/09/2010

- (1) Erroneous entry of details in 'e-abacus'
- (2) Duplication in list consumers in the connection handed over from Municipality in 1992.
- (3) Un-identified consumers
- (4) Non-existing connection for several years.

4 numbers of establishment meter readers, 5 numbers of deployed staff and 24 Kudumbasree personnel are engaged for meter reading. Hence this anomaly may be rectified in a short span and actual arrear amount can be cleared and intimate to audit.

Service Books

ShamsudeenKunju.A

On verifying the leave account the incumbent has taken CML for 20 days from 05/08/2012 to 24/08/2012 and 10 days from 15/12/2012 to 22/12/2012 a total of 30 days. But on calculating Earned Leave only 20 days of CML has been seen deducted. The rest of 10 days not deducted. This may be regularised.

Jessy Zacharia, Operator

In the same way the incumbent has taken CML for 8 days 20/08/2012 to 28/08/2012 and 22 days from 30/03/2013 to 20/04/2013 and recorded on the body of the SB. But in the Earned Leave account, only 22 days of CML is deducted from the total days. This is irregular and may be regularised. Also similar cases may be verified, corrected and intimated to audit.

Service verification report on the end of each year is not seen marked (eg: Santhosh Kumar.M, Fitter).

The effecting of enhanced Dearness Allowances from 04/2012 to 03/2015 has not seen recorded in the SBs of the concerned.

Service Books

13
1. M.Babu, Overseer

On verifying leave account, the incumbent has taken CML for 10 days. But in calculating the Earned Leave, the CML taken for 10 days has not been deducted from the days of Earned Leave. This is irregular and may be corrected and intimated to audit.

Similar cases may be verified and corrected.

Proceedings regarding HPL, CML, Earned Leave and Earned Leave Surrender if any have to be recorded in the body of the SB of each incumbent. These are not seen recorded.

WORK

14
Irregularities

1. Huge amount is being spent for Electrical maintenance

There are 90 working pump houses under this sub division which are spreading in two sections via WS section Harippad and WS section Kayamkulam. Most of the maintenance works are related to the lifting erection and repair of pumps and motor and all are done by a single contractor, Mathu Electrical Works. The rate of each quotations are around Rs.14,500/- including the transportation charge of tools from workshop to site and return. Some repair works are seen done in subsequent days in adjoining Panchayat. But the transportation charges are seen claimed in all works. The rate for transportation charge of subsequent work than the 1st should have been decreased. But not done by this division which resulted the high rate of expenditure. Further noted that the periodical inspection of pump houses by Assistant Engineer/Overseers has not been done.

2. Non-revalidating of Time Barred EMD/Security

Internal Audit Report of PH Division Alappuzha - 2012-2016

21	635116	08/08/2011	3000.00	SBI, Kayamkulam	
22	16671625	27/06/2011	1250.00	Federal Bank	
23	6716294- 6896	02/11/2011	10000.00	SBT, Sasthamcotta	
24	16671623	27/06/2011	1050.00	Federal bank, Alappuzha	
25	935147	17/02/2013	2500.00	SBT, Alappuzha	
26	196098	27.06.2011	1300.00	SBT, Alappuzha	
27	573761	30/01/2009	2500.00	Canera Bank, Harippad	
28	739910	17/06/2010	300.00	Punjab National Bank, Harippad	
29	739762	16/02/2010	3000.00	Punjab National Bank, Harippad	
30	739473	27/10/2009	3300.00	Punjab National Bank, Harippad	
31	740328	22/02/2011	3500.00	Punjab National Bank, Harippad	
32	740327	02/02/2011	3500.00	Punjab National Bank, Harippad	
33	463411	22/10/2012	500.00	Union Bank	
34	463410	22/10/2012	500.00	Union Bank	
35	528367	17/04/2008	3000.00	Canera Bank, Harippad	
36	541858	30/04/2013	7200.00	SBI, Harippad	
37	541860	30/04/2013	3600.00	SBI, Harippad	
38	541857	30/04/2013	3600.00	SBI, Harippad	
		Total	72710.00		

The above time barred FD, DD and Cheque should be revalidated and remitted into non-operative account immediately. Failing which it will be the liability of the concerned.

Revenue Wing

Kayamkulam section, has seen not cross checked even once in a month by the revenue head clerk.

We have verified the receipt, cash scroll with CPL for the entire period of the alleged Smt.Sudhina. But no other misappropriation is found except noted above. But several other irregularities were found and noted below:

Difference in name in cash scroll and CPL Register

On verification of the cash scroll with CPL Register it is noted that the consumers name in the cash scroll are not match with the CPL register.

For eg:

1. In cash scroll, Mr. Peethambaran has remitted Rs. 537 via receipt No. 082357 on 21/07/2014 against consumer No.MP 1507 where as in CPL register the name recorded as Damodharan.

2. Likewise Mrs. Santhamma has remitted Rs. 1557 on 07/08/2014 as per cash scroll against Consumer No. MP-1415. But in CPL register the name noted as Mrs.VasanthaKumari.

Huge arrears pending without any procedures

On random verification of CPL register, it is noted that huge arrears of water charges are pending without taken any action. For example:

1. Consumer No: 130

Monyudheen Mosque, Kayamkulam - Arrear up to 03/06 is 1,33,062/-

2. Consumer No: 167

Station Officer, Fire station, Kayamkulam - Arrear up to 03/2016 is Rs. 15,875/-

3. Consumer No: 179

Sri. Abdul KhaderKunju

The water connection is seen disconnected on 20/04/2016. The outstanding balance is Rs. 85,388/-

4. Consumer No: 189

The Municipal Commissioner, Vegetable Market, Kayamkulam. Arrear upto 03/2016 is Rs. 69,531/-

2 Irregularity

I Closing of Temporary Advance in the end of March in lump sum.

As per rule 06.06.14 of KPWA code, Temporary Advance amount should be closed as soon as possible and the unspent balance if any remitted back to the disbursing officer forthwith. Second advance shall be given only after closing the first advance. As per GO(P) 509/92 Fin. dated 28/05/2002 interest at 12.5% on the whole amount of advance shall be recovered if the final bill are not preferred within 3 months. Against this rules this office has frequently been given temporary advance to Sri. Sabu, Assistant Engineer, PH Section Thuravoor, without settling the first. Further it is noted that the advances given from April to February settled in March in a lump sum, which is highly irregular. Details are as follows:

1. Sri. Sabu, Assistant Engineer, Thuravoor

Sl. No.	Date of encashment	Amount (Rs.)	Remarks
1	24/04/2014	5000.00	All together settled on 03/2015
2	25/06/2014	5000.00	
3	04/08/2014	20000.00	
4	21/08/2014	5000.00	
5	01/10/2014	5000.00	
6	03/12/2014	5000.00	
7	05/01/2015	5000.00	
8	21/02/2015	5000.00	

2. Sri. Natarajan, Assistant Engineer, PH Section, Cherthala.

Sl. No.	Date of issue	Amount (Rs.)	Remarks
1	07/04/2014	15000.00	All advances settled on 03/2015
2	18/06/2014	10000.00	
3	08/07/2014	12382.00	
4	21/08/2014	25000.00	

1. Mandatory certificate in lieu of number of pages is not written in most of the registers.
2. Cash in hand Rs. 12,000/- is carrying over for years but this has not been remitted in non-operative account till date.
3. Date of each entry is not written in every entry and CBV No. of corresponding CBR is not mentioned.
4. After closing of 02/2013 accounts Pages 139 to 200 has been seen kept blank of which only 3 pages, 139, 140 & 141 has been cross lined as to cancelled.
5. CBV No. 20 of 03/2013 towards settlement of imprest of Assistant Executive Engineer, WSP sub division Cherthala is kept blank and CBR No. 26 of counter entry is also seen blank. The imprest settlement may be posted properly.
6. The cash book for 03/2015 is not authenticated and that of 05/2015 not closed properly.

4. Cheque Memo Register

1. Balance of each entry is seen written in pencil which is not proper as this can be corrected by erasing at any time.
2. Pages 301 – 319 after closing of 03/2013 is seen left blank without cancelling. This is irregular. These pages may be cancelled.
3. An entry "Remittance of interest in SB account in 11/2014 Rs.21,572/-" is seen but remittance details such as the period of interest, amount accrued in bank statement, the date of statement, etc. are not seen.

Bank reconciliation

- (a) Bank reconciliation done and it is seen that interest Rs. 35,171/- credited by bank is carried over up to 03/2015 but not seen remitted into non-operative account. Reason for not crediting the same shall be explained to audit and the present status of interest shall also be submitted with bank reconciliation of 04/2016. Interest credited by bank in SB account during

6	2895	KCWWF	4641.00
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Clarification in this regard required for audit and present position of the same is also needed with copy of trial balance.

HEAD WORKS SUB DIVISION, THYCATTUSSERY

1. Cash book

1. No mandatory certificate in respect of number of pages written in the beginning of register.
2. The cash book is not signed by the writer or super checked. Certificate of cash book balance is not written.
3. The closing balance is not written in the abstract of the cash book in 1/2015.
4. Remittance details of interest credited by bank as per bank statement of 31/11/2014 - Rs. 4,278/- in non-operative account is not seen. This may be verified and the up to date details of interest credited in non operative account may be intimated to audit.

2. Temporary Advance /Imprest Register

Imprest settlement details not written properly

Eg: Rs. 5,000/- given to Assistant Executive Engineer vide cheque number 077878 dated 04/02/2014 balance is written as Rs. 10,000/-. It is not clear whether settled or not. Name of AE is not mentioned. Temporary advance given to each Assistant Engineer should be in their name and settled by them should be clearly written in separate page as the unsettled balance is the liability of the concerned Assistant Engineer.

Trial Balance

Debit balance seen in recovery for outside remittances. Following head of accounts shows debit balance as per trial balance of 03/2015.

2825	LIC	2,66,912.00
2826	Professional Tax	96,335.00