

PART I

INTRODUCTION

PH Division, ^{Kasaragod} Malappuram consists of 2 sub divisions viz. PH Sub Division Kasaragod and PH Sub Division, Kanhangad. The audit was conducted from 09/08/2016 to 31/08/2016 covering the period of 01/04/2012 to 31/03/2016.

OFFICERS IN CHARGE

INCUMBENCY DETAILS OF EXECUTIVE ENGINEER, TECHNICAL ASSISTANT, DIVISIONAL ACCOUNTS OFFICER & JUNIOR SUPERINTANDENT FROM 01/04/2012 TO 31/03/2016

I EXECUTIVE ENGINEER		
1	Sri. P.V.Suresh Kumar	01/04/2012 FN to 04/06/2014 FN
2	Sri. Valsan Moolakkat	04/06/2014 FN to Continuing
II TECHNICAL ASSISTANT		
1	Smt. P.R.Usha, AEE (FAC)	01/04/2012 FN to 31/05/2012 AN
2	Sri. C.Jayaprakash, AEE (FAC)	31/05/2012 AN to 16/06/2012 FN
3	Smt. P.R.Usha, TA	16/06/2012 FN to 01/08/2012 FN
4	Sri. K.V.Balakrishnan, TA	01/08/2012 FN to 20/11/2012 AN
5	Sri. C.Jayaprakash, AEE (FAC)	20/11/2012 AN to 26/11/2012 AN
6	Sri. T.P.Indulekha (FAC)	26/11/2012 AN to 12/07/2013 FN
7	Smt. P.R.Usha, AEE (FAC)	12/07/2013 FN to 16/09/2015 FN
8	Sri. Radhakrishnan.P.V, TA	16/09/2015 FN to Continuing
III DIVISIONAL ACCOUNTS OFFICER		
1	Smt. Geetha Prasad, DAO	01/04/2012 FN to 02/11/2012 AN
2	Sri. Ahamed, Jr. Supdt. (FAC)	02/11/2012 AN to 05/05/2014 FN
3	Sri. A.P.K. Balakrishnan, DAO	05/05/2014 FN to 11/09/2015 AN
4	Sri. Prabhakaran.K, JS	11/09/2015 AN to 15/09/2015 FN
5	Sri. Jayapal.K.V. DAO	15/09/2015 FN to Continuing
IV JUNIOR SUPERINTANDENT		
1	Sri. P.Ahamed, Jr. Supdt.	01/04/2012 FN to 06/05/2014 FN
2	Prabhakaran.K, Jr. Supdt.	06/05/2014 FN continuing

Position of CoPu/PAC Reports, LARs, Stock Verification Reports, Previous Internal Audit Reports.

(a) Reply to the CoPu/PAC reports are pending

- (b) Reply to the previous internal audit report for the period 01/04/2011 to 31/03/2012 called for vide letter no. KWA/JB/IA/6110/13 dated 02/04/2016 of the Accounts Member is not seen submitted to Head Office.
- (c) Stock verification report for the period from 01/04/2014 to 31/03/2016 is forwarded to Executive Engineer, PH Division, Kasaragod vide letter no. KWA/SVC/KSRGD of the Assistant Executive Engineer, Stock Verification Sub Division Kasaragod. No action is seen taken to furnish the reply till date.
- (d) Paras related to LAR from 2005-06 to 2013-14 are ^{not} seen ~~not~~ dropped. Action may urgently be taken to settle the above audit paras, CoPu/PAC reports, LARs, previous internal audit reports and report the fact to audit.

PART II

A. MAJOR IRREGULARITIES

Nil

PART II

B. OTHER IRREGULARITIES

I. Details of Bank accounts

There are 6 numbers SB accounts maintaining by the Division office which are for salary account, deposit works, capital works, NRDWP schemes, Tsunami works and for Jalanidhi works.

The outstanding balance as on 31/03/2016 in each account is as follows:

Salary	56,32,387.00
NRDWP	18,143.00
Deposit Works	37,69,574.00
Capital Works	24,45,356.00
TRP	783.00
Jalanidhi	1000.00
Total	1,18,67,243.00

The interest amount accrued from 11/2015 is not seen credited to Non-Operative Account of Kerala Water Authority. Urgent steps may be taken to remit the amount to Non-operative account and the fact be reported to audit.'

Similarly an amount of Rs. 25,918/- towards the interest from 31/5/2012 to 31/11/2015 (Tsunami account) is not seen credited to Non-operative account of Kerala Water Authority. Please remit the amount to the Non-operative account and report the fact to audit.

II. Bank Reconciliation

Bank reconciliation register is produced before audit. It is done properly.

III. Cash book

Cash book from 06/2014 onwards are not seen authenticated by the Divisional Officer. Abstract for 05/2014, 07/2014 and 08/2014 are not written in the cash book. Details of account wise closing balance are not seen entered in the cash book. The same may be rectified and produced before audit.

IV. Security Deposits

As per the SD register, Security deposits from 1994-95 to 2013-14 amounting to Rs. 18,50,350/- is seen kept in the office without forfeiting and remitting into Non-Operative account. The divisional authorities are requested to take measures to forfeit the security deposits and to remit the same into Non-operative account. The action taken report may please be submitted to audit.

V. Up keeping of Registers

(a) The mandatory certificates are not seen entered in most of the registers.
These defects may be rectified.

(b) GPF temporary advance NRA register is not seen up keeping.

VI. Service Books

(a) On verifying the Service Books under the division 36 numbers of incumbents are due to retire within 5 years.

(b) Enhancement of DA and the claim particulars are not seen entered in the Service book.

(c) The NPS details in respect of the following incumbents are not seen recorded in the SB.

(1) Smt. Reshma.P., D'Man II

(2) Sri. Sunil Kumar, D'Man II

I. Works

1. Works Register - FA-1

Irregularity

The work register in Form FA-1 for recording the details of work carried out by the Division has not maintained properly, there are no details of work such as agreement number, accepted PAC, time of completion, payment details, recovery details etc. Being an important register of division it should be maintained properly like cash book for accounts. Same is in the case of 'Deposit work Register'. So both should be cleared and report to audit.

2. Priced Stores Ledger (PSL) Register - MA-12

Priced Stores Ledger, a very important record of Division, which contains both quantity and cost of the materials procured, are not properly maintained in this division. Being both bin card and PSL contain quantitative record of material transaction, it is important to see that those records reflect the same quantity as balance for each item of materials (KPW code). Reconciliation of Bin card with PSL must be done periodically and discrepancies if any should be rectified and a certificate to that effect should be recorded in PSL. This was not done for long. This may be rectified and reported to audit.

3. Non-maintaining of GRS

On verification of the work file it is noted that, the important material documents viz. GRS which actually reflects both quality and quantity of materials received at site/section, has not been attached. On enquiry it is known that this important document has not been generated by the site officer in charge, which is highly irregular. So direction may be given to Executive Engineer and Assistant Executive Engineer *su* to ensure ^{that} the GRS ^{is with the bill} before [↑]

making payment of bills. Reason for non-maintaining GRS may be reported to audit.

II. General Irregularities

Inordinate delay of tender process in the case of NABARD RIDF Endosulphan work

This division is specially entrusted with providing water supply scheme to Endosulphan affected area of Kasaragod district through Kerala Water Authority funded scheme and 48 collector funded works. Out of collector funded works, 20 works could have completed so far. Balance including NABARD schemes are yet to be completed. This lagging is due to technical problem. In most of works, bore wells were drilled but dry and alternative proposal is under consideration ^{which reveals the} and poor internal control mechanism of this division. In the case of "NABARD-RIDF providing water supply scheme to Endosulphan affected area at Gudigudde in Kumabadaje Panchayat - construction of RCC OH Tank of capacity 30000 litre, laying pumping main and distribution system, supply, erection of pump set and iron cabin pump house", - Administrative sanction got on 03/03/2012 from MD and T.S got on 31/01/2013 from SE but the tender process starts from this office only on 27/02/2016 ie. 3 years elapsed from the date of T.S. So the Executive Engineer may be replied for the delay occurred for the work, especially aimed to Endosulphan victims of the society.

Name of work

III. KSCADC - providing water supply scheme to Ajanu Fishing village in Ajanur Panchayat - Pipe line extension from OHSR at Chamundikunnu of existing BRDC water supply scheme - Part 1 (Ward No. XV, XVII and XVIII).

Agreement No. 25/2014-15 dated 30/05/2014.

PAC : Rs. 28,51,258/-

Contractor : Sri. M.Aboobaker

Irregularity

1. Irregular releasing of Retention money

The subject work was awarded to the contractor with time of completion 9 months from the date of agreement ie. the work should be completed on or before 28/02/2015. The contractor has completed the laying work except crossing ^{the} of railway line. As per condition No. 3 of work order, the guarantee period of the work shall be 24 months from the period of trial run. Condition No.2 of the work order says, on submission of completion certificate to the contractor after trial run by the engineer in charge of the work, 5% of the contract value, out of the total 8% of the retention shall be refunded to the contractor. Balance 3% will be released on completion of the full guarantee period of 24 months from the date of commissioning.

Against the above condition and the AB note, the Executive Engineer has been ordered to release the full retention money on 09/07/2015 only 4 months elapsed from the due period of completion. As per an amount of Rs. 2,27,518/- has been released to contractor on 09/07/2015 vide cheque No. 483980 which is highly irregular and Executive Engineer clearly showed undue favour to contractor. It finally leads to financial loss to Kerala Water Authority in terms of interest.

2. Pipe testing by unqualified person

As per existing rule clause 9.14.1 of NIT, the factory pipe line testing officer of Kerala Water Authority should have remaining 5 years' service before retirement in Kerala Water Authority. But Sri. Valsan.M, Executive Engineer has seen inspected the PVC pipe at M/s Kamal Pipes Pvt. Ltd., Udayathumvathil, Pangod P.O., Kochi for purchasing 1000 meters on 21/07/2014. On verification it is noted that he is not eligible for testing the pipe at factory as he has no 5 years remaining service. His date of birth is 15/01/1962 and will be retired on 31/01/2018. So the Executive Engineer may

be replied with specific remarks for violating the rule. If the reply is not satisfactory action may be taken against him for self-assuming power.

Name of Work

IV. DRW - 2014-KWSS - improvements to the regulating system in the water treatment plant at Vidyanagar to protect from pollution and connected works.

Agreement No: 60/2014-15 dated 23/07/2014

Tender PAC : Rs. 4,32,195/-

Accepted PAC : Rs. 3,66,186/-

Contractor : Sri. K.Abdulla Kutti

Time of completion: 2 months - ie. on or before : 23/09/2014.

Irregularity

1. Non-imposing of fine for extension of time of completion deliberately

The subject work was awarded to the contractor with ~~the~~ time of completion of 2 months ^{from the date of order.} ie. on or before 23/09/2014. But the contractor could not complete the work in due time and is seen completed on 27/03/2015. So he had applied for time of extension up to 31/03/2015. The reason put forward by the contractor for the delay was the scarcity of fund, actually which is not a genuine reason. But by considering his request Executive Engineer has been granted the extension up to 31/03/2015 (6 months and 8 days) without imposing fine by neglecting the recommendations for imposing fine in DB notes. It is highly irregular. Fine as per NIT should have been imposed since scarcity of fund is not at all a genuine reason. So fine as per following calculation may be recovered from the contractor. Failing which the same amount may be realised from Executive Engineer concerned and report to audit.

Total period extended	6 months 8 days
Fine for first 3 months (1% of PAC)	3,662.00

Fine for the next 3 months (2% of the PAC)	7,324.00
Fine for 8 days	651.00
Total Amount	11,637.00

Name of Work

V. Supply of drinking water through tanker lorries in Kasaragod Municipality areas due to intrusion of saline water in the source at Bavikkara.

Contractor : Sri. E.I. Mohammed

Rate : Rs. 6000/Tanker lorries

Period from 25/04/2014 to 05/05/2014

Irregularity

Non-claiming of water charges

Due to the entry of saline water in the source at Bavikkara, the District administration decided to supply drinking water through tanker lorries in the Kasaragod Municipality and nearest areas are entrusted in Kerala Water Authority. As such this division has arranged tanker lorries and supplied 804000 litre (25 tanks) drinking water in these places and claimed only the charges of tanker lorries. This office has not been either prepared the bill or claimed the water charges from Collectorate till date, which is a serious lapse. The reason for not claiming the water charges may be explained by the Executive Engineer to audit.

Name of Work

VI. Providing WSS to Koyuthadukkam ST colony in Panathady Panchayat construction of well cum pump house, GL Tank, pumping main and distribution system.

Agreement No: 65/13-14 dated 24/03/2014

Contractor : Sri. A. Aboobaker

PAC : Rs. 21,14,237/-

Irregularity**Non-accounting of materials retrieved from work**

On verifying the cc final bill of the subject work, it is noted that the rubbles got from work were not accounted and the cost were not recovered from the contractor. As per item number 3, 4 and 5 earth work open excavation in ordinary rock and granite rock blasting, the contractor had executed 81m³ quantity by protected blustering measures, but no materials recorded as measurable quantity. We have to get 121.5m³ measurable quantities of Rubbles when 81m³ executed. So the cost at ~~214~~....^{2014 supply order} for 121.5m³ may be realised from the contractor and report to audit. Failing which it will be the liability of concerned officers.

VII. Revenue

It is observed that the following amount is outstanding as closing balance of revenue collection as on 31/03/2016.

Domestic Connection	2,25,920.00
Non-domestic connection	4,20,394.00
Industrial connection	3,87,998.00
Total	10,34,312.00
Panchayats	50,65,325.00

Action may please be taken to realise the arrears and report the fact to audit.

General

(a) It is observed that new 'c' class contract lease is issued to Sri.I Haroon Rasheed.K.M with registration no. KWA/C/1/2015-15. From the register/note file it is not ascertained that whether the applicant has submitted necessary security deposit duly pledged in Head Office Executive Engineer, PH Division, Kasaragod.

The file related to contractors ~~Sp.~~ is not seen routed through AB section, JS and Divisional Accounts Officer. The practice cannot be entertained in future.

- (b) The works files are not seen routed through Divisional Accounts Officer. The observation of Divisional Accounts Officer regarding tenders etc. are not seen in the file.
- (c) The sub division audit is not seen conducted by Divisional Accounts Officer.

PH SUB DIVISION, KASARAGOD

I. Service books

1. Enhancement of DA and its claim are not seen entered in the SBs of all incumbents. These may be entered.

I. Up keeping of Registers

1. Temporary Advance to Assistant Engineers

The purpose of disbursing TA is not seen specified in the register. The details of settlement of TA with CBV and CBR numbers are not mentioned in the register and settlement is not seen authenticated by the Assistant Executive Engineer.

2. GPF Temporary Advance Register

The GPF temporary advance register is not seen maintained.

II. Cash book and Monthly Accounts

- (1) The balance as per CMR and cash book are entirely different. Cash balance of Rs. 9,924/- is seen carried over from years back.
- (2) Cash balance certificate, the signature of the person other than the writer ~~is~~ *are* not seen in the cash book.
- (3) An amount of Rs. 1,34,00,393.00 is seen as balance in Non-operative account (A/c No. 57053702619), as on 31/07/2016. Action may be taken, to transfer the amount to Head Office.
- (4) The interest of amount in the SB account is not credited into Non-operative account. Bank reconciliation is done only up to 05/2015. Necessary action may please be taken to complete the bank reconciliation process and remit the interest amount to Non-operative account and the fact be reported.

(5) The closing balance in the cheque memo register as on 31/03/2016 in operative account are as mentioned below.

Salary account	61,684.00
Canara bank account	7,928.00
..... account	4,658.00
Total	74,270.00

But as per cash book the balance in operative account is Rs. 61,335.00

The discrepancy may be noted and corrected. The fact be reported to audit.

(6) Daily cash collection register of revenue is not maintained and produced to audit. This must be maintained properly and report.

III. Works

Agreement Register

Irregularity

Vide order No. KWA/JB/EW/998/14 dated 19/06/2014 MD has ordered that works will not be split in to more than two; one, for identifying the fault by dismantling and the second, should cover the total work. But against the above order this sub division has seen extended the work by splitting into more than two.

For Example:

1. Agreement No. : 1/13-14

Setting up of new sub division lab under NRDP providing infrastructure facilities in IPD section office at Kanhangad.

PAC : Rs. 57,604/-

2. Agreement No. : 2/13-14

Setting up of new sub division lab under NRDP providing infrastructure facilities in IPD section office at Kanhangad.

PAC: Rs. 51,823/-

3. Agreement No. : 3

Setting up of new sub division lab under NRDP providing infrastructure facilities in IPD section office at Kanhangad.

PAC : Rs. 59,738/-

Assistant Executive Engineer may be replied for non-complying with MD's order to audit.

PH SUB DIVISION, KANHANGADU

I. 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. Sujaya P.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).

II. Cash book and others

- (a) The details of interest accrued in the saving bank accounts credited and remitted to non-operative account of Kerala Water Authority and may be report to the audit.
- (b) Out of the KCWWF amount recovered from the contractors, 1% of the same may be remitted to Non-operative account and the fact be reported to audit.

Internal Auditor

Accounts Manager

Accounts Member