

# INSPECTION REPORT ON THE ACCOUNTS AND REGISTERS OF THE PUBLIC HEALTH DIVISION, KWA, KOCHI FOR THE YEAR 2018-19

## A. Introduction

Public Health Division, Kochi is responsible for the maintenance of Water Supply Schemes and collection of water charges under its jurisdiction. There are five Sub Divisions under the Division viz., WW Sub Division-Vyttila, WW Sub Division- Kochi, WW Sub Division-Karuvelippadi, WW Sub Division-Kaloor and Sewerage Sub Division, Kochi. Executive Engineer is the head of the Division. Local audit under Section 19(3) of CAG's DPC Act was conducted from 16 September 2019 to 01 October 2019 covering the period 2018-19.

## B. Financial analysis – 2018-19

(` in lakh)

| <i>Category</i>    |               | <i>Amount</i> |
|--------------------|---------------|---------------|
| Expenditure        | Works         | 934.19        |
|                    | Establishment | 1168.7        |
| Revenue Collection |               | 7274.02       |

## C. Officer in charge

| <b>Name (Shri./Smt.)</b> | <b>Designation</b> | <b>Period</b>                    |
|--------------------------|--------------------|----------------------------------|
| Jessy Jose N             | Executive Engineer | 08 December 2014 to 25 July 2018 |
| Jamal P                  | Executive Engineer | 01 August 2018 to 01 June 2019   |
| Jochan Joseph            | Executive Engineer | 02 June 2019 to 17 June 2019     |
| Muhammed Shahi M         | Executive Engineer | 17 June 2019 to continuing       |

## D. Internal Audit/Inspection:

Internal Audit of the Division was conducted for the period upto March 2012 by the Internal Auditor, KWA, Thiruvananthapuram. Internal audit from April 2012 is pending.

## E. Objective and Scope of Audit:

The objective of Audit was to ensure whether effective Internal Control System exists in the Division and to see that the execution of works and revenue collection were carried out economically, efficiently and effectively. The scope of Audit included verification of the records relating to works viz., work register, tender/agreement register, work files, cash book, monthly accounts and vouchers, documents relating to collection of water charges etc.

## PART II

### A. Significant audit findings

#### I. Loss of `2.05 crore as water charges due to classification of buildings having less than 10 dwelling units as “flats”.

As per The Kerala Water Supply and Sewerage (Amendment) Act 2018, “**flat**” means buildings/independent villas having ten or more dwelling units or buildings having a total plinth area of 1000 square metre or more in a premise. For calculating Water Charges of a flat, the total monthly consumption (in KL) is taken and divided by number of dwelling units to find out the consumption per dwelling unit. Thereafter the water charges are calculated per dwelling unit and then multiplied by the total number of flats to arrive at the total water charges. Water Resources Department vide order dated 25 September 2014 revised the water charges with effect from 01 October 2014. As per the orders, a fixed charge of ` 50 is to be charged from each dwelling unit in a flat in addition to the normal water charges.

On verification it was found that KWA had classified the buildings having less than 10 dwelling units as “flats” in contravention to the above cited criteria contained in The Kerala Water Supply and Sewerage Act 2018, and water charges were calculated accordingly. This resulted in net loss of ` 2.05 crore (Annexure-I), towards collection of water charges in PH Division, Kochi.

PH Division, Kochi has accepted the audit findings.

#### II. Shortage of cash in bank vis-a-vis cash book

PH Division, Kochi is maintaining an account (57009896684) with SBI, Ravipuram Branch for the fund transaction of deposit work of Local Bodies and other institutions. During verification of bank reconciliation statement of the account with the cash book for the month of March 2019, it was noticed that an amount of `4095791 was added to the bank balance stating “*excess amount credited in the cash book*” without recording details of the amount and valid reasons for adding the amount to the bank balance. The details are as follows:-

|  | Amount ( ` )   | Amount ( ` ) |
|--|----------------|--------------|
| Balance as per Bank Statement/ Pass Book               | 26826093       |              |
| Amount deposited but not credited by bank              | 340000         |              |
| <b>Excess amount credited in cash book</b>             | <b>4095791</b> |              |
| Amount credited by bank but not accounted in cash book |                | 9290969      |
| Cheque issued but not presented for payment            |                | 5836468      |
| Interest credited by bank                              |                | 977113       |
| Bank charges debited by bank                           | 1039           |              |

|                          |          |          |
|--------------------------|----------|----------|
| Balance as per cash book |          | 15158363 |
|                          | 31262923 | 31262913 |

The amount of difference of `4095791 was added to bank balance and reconciliation was done with the cash book balance. Audit verified the remittance vouchers during the month of March 2019 and found that the remittance of `4095791 had not been made as recorded. On further verification of the details of the account for the previous years, Audit found the following: -:

- a) In the reconciliation statement for October 2017, an amount of ` 95000 was added to the bank balance and reconciliation was made with the cash book balance. On verification of the remittance voucher it was noticed that no such amount was credited into the bank.
- b) On verification of the bank remittance vouchers and bank statement during the month of March 2018, an amount of `350000 vide DD No. 20019 dt. 23 February 2018 was received in the Division and entered in the cash book but not seen credited in the bank account.
- c) Audit identified an amount of `445000 (95000+350000) as excess in cash book and short in bank. The difference of `3650791(**4095791-95000-350000**) is yet to be traced out.

On verification of the CB2 receipts and its remittance, Audit noticed the following irregularities:

- a) An amount of `8,30,000 received through CB2 receipt no. 143464 dated 10 December 2018 from M/s Meridian Builders vide DD No. 001819 dated 10 December 2018 was entered in the Cheque Memo Register of Deposit Work but not entered in the cash book. This amount was also not reflected in bank account.
- b) Copies of the Bank remittance of CB2 collection were not maintained properly.
- c) Bank Reconciliation Statement was not verified and signed by any higher authority.

Shortage of cash in bank *vis-a-vis* cash book is a serious irregularity and urgent action may be taken for the identification of the same.

No reply was furnished by the Division.

### **B. Other incidental findings**

#### **I. Violation of Norms for Operating Staff resulting in extra expenditure of ` 32.00 lakhs**

As per the norms fixed for operating staff by the KWA, vide order No. KWA/AI/99/92 dated 30.12.1993, the following is the staff pattern for the pump houses.

| Capacity of pump house        | No of Staff per Shift     |
|-------------------------------|---------------------------|
| Up to 10 MLD                  | Operator – 1              |
| Above 10 MLD                  | Operator – 1<br>Mazdoor-1 |
| Above 20 MLD and up to 50 MLD | Operator – 1              |

|              |   |
|--------------|---|
|              | Mazdoor-1<br>Watcher -1                 |
| Above 75 MLD | Operator – 2<br>Mazdoor-5<br>Watcher -1 |

A scrutiny of the Schedule fixed for shift duty by the AE in charge of the Pump Houses revealed that the staff pattern fixed for the duty shift of Operators/ Mazdoors was in violation of the norms fixed by the KWA as shown below:

| Capacity of Pump house    | No of Operator/ Mazdoor per Shift ( as per norms) | No. of Operator/ mazdoor per shift as per the schedule | Excess Operator/ mazdoor in each shift |
|---------------------------|---|--|--|
| Thammanam PH (10 MLD)     | Operator - 1<br>Mazdoor – Nil                     | Operator – 1<br>Mazdoor – 2                            | Mazdoor – 2                            |
| Pachalam PH (4 MLD)       | Operator - 1<br>Mazdoor – Nil                     | Operator – 2<br>Mazdoor – 2                            | Operator – 1<br>Mazdoor – 2            |
| Karuvelippady PH (12 MLD) | Operator - 1<br>Mazdoor - 1                       | Operator – 1<br>Mazdoor – 2                            | Mazdoor – 1                            |
| Thoppumpady PH (6.3 MLD)  | Operator - 1<br>Mazdoor - Nil                     | Operator – 1<br>Mazdoor – 1                            | Mazdoor – 1                            |

It was found that everyday 18 Mazdoors (6 \*3 shifts) and 3 Operators (1 \*3) are deployed in the pump houses in excess of norms fixed by KWA. Due to violation of norms, KWA is incurring an avoidable expenditure of `3200490 per year as detailed below:

- a) Considering all the Mazdoors are engaged as daily wage employees @ `377 per day \* 365 \* 18 = 24,76,890.
- b) Considering the basic pay of operator @ `20100/- per month\* 3 \* 12 = `723600.

No reply was furnished by the Division.

## II. Irregular payment of Over Time Allowance- `30.09 lakh

As per GO(P)/576/63/Fin. dated 07.11.63, overtime allowance is classified as honorarium under Rule 49 of KSR Part I. Rule 49 stipulates that Government may grant or permit an official to receive honorarium as remuneration for work performed, which is occasional in nature.

The following irregularities were noticed in the payment of over time allowance:

- a) The employees, whose service conditions were governed by KSRs, were paid over time allowance regularly.
- b) The expenditure towards overtime allowance for the year 2018-19 was `30.09 lakh. The payment of overtime allowance on a regular basis is against the Rules and may be regularised.

No reply was furnished by the Division.

### III. Discrepancy between manual and eAbacus entries.

Enhanced Advanced Billing, Accounting and Collection Utility System (eABACUS), is a billing, accounting and collection system (web based application) developed by NIC and put to use in KWA. Sub Division, Pallimukku collects the water charges through its counters using eABACUS. In order to avoid public inconvenience, when the connectivity of eABACUS is interrupted manual method of collection is resorted to and once the connectivity is restored, it is switched over to online method. Thereafter data from the manual receipt are fed into eABACUS.

During the period 14 November 2018 to 18 November 2018, there was breakage of connectivity in Sub Division, Pallimukku and manual receipts were given to the consumers. It was found that there was a difference of `161 between the manual receipt and eAbacus scroll on 15 November 2018. On further analysis it was found that the shortage in eAbacus was on account of error in data entry in eAbacus after the restoration of connectivity as shown below:

| Cons:No    | Amt received by Manual Receipt | Amount posted in eAbacus after the restoration of connectivity | Difference |
|------------|--------------------------------|--|------------|
| E40/3963/N | 10000                          | 10362  | 362        |
| E47/2098/D | 2000                           | 2100   | 100        |
| E43/413/D  | 600                            | 629  | 29         |
| E27/4231/D | 330                            | 0  | -330       |
| Difference |                                |  | 161        |

Inaccuracy of data entry will lead to excess/short remittance in Consumer ledger which in turn will result in wrong demand in subsequent bills and dispute between consumer and KWA.

No reply was furnished by the Division.

### IV. Non realisation of additional demand on account of clearing charges recovered by Bank on Treasury Cheque

Cheques are accepted by KWA towards water charges collection. Government establishments submit Treasury cheque for their dues of water charges. Pallimukku section presents the treasury cheques in the Federal Bank Branch at Pallimukku.

On verification it was found that Bank deducts clearing charges for Treasury Cheque submitted to them. Hence the amount received by KWA is less than the actual demand of water charges. The clearing charges debited by Bank were not raised as additional demand by KWA in subsequent bills. Audit noticed the following cases during the month March 2018 and April 2018 where clearing charges were collected by Bank for which no demands were raised in the subsequent bills:

| SI No | Remittance Date | Cheque No | Cheque Amount | Clearance Date | Clearance Amount | Clearing Charges |
|-------|-----------------|-----------|---------------|----------------|------------------|------------------|
|-------|-----------------|-----------|---------------|----------------|------------------|------------------|

|   |          |         |        |         |        | <b>deducted</b> |
|---|----------|---------|--------|---------|--------|-----------------|
| 1 | 03/03/18 | 9991457 | 50000  | 16/3/18 | 499764 | 236             |
| 2 | 20/03/18 | 7706110 | 370    | 4/4/18  | 352.30 | 17.70           |
| 3 | 22/3/18  | 29914   | 29914  | 23/4/18 | 29796  | 118             |
| 4 | 16/4/18  | 4560117 | 4184   | 30/4/18 | 4154.5 | 29.5            |
| 5 | 4/4/18   | 7185860 | 100000 | 21/4/18 | 99882  | 118             |
| 6 | 24/4/18  | 6956665 | 312168 | 3/5/18  | 311932 | 236             |

Non-realisation of clearing charges from Consumers on account of clearing charges debited by Bank results in loss of revenue to KWA.

No reply was furnished by the Division.

#### **V. Non-Billing of Water Charges**

As per section 13 (b) of Kerala Water Supply Regulation Act 1991, Water Bill has to be generated by KWA every 6 months. Currently in urban areas the bill is generated every 2 months (bi-monthly billing). However, in PH Division Kochi, Audit noticed that in 2010 cases (Annexure) bills were raised after a gap of 6 months to 5 years since April 2017. Non-raising of water bills promptly will result in liquidity issues to KWA.

No reply was furnished by the Division.

#### **VI. Loss of `17538 on account of Bank handling charges at Water Works Sub division, Vyttila, Kochi.**

Water Works Sub division, Vyttila, Kochi is maintaining a non-operative Current Account with SBI Vyttila Branch. On verification (April 2018 to July 2019) it was found that the bank has been charging handling charges, inter branch fee, cash deposit fee from KWA.

In view of the above, following observations are made:

- The total handling charges amounts to `17538 (for the period from April 2018 to August 2019) in respect of Water Works Sub division, Vyttila, Kochi and is a loss to KWA.
- The sub-division has not taken up the matter with SBI officials for reversing the handling charges, inter branch fee, cash deposit fee etc.

No reply was furnished by the Division.

#### **VII. Discrepancies noticed in the Stock account of materials**

On a scrutiny of the Priced Stores Ledger (PSL), Bin card and connected records of the Division, following observations are made:

- PSL register is a control register maintained in the Division office for watching the movement of stores in the Division. However, it was seen that the Priced Stores Ledger

maintained in the Division was not updated regularly. Details of receipt such as purchase, quantity, unit price, etc and details of issue of material were not entered in time in the PSL. Hence periodical reconciliation of materials at stock as per Bin Card and PSL as specified in the Accounts manual was not done. It was also noticed that a new PSL was opened every time on receipt of stock verification report from the Head quarters and the OB was taken according to the stock verification report. PSL is a permanent record and it should be updated as per the stock verification report and short/ excess quantity should be adjusted in the prescribed form after getting approval from the competent authority. This was not seen followed in the Division.

b) As per chapter 5 of the Accounts Manual of KWA 1993, stock verification should be conducted regularly by the store verification team constituted in the KWA headquarters. Any excess/shortage between such physical verification and the appropriate book figure shall be analyzed and book figures adjusted, as necessary. Necessary preventive/corrective and or disciplinary action shall be caused to be under taken by the Authority if any such shortage as aforesaid is proved to be attributed to theft/pilferage and the like committed by and/or by the willful negligence of the custodian in charge of such stock.

The EE responsible for such stores shall take necessary steps to get approval through proper channel from appropriate authority at the Head office for adjusting the records on account of excess/shortage. It is seen that a stock verification was conducted by the stock verification team during 2016 and many instances of excess/shortage were noticed. The details of the excess/shortage of materials were reported to the EE of the Division for further investigation. Though reports obtained from AEs were forwarded to Head office, no action has been initiated so far and PSL and Bin cards were re-casted by the Division with new opening balance (actual physical balance in the stock verification) without approval from KWA Headquarters. This is a serious irregularity on the part the Division.

PH Division Kochi has 5 Sub divisions and there are 12 Sections under these Sub divisions. AE concerned is in-charge of materials. On verification of the MAS of the respective AEs, Audit observed that many items such as DI pipes, PVC pipes, GI, HDPE, AC pipes, Water Meters, DI/DF Sluice valves were kept idle for the last few years in the Section offices. It was noticed that pipes and specials were supplied by the contractors for utilisation in the works even though the required pipes were available in the custody of AEs/ Store.

The materials under the custody of the AEs are not verified by the concerned Sub division officers and report submitted to the EE of the Division. According to Kerala Water Authority Duties of Employees Regulation 1999, the Executive Engineer shall make use of all the control

measures required in the matter of procurement, stocking, issuing and accounting of stores as a Divisional officer in charge of stores. The EE has to collect monthly reports from AEEs in respect of materials under their custody and conduct physical verification regularly. This has not been complied with.

No reply was furnished by the Division.

#### **VIII. Disposal of scrap in Water Authority offices.**

As per proceedings of the Managing Director, Kerala Water Authority, No.KWA/HO/SP-8174/2014-15/Scrap dated 25.09.2015, disposal of scrap accumulated in various offices is one of the major issues faced by Kerala Water Authority. Effective disposal of all scraps will generate revenue for Kerala Water Authority.

As per Judgment dated 6.03.2014 on WP No.4920 of 2014, the Hon'ble High Court has directed to invite open tenders for the disposal of scrap. Based on this judgement the Chief Engineer (HRD &GL) has arranged a meeting and directed the Executive Engineers of (O&M) division to arrange the auction of un-serviceable materials by e-tender at Division level after assessing the value of the items by Evaluation Committee formed at Division level.

Vide G.O(P) No.09/2014/SPD dated 25.10.2014, the Government had ordered that the “ all scrap accumulated at Government offices hence forth should be sold through open tender only to avoid loss to public exchequer. All Government departments, public sector undertakings and Government agencies shall strictly adhere to the above instruction”.

Accounts Member, KWA directed all the Executive Engineers vide his letter No. KWA/HO/IA-I/156/2010 dt. 24 July 2018 to prepare a list of unserviceable items and machines kept as dead stock in each and every office and stores under their control and forward the same to Head office for placing before the Board for seeking orders for auction. Stock verification conducted during 2016 by the Head office identified that many items are kept idle in the Division store and sections and the Stock Verification team directed the EE to prepare the list of unserviceable materials and take necessary action for disposal of such items. No action was seen taken to dispose the items till date. Urgent action may be taken to prepare the list of unserviceable items kept idle under the Division and for the disposal with the approval of Head office at the earliest to avoid further loss of revenue to Kerala Water Authority.

No reply was furnished by the Division.

#### **IX. Non deduction of Security Deposit from the contractor**

On verification of the following work files it was noticed that Security Deposit from the contractors were not collected.



- a) Agt. No. 95/2018-19-Flood 2018- Temporary restoration of water supply to Moolampilly in Kadamakkudy panchayat – SD of `15000
- b) Agt. No. 96/2018-19 - Flood 2018- Temporary restoration of water supply to Chennoor in Kadamakkudy panchayat – SD of `14900

As the works were of urgent nature, the agreement authority directed to collect the security deposit of the above works from the CC bills. But on verification of the final bill, Audit noticed that the Security Deposit amount was not deducted from the bills.

No reply was furnished by the Division.

## **X. Internal Control Mechanism**

### **1. Trial balance**

On a scrutiny of the trial balance of KWA P H Division, Kochi for the month of March 2019 it was observed that the following amounts were shown as debit balances/ receivables which is incorrect.

| Head of account | Particulars          | Amount ( ` ) |
|-----------------|----------------------|--------------|
| 2721            | SD from Contractors  | 4266743      |
| 2831            | ST on sale of Scrap  | 15448        |
| 2839            | ST on other sales    | 29010        |
| 2841            | TDS from Contractors | 394674       |

No reply was furnished by the Division.

### **2. Maintenance of Cash Book – Irregularities/ omissions noticed**

- a) As per GO(P) 639/78/Fin dated 22/08/1978, before bringing a cash book into use the DDO shall count the number of pages and record a certificate of count on the first page of the cash book. This was not seen followed.
- b) As per KTC Vol I Rule 92(a) iv, at the end of each month, the Head of office should verify the cash balance in the cash book and record a signed and dated certificate specifying the cash found on verification, both in words and figures. This was not seen followed in the month of March 2019.
- c) As per the provisions contained in Rule 92 a(ii) of KTC Vol. I, each entry, both on the receipt and payment side of the cash book shall be attested by the DDO as token of having verified its correctness with the relevant entries in the initial record. This was not seen followed.
- d) As per KTC Vol I Rule 92(a) vi, overwriting of an entry once made in the cash book is strictly prohibited. If a mistake is discovered, it should be corrected by drawing a line with the pen through the incorrect entry and inserting the correct one in red ink between the lines.

The DDO should initial every such correction with dated initials. This was not seen followed. Eg: Corrections on 8/5/2018, 9/5/2018, 20/5/2018, 2/7/2018, 23/7/2018, 24/7/2018, 2/8/2018, 21/8/2018, 31/8/2018, 27/11/2018, 30/11/2018, etc.

- e) Entry of 'No transaction' has to be recorded in the cash book when there is no transaction for a day/period. No such entry was recorded throughout the audit period.
- f) Leaving blank pages after every month without any entry was noticed. (Page nos. 219 and 220 during August 2018). Blank pages were not seen cancelled by the DDO.

### **3. Reconciliation of Bank Accounts**

Kerala Water Authority PH Division Kochi is maintaining seven Bank Accounts for its regular functioning.

On verification of the Cash book, Cheque Memo register and Bank Reconciliation Statement for the month of March 2019, following irregularities/ omissions were noticed:

#### **A. Maintenance Account (A/c No. 67144895422, SBI Ravipuram)**

- a) The reconciliation statements were not signed by the Executive Engineer.
- b) An amount of `3058279 shown as excess credit in the cash book has not been cleared till date. Reason for such excess credit in cash book and non credit in bank account were not recorded.
- c) An amount of ` 2577 (`1247/ from 4/2018 and `266/- from 11/2018 to 03/2019) has been shown as bank charges debited by the bank, but those amounts are not seen debited in the bank statement.
- d) An amount of `175360 credited in the bank during 01/2017, but the amount has not been credited in the account till date. Divisional authorities have not taken action on the missing credit so far.
- e) An amount of `3029989 (` 2887882 on 23/10/2018, `77253 on 11/12/2018 and ` 15933 on 24/01/2019) credited in the bank account has not been accounted in the Cash Book till date.

#### **B. Establishment Account (A/c No. 57030146420, SBI Ravipuram)**

- a) The reconciliation statements were not signed by the Executive Engineer
- b) An amount of `180163 shown as excess credit in the cash book has not been cleared till date
- c) The validity of a cheque is three months from the date of issue and the following outdated cheques were not cancelled and credited into the respective accounts.
  - i) Cheque No. 395424 dt. 21/07/2014 `1100
  - ii) Cheque No. 782425 dt. 03/08/2016 `2080

iii) Cheque No. 247687 dt. 02/06/2018 ` 2849

d) An amount of `16656 shown as bank charges (1388 \* 12) debited by the bank, has not been seen debited in the bank statement.

### PART III

#### Follow up outstanding paras from previous reports

| Period    | Part      | Para | ParaDetails   |
|-----------|-----------|------|---|
| 2011-2012 | Part II A | I    | Non- initiation of timely action resulting in revenue loss Rs. 50 lakh.   |
| 2012-2013 | Part II A | I    | Short collection of connection fee in respect of flats amounting to Rs 70.49 lakh   |
| 2013-2014 | Part II A | I    | KSUDP—Strengthening of distribution network in Kochi— Abandoning the work due to insufficient planning resulting in wasteful expenditure of `3.26 crore                             |
| 2017-2018 | Part II A | I    | Shortage of materials at site on physical verification - `60.61 lakh liability to be recovered against the contractor   |
| 2008-2009 | Part II B | I    | Non-achievement of objective due to delay in arranging the terminated work at the risk and cost of contractor.  |
| 2008-2009 | Part II B | II   | Estimated extra liability of Rs.5.03 lakhs due to delay in re-arranging the terminated work.  |
| 2010-2011 | Part II B | IV   | Deposit works - Expenditure incurred in excess of the amount deposited.   |
| 2012-2013 | Part II B | II   | Exorbitant rate allowed for the supply of material  |
| 2013-2014 | Part II B | VII  | Suspected case of encroachment of KWA property—follow up regarding  |
| 2013-2014 | Part II B | VIII | Idling of oil tanker regarding  |
| 2013-2014 | Part II B | XI   | LSGD Account-- Non reconciliation-- Escrow accounts --reg.  |
| 2013-2014 | Part II B | XIV  | Internal Control  |
| 2014-2015 | Part II B | II   | Shortage of materials in Stock  |
| 2014-2015 | Part II B | X    | Irregular sanction of service weightage for PR 2004 and 2009 and Time Bound Higher Grade Promotion to Smt.Sosamma Daniel, LDC, HG.  |
| 2014-2015 | Part II B | XI   | Irregular sanction of reoptionfor Time Bound Higher Grade.  |
| 2015-2016 | Part II B | II   | Implementation of the work – Delay – reg.   |
| 2015-2016 | Part II B | IV   | Non collection of long outstanding dues towards water charges ` 125.09 Crore—non initiation of action to locate the unidentified consumers or initiate revenue recovery proceedings |
| 2015-2016 | Part II B | VI   | Non initiation of timely action for repairing the department vehicle –tanker lorry –KL-01B -5917 of the Sewerage Sub Division, Pallimukku   |
| 2015-2016 | Part II B | X    | Non deduction of income tax on Medical Allowance.   |
| 2015-2016 | Part II B | XI   | Internal control  |
| 2016-2017 | Part II B | I    | Replacement of old 300 mm. CI pipe line in Mattancherry & Fort  |

| Period    | Part      | Para | ParaDetails  |
|-----------|-----------|------|--|
|           |           |      | Kochi areas – Excess procurement of pipes and payment of road restoration charges to PWD on inflated rates – loss of ` 30.06 Lakh  |
| 2016-2017 | Part II B | IV   | Non Completed/Partially Completed Schemes – Improvements to Water Supply Scheme of Chellanam Panchayath – Revised AS pending sanction  |
| 2016-2017 | Part II B | V    | Scrap and other unserviceable materials – disposal – reg.  |
| 2016-2017 | Part II B | IX   | Revenue Recovery – reg.  |
| 2016-2017 | Part II B | XII  | Unidentified connections – action – reg.   |
| 2017-2018 | Part II B | I    | Improper planning- Replacement of old and damaged 700mm premo pipe by 700mm DI K9 pipe in Kathrikadavu to Pulleppady road.   |
| 2017-2018 | Part II B | II   | AMRUT 2015-16 – Replacement of existing 525mm distribution cum pumping main with 600mm rider pumping main from Karuvelippady to Koovappadam in Kochi Corporation – non-commencement of the work.                   |
| 2017-2018 | Part II B | III  | Augmentation of Kochi WSS – Improvement of water supply to Divisions 13 to 16 of Edakochi area   |
| 2017-2018 | Part II B | IV   | Improving water supply to Ambalavanan road (South Kadavanthra ) in Division no 28 by laying 160 mm PVC pipe.   |
| 2017-2018 | Part II B | V    | Improving water supply in Padivattom area-Replacing old and damaged 150mm AC pipe with 160mmPVC pipe in Edappally-Arkkakadavu road in old Division no-34(New-41) of Kochi Corporation-Non-commencement of the work |
| 2017-2018 | Part II B | VI   | Maintenance of Guest House at Cemethery Mukku – Painting, furnishing, electrical and pumbing work – delay in completion of the work  |
| 2017-2018 | Part II B | X    | Non operative accounts – lack of monitoring – Non Reconciliation   |
| 2017-2018 | Part II B | XI   | Revenue pending collection   |
| 2017-2018 | Part II B | XII  | Disposed of lapsed/unclaimed deposits.   |

#### **PART-IV**

#### **Best Practices Noticed During The Course Of Audit**

NIL

#### **PART-V**

#### **Acknowledgement**

Audit acknowledges the cooperation extended by the auditee.

**Sr.Deputy Accountant General (SGS II)**

**RAO/KWA/III/IR/2-540/2018-19**

**Date: 22 Oct 2019**

**NOTE**

**Sub: - Inspection Report of PH Division Kochi for the period 2018-19 –reg**

Inspection Report (IR) of PH Division, Kochi for the period 2018-19 was forwarded by the SA Party VIII.

2. Edited version of the draft IR is submitted for approval.

**RAO/KWA**

**Sr.DAG(SGS II)**

**RAO/KWA/III/IR/2-540/2018-19**

**Date: 23 Oct 2019**

**NOTE**

**Sub: - Inspection Report of PH Division Kochi for the period 2018-19 –reg**

While approving the IR of PH Division, Kochi, Sr.DAG(SGS II) has directed to pursue Part II A – Para I ‘**Loss of `2.05 crore as water charges due to classification of buildings having less than 10 dwelling units as “flats”**’ as PDP.

In this connection, it is informed that, a para on the same subject was included as Part II A Para I ‘**Loss of `62.50 lakh as water charges due to classification of buildings having less than 10 dwelling units as “flats”**’ in the IR of WS Division, Kochi 2018-19. AO SAP VIII has also informed that similar case is being included in the IR of PH Divn Aluva which is yet to be submitted by the party.

In view of the above, we may consolidate all similar paras and include it as a PDP case.

With reference to Part II A Para II ‘**Shortage of cash in bank vis-à-vis cash book**’, the party has informed that it cannot be established as a case of misappropriation and the Division is taking action to trace out the amounts.

**RAO/KWA**

**Sr.DAG(SGS II)**