

# **INTERNAL AUDIT REPORT OF PH DIVISION THODUPUZHA**

*Corrected etc*

**PERIOD OF AUDIT : 07/06/2016 TO 28/06/2016**

**PERIOD COVERED : 04/2012 TO 03/2015**

## **AUDIT TEAM**

- 1. Sri. K.J. Nizar, Internal Auditor**
- 2. Smt. Rajeswari, Divisional Accountant**
- 3. Sri. P.S Reghu, Head Clerk (HG)**

## INTRODUCTION

PH Division, Thodupuzha is one of the largest Division under Kerala Water Authority entrusted to supply drinking water and maintenance of pipe line to major part of Idukki District. This division has three sub divisions viz. Thodupuzha, Peerumedu and Painav.

### PH DIVISION, THODUPUZHA

#### INCUMBENCY DETAILS

**Incumbency Details of Executive Engineers, Technical Assistants,  
Divisional Accounts Officers and Junior Superintendent  
for the period from 01/04/2012 to 31/03/2015**

Sl. No.	Name	Period from	To
<b>EXECUTIVE ENGINEERS</b>			
1	Sri. M.N. Suresh	01/09/2011 FN	08/06/2012 FN
2	Smt. C.L. Mary	08/06/2016 FN	06/06/2013 AN
3	Sri. K.R. Viju Mohan, Technical Assistant (Full Additional Charge)	07/06/2013 FN	14/06/2013 FN
4	Sri. Alex Kuriakose	14/06/2013 FN	24/10/2014 FN
5	Smt. P.K. Sheela, Assistant Executive Engineer, Thodupuzha. (Full Additional Charge)	24/10/2014 AN	07/12/2014 AN
6	Sri. P.V. Nandakumar	08/12/2014 FN	31/03/2015
<b>TECHNICAL ASSISTANTS</b>			
1	Sri. M.A. Joseph	22/09/2011	23/07/2012 AN
2	Smt. P.K. Sheela, AEE, Thodupuzha (Full Additional Charge)	24/07/2012 FN	17/08/2012 FN
3	Sri. Viju Mohan K.R.	17/08/2012 AN	28/02/2014 AN
4	Smt. P.K. Sheela, AEE, Thodupuzha (Full Additional Charge)	28/02/2014 AN	10/03/2014 FN
5	Sri. P.S. Pradeep	10/03/2014 FN	11/09/2015
<b>DIVISIONAL ACCOUNTS OFFICER</b>			
1	Sri. C. Sasi	29/11/2011 FN	06/02/2013 AN
2	Sri. T.V. George	06/02/2013 AN	30/04/2015 AN

JUNIOR SUPERINTENDENTS			
1	Sri. T.D. George	30/01/2012	26/09/2013
2	Sri. Joseph George	26/09/2013	31/03/2015

On verification of following registers and records of PH Division Thodupuzha following discrepancies are noted which are to be rectified or cleared under intimation to audit.

**I. Establishment Matters and Service Books**

On verifying the service books of the incumbents the following observations are noticed.

1. Enhancement of DA during 2015 and 2016 are not seen entered in the SBs.
2. The fact of sanctioning higher grades (1<sup>st</sup> TBHG) to Sri. KG Sanal Kumar LDC is not seen entered in the Service Book.
3. The annual increment sanctioned to Sri. NK AjiKumar, O/A is not seen authenticated by the Divisional Officer.

The same may be rectified and shall be reported to audit.

**II. Cash book, Bank Statement, Receipt book**

(a) Opening balance as on 01/04/2012, Rs. 7,208/- is not seen remitted into bank on succeeding working day. An amount of Rs. 20,770/- was to be remitted during the month 04/2012 into non-operative account. But it seen that Rs. 13,415/- only is remitted. The remittance details of balance Rs. 7,355/- is to be submitted to audit.

The non-remittance of cash collected in the next working day is to be viewed seriously.

(b) On 23/07/2012 an amount of Rs. 38,760/- has been seen transferred to O&M Account and closing balance as per cash book reduced to Rs. 4,46,183/- which remains unchanged in cash book for the period of audit. As per new Treasury pass book the closing balance is only Rs. 500/-.

The direction or reason under which the fund transferred from treasury account to O&M A/c is not seen written in cash book or cheque memo register. The difference in closing balance of treasury passbook is to be explained to audit.

Treasury cheque memo register seen maintained since 09/2015. The CMR for the previous period shall be produced before audit.

- (c) Balance in Non-operative account as per cash book and Bank statement has huge variations up to 11/2013. Bank reconciliation of Non-operative account has not produced to audit.

Closing balance of Non-Operative Account in cash book remained as Rs. 71,798/- for a long period. On a test check of Bank statement, it is seen that

Closing balance of 09/2013 <del>is</del> <i>was</i>	23,80,501
Closing balance as per cash book	71,798
Closing balance as per Bank statement 10/2013	14,004
Closing balance as per cash book	5,000
Closing balance as per bank statement 11/2013	24,826
Cash book	5,000

This may be cleared with reconciliation statement for 01/04/2012 to 31/03/2015 and produce before audit.

- (d) The cash book is not seen authenticated, not signed by the writer, not verified by anyone other than the writer, no cash verification certificate for the period from 01/04/2012 to 30/09/2013 and abstract of cash book is not entered in cash book during the period.
- (e) ~~Pages~~ *gn* of cash book about 5 pages *are* kept blank after each month during 01/04/2012 to 30/09/2013 without cancelling or filling with abstract.
- (f) On 16/04/2012 the amount transferred to O&M A/c No. 67148435201 from salary account, Rs. 9,42,414/- is rounded in red ink but no remarks or

corrected entry is seen written. This may be clarified whether this is accounted or omitted during closing of cash book for the month.

Also on 16/04/2012 CBV 27 Mace of RWSS 2811 - Rs. 83833 is rounded in red ink without explanation or correction entry.

- (g) ST collected in CB2 receipts are seen remitted in to operative Account. But the remittance was not done in due time. Detailed checking is needed to verify that ~~the~~ <sup>the</sup> all ST collected are remitted into operative account and whether the same has been remitted to the agency concerned properly during 01/04/2012 to 31/03/2015. The details of this has to be entered in the register of remittance. The action taken shall be reported to audit.

### **III. Cheque Memo Register**

Cheque memo registers of following accounts are maintained in Division are submitted to audit and following remarks are noted for rectification and remarks ~~are noted~~ in future compliance. List of Accounts

#### **1. A/c No. 57069582918 - Salary**

- (a) Certificate of number of page of register is not written and authenticated
- (b) Balance amount after each payment in cheque memo register is entered after erasing the already entered one by whitener and corrected amount is written in pencil which are highly irregular. The discrepancy shall be corrected and report to audit.
- (c) On 14/06/2012 fund transferred from Deposit A/c No. 67133387137 to Salary A/c No. 57069582918 - Rs. 1,99,587/- with only explanation that fund adjustment. Specific reason for transferring of fund is needed, otherwise fund transferring from deposit A/c to Salary Account is irregular. Hence this may be clarified. Several such cases are noticed and shall be reported to audit.
- (d) On 20/06/2012 balance amount against cheque no. 016845 - Rs. 870438 is collected after rounding to Rs. 836780. But the amount carried over to next page is Rs. 870438 itself. Hence explanation needed why this correction made.

Date	Particulars	Amount
15/06/2012	Fund transferred from (salary) A/c to O&M A/c.	2,86,000.00
23/07/2012	fund transferred from Treasury A/c to O&M A/c	38,760.00
04/02/2014	Fund transferred from NRDWP A/c to O&M A/c	6,54,000.00
04/02/2014	Fund transferred from Deposit A/c to O&M	80,964.00
16/04/2012	Amount transferred from O&M A/c to Salary A/c	9,42,414.00
21/12/2012	Transfer of fund from deposit A/c to O&M Cheque No. 652886	11,87,212.00
04/02/2014	Fund transferred from NRDWP A/c	65,400.00
04/02/2014	Fund transferred from Deposit A/c	80,964.00
04/02/2014	Fund transferred from TDS A/c	232.00

The transfer of fund entry shall be cleared by stating the reason to support it, may be reported to audit.

(e) Cancellation of cheque entry should be signed by the Head of office. This is not done in the cheque memo register. This shall be complied in future.

## 2. A/c No.6714843821 of O&M

This cheque memo register is maintained in an improper manner. For instance, page numbered 263<sup>5</sup> inserted between machine numbered pages 93 and 94 in an irregular manner<sup>^</sup>, and postings of deposits entered in it without proper authorisation of the Head of Office. Bottom portion of page 94 is pasted so that entries of 11/04/2012 and 17/04/2012<sup>are</sup> is followed by that of 27/03/2012. Pencil entry on the corner difference 9,42,414/- and Rs. 8,54,000/- already entered on 06/2011. In cash book, receipt side, on 07/04/2012 amount transferred from A/c No. 59069492955 due to closure of current A/c as per direction of FM, Rs. 9,42,414/- on 16/04/2012. As per cash book receipt side

On 16/04/2012 interest credited by bank for the balance Rs. 73,394/- of O&M old A/c Rs. 15,020/- entered. On 16/04/2012 an amount of Rs. 88,414/- is transferred from salary account to O&M A/c.

(b) From 01/04/2012 onwards the balance column in cheque memo has seen corrected by rounding and corrected figure one written in red ink above the rounding, and the another in pencil below the rounding which has a difference of Rs. 75,000/- up to 12/04/2012. A difference of Rs. 13,414/- from 16/04/2012 to 17/04/2012 and Rs. 18,334/- from 18/04/2012 to 31/05/2012. The corrections in O&M cheque memo seen upto 20/09/2013. This may be cleared and the correct balance entry be entered under intimation to audit.

(c) On 17/04/2012 sale tax remitted in the A/c Rs. 4,920/- is added with balance and the same figure <sup>again</sup> added on 31/05/2012. Similarly ST Rs. 738/- added on 06/06/2012 and 31/05/2012.

(d) ST of tender sale upto 29/08/2013 Rs. 22,806 and 31/08/2013 Rs. 4,815 total Rs. 27,621/- seen remitted on 25/09/2013. Correctness of the amount may be verified and reason for delay in remitting the same may be submitted to audit after keeping a register for the same.

#### **IV. Bank Reconciliation**

Salary A/c No. 57069582918

(a) List D details shows that cheque issued has payment difference as follows:

Cheque No.	Date	Issued to	Amount	Payment cheque difference
812954	17/02/2012	P Jayaraj Contractor	90.00	
44509	01/10/2012	AE, Electrical Sub Division, Thodupuzha	270.00	
44533	08/11/2012	Transfer Credit	8000.00	
354178	05/06/2013	Self	2.00	
	01/08/2013	FM & CAO	7000.00	

This need explanation how this difference occurred.

- (b) Interest credited by bank has not remitted into non-operative account. The interest amount accrued shall be transferred to Non-operative account and report to audit.

O&M A/c No. 67148438201

DD No. 78128 dated 16/11/2011 from District Collector for Rs. 81,700/- is not seen credited till date the reason for the same may be reported.

Deposit A/c 67133387187

- (a) List A - Following cheque/DD received has not yet credited by bank up to 30/04/2016.

11/04/2012	Cheque No. 17603 dated 20/03/2012	Secretary Elam desam Block Panchayat	80000.00
06/2012		Secretary Arakulam Grama Panchayat	104819.00
	<b>Total</b>		<b>220819.00</b>

Action taken to realise the same may be reported. Also report whether the work for this fund had completed or not.

- (b) Rs. 612148/- has been remaining in List C ie. Credited but not accounted in cash book up to 31/03/2015.

11/04/2012	Cheque No. 575100	79900.00
16/04/2012	DD No. 894844	210000.00
04/05/2012	Cheque No. 895707	100000.00
28/05/2012	Cheque No. 038969	165000.00
14/11/2014	Cheque No. 590268	57248.00

The reason may be explained to audit.

NRDWP A/c

Interest credited has not remitted into Non-Operative Account up to 30/04/2016.



Interest for 05/2014 to 04/2016 - Rs. 40,515/- as per reconciliation. Action may please <sup>be</sup> taken to remit the same and report to audit.

**V. Monthly Accounts and Trial balance**

(a) Cash balance in CB-27 and trial balance has huge difference. As on 31/03/2015 cash balance is Rs. 11/- but in trial balance it is Rs. 2,19,511/-. This may be clarified. Similarly balance in Operative Account and Non-operative account 1511 and 1512 have huge difference as per cash book and trial balance.

(b) Following head of Accounts are to be NIL in Trial balance has huge amount as shown below:

No.	Interest	Debit balance	Credit
1532			218493
9211		556304	
9219			1319552

These are to be explained and corrected.

**VI. EMD/SD Register**

Huge amount pending as time barred SD and EMD to be forfeited and remitted into Non-Operative Account and report to Audit.

Rs. 2,62,310/- as per details given from division. But on verification of registers security deposit of Rs. 7,35,700/- and EMD of Rs. 2,13,100/- <sup>are</sup> to kept idle in the Division.

**VII. Stamp Register**

Stamp register is not seen maintained properly since 31/10/2008. From 11/02/2011 to 04/09/2012, no entry of stamp utilisation, but as per despatch register stamps are used. Entry is not correct, on a test check of 04/09/2012 to 11/09/2012 no <sup>entry</sup> duty of stamp utilisation but as per despatch register stamp is used. After 11/09/2012, stamp utilisation in stamp register is recorded <sup>only</sup> on 03/2013 while a huge amount <sup>is</sup> used during the period for interview of <sup>operators</sup> operations. On 11/2014 cheque for Rs. 13,500/- has been seen written as per cheque memo on 04/11/2014 Rs. 3000/- 07/11/2014 7,500/- and 24/11/2014 - Rs. 3,000/-

07/11/2014 - 7,500/- and 24/11/2014 Rs. 3,000/- but only Rs. 3,000/- is entered in the register. While the average use of stamp is below Rs. 1500/-. Stamp for Rs. 15,000/- is seen purchased on 26/09/2015. This may be cleared to audit.

### **VIII. Incumbency Register**

Incumbency register is maintained but not updated.

### **IX. GPF temporary advance register is not seen maintained**

### **X. Casual Leave Register and Attendance Register**

Casual Leave Register and Attendance Register are maintained for 2015 & 16 verified. In test checking it is found that the entries in Attendance for Casual Leave have not often taken in Casual Leave Register. Blank columns and only red line (not marked whether Casual Leave or not) crossed columns are seen. Total leave not calculated in 12/2015.

## **DIVISION**

### **I. Works**

#### **1. Deposit Work**

Huge amount is seen balance with this division towards the balance amount after execution of deposit work from local bodies during the audit period. The details of deposit and balance are shown below.

Year	Deposit Amount Rs.	Balance Amount Rs.
2012-2013	56601592.00	3551144.00
2013-2014	7142543.00	1572675.00
2014-2015	13233988.00	6806746.00
<b>Total</b>	<b>76978123.00</b>	<b>11930565.00</b>

The reason for non-transferring of the amount to Non-operative account/return to depositor may be explained by the Executive Engineer. If the depositors demand interests for the balance amount, the concerned officers are liable to bear individually since Kerala Water Authority is not responsible.

## **2. Work Register - FA-1**

The most important divisional record equal to cash book, Work Register has not been maintained in this office for a long even after the repeated direction of the Internal Audit team. It should reflect the correct picture of the work executed including the payment and recovery etc. So the Executive Engineer may be explained with specific remark for the non-maintenance of Work Register to audit.

Though the Deposit Work Register is seen maintained but not in a proper order since it does not contain the utilisation details of work done.

### **II. Name of work**

UWSS to Thodupuzha 19 replacement of existing old and damaged pipelines supplying and laying 150mm to 300mm D1K9, 100mm to 150mm GI (Class B) and 110mm PVC d4 distribution pipes in various roads of North Zone and Kunnamkallu area of Thodupuzha Municipality Package I.

Agreement No. : 31/2013-14/SE/PHC/MVDA dated 07/08/2013.

PAC : Rs. 4,46,55,884/-

Contractor: Sri. Shaji K Mathew

Administrative sanction was issued for the scheme under 19. Replacement of old damaged pipes for Rs. 1341 - Lakhs by the MD Kerala Water Authority vide Order No. KWA/HO/WS2/18/05 (WS/43/2012-13) dated 12/10/2012. The work has been arranged in 4 packages. The subject work is the package I.

### **Irregularities**

#### **1. Non-transferring of balance materials to department store**

On verification of MAS - statement of the final bill of the subject work, it is noted that huge quantities of pipes and specials are balance with the contractor, even after the completion of work. The details of materials are as follows:

1	300mm D1-19 pipes	41.85m
2	200mm D1-19 pipes	18.70m
3	150mm D1 pipe	67.30m
4	150mm GI pipe	60m
5	110mm PVC (8K9)	47.30m
6	300mm D1 Collar	2 Nos.
7	250mm D1 Collar	5 Nos.
8	200mm D1 Collar	5 Nos.
9	150mm D1 Collar	10 Nos.

Instead of 150mm GI pipe 60m, 100mm GI pipe, 60m has seen transferred to store vide MRN No.1 dated 06/04/2015 which class of pipe is not included in the schedule of work.

So the cost of above materials should be recorded from the contractor and the fact intimate to audit. Failing which it may be treated as the liability of concerned.

### 2. Contradiction in supply of materials under GRS with MAS Account

As per MAS statement of the final bill, 15mm Air valve 3 numbers has been received vide GRS No. 152 and seen executed in the work. But on verification of the concerned GRS it is seen that no such ~~a~~ materials received. So the genuineness and contradiction may be explained by the Executive Engineer to audit.

### 3. Irregular transaction of materials

Out of the subject work, 250mm D1-K9 pipe - 1712.60m is seen transferred to section No.1 through MASTN vide No. 5 dated 03/02/2016 instead of transferring to store by using MRN which is highly irregular. The balance materials from work should be transferred to store where store<sup>is</sup> available. In this division is having a store, so it should have been returned to store. So

executive engineer may be explained for keeping the pipes under section office instead of store.

### **III. Inordinate delay in completion of the schemes under this division**

As per the circular No. KWA/HO/WNII/721/08 Vol. II dated 17/07/2012, directed the SE and Executive Engineer <sup>for</sup> to closing abide by the time schedule fixed for each activity viz. tendering process, approval and execution of agreement, execution work, trial run etc. and ensure that the important components are not lagging. The administrative sanction for the scheme NRDWD-WSS to Adimaly Panchayat and nearby areas of Mannamkundom Village of Idukki District was issued on 18/10/2012 for an amount of Rs. 720 Lakhs vide No. WS/49/12-13. The work was arranged in two packages. Package I consists of the construction of 2.60mld treatment plant and 2.50LL clear water swap at Korangathy. The estimate amount of this package I is Rs. 160 Lakhs and accepted PAC of this work is Rs. 191.91 Lakhs. This work was awarded to the contractor Sri. A Dominic vide Agreement No. 47/13-14/SE/PHC/MUPA dated 10/10/2013 with the time of completion of 12 months that is on or before 19/09/2014. But the contractor could not complete the work in due date. So time of completion has been extended in two times up to 31/12/2015. Part 3<sup>rd</sup> CC of bills is seen passed and requested for fund but the work is not completed due to the non-completion of the component part of *clarifloculator* ..... so far (6/16).

The second package of the scheme consists of 1 <sup>lakh</sup> LL capacity BPT at Chattupara, S/L Run and clear water gravity main 150 to 200mm D1(K9) 150mm GI, 160, 250mm PVC, S/L distribution line in 30mm I, II, III (63 to 160mm PVC of various classes (50 to 125 mm GI). The estimate amount of this package is Rs. 560 Lakhs and accepted PAC of this work is Rs. 4,13,30,045/-. The work was awarded to Sri. EM Poulouse, Contractor with the time of completion of 12 months via Agreement No. 42/2013-14/SE/PHC/MVPA dated 25/09/2013. As such the work should have been

completed on or before 19/06/2014 but seen completed in the extended time period on 08/02/2015. But some portion of the gravity main pipe were damaged by the PWD during road widening works carried out under PMGSY by District Panchayath. The distribution line commissioned except the gravity line. In short this package is also still remained as incomplete though we have spent Crores of rupees <sup>know</sup> Authority's exchequer. No earnest efforts were exerted on the part of this division for completing and commissioning the scheme as a whole. ~~So the Executive Engineer may be replied with specific as a whole.~~ So the Executive Engineer may be replied with specific remarks for the laxity on the part of Division to audit. Solicit higher level intervention for the speedy completion of work in a time bound manner and to avoid similar such cases, if any.

Likewise for the scheme IO-NRDWB <sup>B</sup> providing water supply scheme to district head Quarter Idukki, Painavu Colony, Cheruthuruthy and Thanikandom area of Vazhathoppu Panchayath, an amount of 980 Lakhs allowed as Administrative Sanction by MD Kerala Water Authority vide order No. WS/63/12-13. The scheme was decided to implement in five packages via.

1. Package I - Supply and <sup>erection</sup> creation of pump set
2. Package II - Construction of <sup>sump</sup> pump cum pump house at TP compound (3.2LL) construction of compound wall at T.P. and proposed <sup>sump</sup> pump cum pump house and S/L distribution line in zone II.
3. Package III - Construction of 1 lakh litre capacity GLSR at Gandhi Nagar, S/L of 150mm D1 gravity main and zone1 distribution.
4. Package IV - Construction of 1.3LL capacity <sup>sump</sup> pump cum pump house at Painav, S/L 200mm D1-K9 pumping main distribution line and
5. Package V - Construction of 2.5 Lakhs Litre capacity GL tank near micro wave station.

Out of the above 5 packages , four packages are seen completed months ago except package I, which is an important one. The whole scheme cannot function without erecting pump and motor and which adversely affected the commissioning of entire scheme. The Executive Engineer may be explained for the delay in executing the package I which is the pivot of the entire scheme.

Name of Work

**IV.69 - Renovation of civil structure - Renovation and extension work of Munnar ~~1B~~ - Part I** *Inspector's Bungalow - Part I*

Agreement No. : 127/13-14/EE/KWA/PH

Division Thodupuzha dated 12/12/2013.

Estimate amount : 9,99,739/-

Accepted PAC : Rs. 10,99,713/- (10% above)

Contractor : Sri. Biju Varghese

Irregularities

1. Unlawfully use of sanctioning Power for favour of contractor

The subject work was awarded to the contractor at 10% above <sup>Tendered</sup> of ~~Tender~~ PAC when the work was completed, the contractor has been executed the work for Rs. 1,18,474/- which is beyond the accepted PAC of Rs. 10,99,713/-. In this juncture, for favouring the contractor, the Executive Engineer has seen used his sanctioning power <sup>in sanctioning in granting excess</sup> of 5% and limited the bill such a manner. Thus the total excess came as 15% which is never the sanctioning power of Executive Engineer. So the excess amount unlawfully sanctioned <sup>for</sup> Rs. 49,987/- may be recovered from the Executive Engineer and the fact report <sup>to</sup> audit.

2. Poor quality of estimate preparation

Item 11 of accepted schedule of the work, the contractor has to carry out 'dismantling old GI sheet from the existing roof and stack. Total quantity referred as 180m<sup>2</sup>. Item number 12 is dismantling old ceiling portion of ~~1B~~ and office building. Quantity assigned is 68m<sup>2</sup>. But when the work completed, the contractor reported that he has been executed 217.04m<sup>2</sup> and 182.68m<sup>2</sup>

respectively in item No. 11 and item No. 12. Assistant Engineer <sup>has</sup> reported that it is done <sup>due</sup> to wrong calculation at the time of estimate preparation <sup>estimate</sup> which is not acceptable. It reveals that the field officers are preparing the <sup>site</sup> without visiting the site. So they are held liable for the excess quantity and an amount of Rs. 2040 (Rs. 550.82 for m<sup>2</sup>) for item No.11 and Rs. 4635 (Rs. 405.94 for 10m<sup>2</sup>) for item No. 12 plus 10% (excess) of whole amount may be recovered from them. The details of recovery may be intimated to audit.

#### Name of Work

69/13-14 : Renovation of civil structure. Renovation and extension work of Munnar ~~1B-Part II~~ <sup>Inspection Bungalow - Part II</sup>

Agreement No.: 12/14-15/EE/PH DN/TPZA dated 04/06/2014

Tendered PAC : Rs. 706372/-

Accepted PAC : Rs. 8,12,328/- (15% above)

Time of completion : On or before 03/12/2014

#### Irregularities

##### 1. Non-levy of fine for belated execution of agreement

The selection memo of the subject work was despatched to the contractor on 24/03/2014 and directed to attend the office within 20 days for executing the agreement. But the contractor has <sup>executed</sup> extended the agreement only on 04/06/2014 ie. 52 days elapsed from the due date. No <sup>fine</sup> time as per NIT condition is seen levied for belated execution of agreement. So an amount of Rs. 8123 (1% of the PAC) may be recovered from the contractor and report to audit.

##### 2. Short levy of fine for the extension of time of completion

The subject work was <sup>awarded</sup> to the contractor with <sup>the</sup> time of completion on or before 03/12/2014. But the contractor could not complete the work in time. So he <sup>has</sup> requested for extension time up to 31/08/2015. So the executive engineer has <sup>of</sup> extended the time of <sup>completion</sup> extension up to 31/08/2015 by imposing a fine of Rs. 7,060/- which has no legal support. The fine should have been imposed as per NIT condition as follows.



(XX) executed in two phases and expended

Fine for first 3 months: 1% of the PAC subject to minimum Rs. 300 and maximum Rs. 15000.

Fine for each 3 months beyond the first 3 months : 2% of the PAC subject to minimum Rs. 600 and maximum of Rs. 30000/- as such total fine would come Rs. 40,254/-. Out of that Rs. 7,060/- has been levied. Thus the short levy of fine is ~~40254-7060~~ = Rs. 33194. So the above amount should be recovered, along with the fine already imposed, from the final bill and report to audit.

3 Preparation of estimate and execution of work are without perspective manner

The renovation and extension work of Munnar IB has been ~~expanded~~ <sup>XX</sup> Rs. 19,62,028/-. In the estimate provision is included for constructing a new room in the existing IB building with a watchman room and car porch. In addition to this, replacing existing GI sheet roof of the IB with RCC roof, supplying and paving vitrified tiles to the floor, painting and white washing, varnishing the old wood works after scrapping and cleaning supplying fixing HDPE doors, supplying and fixing two numbers <sup>of</sup> room heater etc. <sup>are</sup> included. But the most important provision for repairing the electrical and plumbing works <sup>are</sup> excluded from the estimate of both <sup>the</sup> stages, at the same time providing and fixing good quality curtains in the IB rooms included which is highly irregular. So IB has no use even after spending more than 19 lakhs rupees for two years. It is due to the irresponsibility of field and Division officers, unscientific preparation of estimate and undue favour to the contractors etc.

The estimate prepared <sup>ing</sup> and the sanctioning officers could have been included the provision for repairing of electrical and plumbing works instead of item 10, - demolishing and removing old marble flooring over the cement plastering and disposal of the debris 80m<sup>2</sup> for Rs. 4,486/- and item No. 11, supplying and paving vitrified tiles 60x60 of first quality finishing joint free over cement 80m<sup>2</sup> for Rs. 1,28,906/- in the accepted schedule of stage II of <sup>the</sup> subject work. The existing floor structure of marble needed only polishing. If they did so, we could save the amount spent for paving tiles and could complete the

plumbing and electrical works which are yet to do. So the field officer to Division officers are held liable for non-completing the works and the resultant loss incurred to Kerala Water Authority day by day in terms of rent.

It is surprised when we noted the estimate submitted to SE for electrification work and plumbing work of Munnar 1B for Rs. 8,73,572/- vide No. 4B -2-2296/12 dated 29/01/2016. The lagitimacy and necessity of the estimate may be examined from higher level with experts.

Following registers and records of PH sub division, Thodupuzha are verified and following points noted for further guidance.

### **PH SUB DIVISION, THODUPUZHA**

#### **I. Cash book**

1. Treasury balance Rs. 2,295/- is seen. This is to be closed and amount shall be remitted into Non-Operative Account under intimation to audit.
2. Bank reconciliation  
Interest credited by bank shall be entered in cheque memo and credited into Non-operative account and the present reconciliation shall be submitted to audit. Bank charge is to be deducted in cheque memo.
3. Reconciliation of Non-Operative account shall be submitted after clearing the receipts not ranked as per list B and C.
4. In reconciliation amount credited by bank but not accounted in cash book Rs. 99,278/- is being carried over from 08/2011. This shall be traced out and cleared and new reconciliation statement clearing this shall be submitted to audit.
5. Work Register of Remittance  
1% collection charge of KCWWF collected is to be remitted into non-operative account.
6. Trial Balance  
In trial balance the closing balance of cash non-operative and operative shall be as per those in CB 27. The variations seen in cash in hand in a trial checking.

This may be corrected and intimated to this office with corrected trial balance of recent time.

### **SUB DIVISION, THODUPUZHA**

#### **II. Establishment matters and Service Book**

##### 1. Reconciliation statement

The statements are not authenticated by the sub divisional officer may be authenticated and produce before audit.

##### 2. Cheque Issue (memo) Register

On verifying the cheque memo register, the balance amount from 22/05/2012 up to 08/08/2012 are seen written by overwriting and with carelessness. More over the balance amount from 17/08/2012 is written with pencil and the signature of the superintend who wrote the cheque is not seen. Furnish remarks regarding this and may be corrected accordingly to produce before audit.

#### **III. Revenue Wing**

On verification of the revenue wing attached to this sub division, the following observations are offered.

- (1) The total number of water supply connection under this sub division is 16,711. Out of that, 15,357 - WS connections are domestic, 1347 numbers are non-domestic and 7 connections are belongs to Industrial category. The demand and collection of water charge from 2012-13 to 2014-15 are the following.

Sl. No.	Year	Demand	Collection
1	2012-13	1,50,00,000.00	1,51,00,000.00
2	2013-14	1,80,00,000.00	1,65,00,000.00
3	2014-15	2,00,00,000.00	1,52,00,000.00

While comparing the demand and collection of the audit period, it is noted that the collection was went ~~to~~ decreased when demand was increased during

2013-14 to 2014-15. Strenuous action may be taken for achieving the target through a special drive.

- (2) There are seven meter readers ~~are~~ engaged in taking ~~of~~ meter reading. (Establishment - 4 numbers and HR hands 3 numbers). But none of them could achieve the target of reading per month as prescribed by the Authority. The details of meter reading takes during audit period as follows:

Year	Reading taken
2012-13	29396 Nos.
2013-14	37130 Nos.
2014-15	25819 Nos.

- (3) Though the arrear notice prepared and served considerably but no proportionate actions have been taken for disconnection against the defaulters. The details of arrear notice issued and disconnection effected are as follows:

Year	No. of arrear notice issued	No. of disconnection effected
2012-13	3879 Nos.	112 Nos.
2013-14	2852 Nos.	135 Nos.
2014-15	6095 Nos.	33 Nos.

Urgent action may be taken for disconnecting the water supply connections of defaulters excluding schools in a time scheduled manner per week and the fact report to audit.

- (4) <sup>As far as</sup> ~~With regard to~~ the Revenue Recovery is concerned, this process seems to be dead from 2014 onwards though this could collect an amount of Rs. 2,14,232/- through RR up to 2014. Strenuous action may be taken for stimulating the RR process against defaulters at Division and sub division level.
- (5) In the case of faulty meter, there were 1100, meters were reported as not working as on 31/03/2015. Out of that only 992 Nos. were seen replaced with new one. So earnest effort may be taken for replacing the faulty meter with new one and report to audit.

(6) Unidentified water supply connection is concerned, there are four number of WS connections are reported to be un-identified and all are in Mundamala.

- a. Consumer No. 22/D in Mundamala
- b. Consumer No. 13/D in Mundamala
- c. Consumer No. 15/D in Mundamala
- d. Consumer No. 110/D in Mundamala

The fact may be reported to Revenue Monitoring Cell for seeking order of eviction from CPL.

(7) Huge arrears are seen pending against defaulters both in domestic and non-domestic categories. Strongest action may be taken for recovering the same from defaulters through a special device. For instance as on 03/2016.

Sl. No.	Number	Arrear more than Rs. 5000/ and above in Domestic category	Arrears more than Rs. 10,000/- and above in Non-Domestic category
1	639	Rs. 64,84,045.00	--
2	131	--	Rs. 63,44,053.00

### PH SUB DIVISION PEERUMEDU

Following registers are verified and the irregularities noted as follows:

#### I. Establishment Matters and Service Books

Regarding the verification of Service Books the following observations were noticed. The same may be corrected and shall be reported to audit.

1. Service verification report as on 03/2016 is not seen recorded in all the Service Books. Please take necessary steps and report to audit.
2. Sri. Byju P.T, Driver Grade II  
Educational qualifications and details of first appointment shall be authenticated by the Sub Divisional Officer and report.
3. Sri. Manoj Kumar V.K., UD Clerk  
Educational qualification shall be authenticated and report to audit.

## 4. Sri. Gramadas S, Operator

The fact of sanctioning increment as on 01/09/2015 shall be entered in the Service Book, authenticated by the sub divisional officer and report to audit.

**II. Cash book**

1. Certificate of total number of pages has not been written in registers except present cash book.
2. Cash book has been maintained properly for 01/04/2012 to 30/11/2013 but after that 12/2013 to 05/2014, ~~though~~ certificate of cash balance written not authenticated. Several corrections are made in pencil (on 02/05/2012, 04/05/2012, 11/05/2012, 02/05/2013, 03/05/2013, 10/2013 and 11/2013) cash balance certificate not written from 05/2014 onwards.
3. On 30/04/2013 the arrear DA transfer credit is taken in receipt side of cash book in the account code 2812 instead of 2822 in the abstract also that amount is against sundry creditor suppliers.
4. Interest credited by bank in operative account as per bank pass book is not credited in Non-operative account.

On verification of pass book of Bank following interest have been credited by bank during 01/04/2012 to 31/03/2015 - audit period.

31/05/2012	15486.00
30/11/2012	12941.00
31/05/2013	17797.00
30/11/2013	4706.00
31/05/2014	8536.00
30/11/2014	18584.00

These are to be credited in cheque memo register and remit into non-operative account by yourself cheque. In cash book, credit in 7131 code and credit in non-operative column in 9139 code. Similarly Bank charges are to be debited in cheque memo. This shall be complied in future also.

Remittance registers

6. Income tax deducted from contractors are seen remitted as a bulk amount compiling of 3 or 4 months during 04/2012 to 06/2014. This has been corrected later.

KCWWF has been remitted in full to the Secretary KCWWF Board. 1% of the amount is to be taken as collection charge and remit into Non-operative account as income of Kerala Water Authority (7299).

7. Reconciliation Statement

Reconciliation of Non-operative account has not done. As per bank statement for 03/2015 interest credited by bank, Rs. 77,564/- has not been remitted in non-operative account.

The interest being the income of Kerala Water Authority this shall be taken in cheque memo as credit and bank charges shall be debited. The interest thus taken in cheque memo shall be credited in non-operative account by yourself cheque.

8. Trial balance

On verification of trial balance it is seen that imprest Rs. 1,500/- and temporary advance 1659 - Rs. 15,000/- has not settled.

Debit balance is seen in following head of account

2825	LIC	55640
2835	VAT	4316
2839	ST	1824
2841	IT Contractors	33789
2895	KCWWF	5424
3461	TA	3121

These irregularities may be cleared and intimated to audit.

Irregularities

The mandatory certificate of the <sup>head</sup> ~~hand~~ of the office to the effect of total count of pages has not been done in the first pages of the following registers.

1. Tender Register and
2. Agreement Register

Agreement Register

Split up of works in to more than two for arranging the work within the limit of the sanctioning power is being done in this sub division which is highly irregular and against the direction of MD. Honourable MD vide order No. KWA/JB/EW/998/14 dated 19/06/2014 ordered that no work will be split into more than two. Following are the examples of violation of order.

3. RWSS to Malakunnu (1st Boosting) supply of winding materials for 40 HP motor for Rs. 13,200/-  
Quotation No. : 346/13-14
4. RWSS to Malakunnu - Rewinding charge of 40HP - motor for Rs. 13,000/-  
Quotation No. : 347/13-14
5. RWSS to Vandiperiyar - rewinding charge of 30 HP -VT pump for repair and after for Rs. 1300/-

The Assistant Executive Engineer may be replied with specific remarks for non-comply with the MD's direction.

6. Quotation Register

Irregularities

On verification of above register it is observed that the estimate amount is not recorded against each work. Likewise the quoted amount by the bidders has not been recorded in the following quotations.

Quotation No.: 154/14-15 to

Quotation No.: 160/14-15

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



## 7. Temporary Advance Register

As per vide ~~06/06/2014~~ of KPWA code Temporary Advance account should be closed as soon as possible and the unspent balance if any remitted back to the disbursing officer forth with. In controversy to this, Sri. Arunkumar A, Assistant Engineer is still bearing Rs. 15,000/- without settled as on 01/2014. He has been promoted and relieved from this office on 21/04/2014. So the principle amount with 12.5% interest should be recovered from him and the fact intimate to audit. Details of advances and settlement are as follows:

Sl No.	Date	Advance taken Rs.	Settled Amount	Month of settlement
1	09/01/2013	22000.00	22000.00	03/2013
2	06/03/2013	10000.00	10000.00	03/2013
3	28/05/2013	10000.00	10000.00	03/2014
4	02/08/2013	15000.00	15000.00	03/2014
5	11/09/2013	10000.00	10000.00	03/2014
6	20/01/2014	15000.00	-	
	Total	82000.00	67000.00	

### PH SUB DIVISION, PAINAV

The cash book, cheque memo register, bank statements, bank passbook, non-operative registers etc. are verified and following facts noted for rectification and future compliance.

#### 1. Cheque Memo Register

Interest credited by bank on 30/11/2014 Rs. 7854 and 31/05/2015 Rs. 6989 are taken in cheque memo but not remitted into non-operative account in the income of Kerala Water Authority, this shall be remitted into non-operative account.

Hence the interest credited shall be checked in previous period and shall be credited into non-operative account and then shall be done in future also.

- (1) On 02/04/2012 opening balance Rs. 2191/- is not seen remitted on subsequent days. This way cleared to audit.
- (2) Reconciliation done up to 05/2016. In trial balance of 03/2015 in the head 1532 debit balance of Rs. 2,000/- is seen. Since this has to be NIL. Hence the reason for non-settling of imprest may be intimated. Similarly debit balance on following heads are also irregular.

LIC 2825	22836	These means excess remittance
Professional Tax 2829	73050	
9212	197634	These are to be journalised and nullified in Trial balance
9219	1717364	

(3) Remittance Register

1% of KCWWF deducted in collection charge of KCWWF and shall be remitted into non-operative account.

Monthly Vouchers


- (4) On verification of monthly account of 03/2015 it is seen that temporary advance CB2 is written as "Pay to Assistant Engineer, PH Section...." This must be in the name of the Assistant Engineer specifying the section and settlement also written in register in the account of each section. This is to be followed in future as the unsettled balance temporary advance in the liability of the concerned Assistant Engineer.

- (5) Vouchers of HR payment for work has been seen passed under the head of account 3214. This may be done in <sup>booked under 3352</sup> (3199) instead of the head of account 3214 <sup>which</sup> is comes in journalising <sup>(the head of A/c</sup> of 2811. <sub>^</sub>

On verifying the Temporary Advance register it is revealed that the codal provisions has not been complied with while sanctioning and settling the temporary advance.

The details of temporary advance drawn by Sri. Radhakrishnan Nair, Assistant Engineer as furnished below.

He had given Rs. 8000/- towards Temporary Advance on 07/03/2012 vide cheque No. 780791. He had settled the amount except Rs. 3185. This amount is seen settled on 21/05/2014 without interest which is highly irregular. Interest at the rate of 12.5% should have been collected. So the interest as per rule may be calculated and recovered from incumbent otherwise it will be the liability of concerned. The fact may be reported to audit.

  
Internal Auditor

Accounts Manager

  
Accounts Member



## PH SUB DIVISION, PAINAV

### 1. Temporary Advance Register

As per the rule 06/06/2014 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.

On <sup>verifying the</sup> sanctioning of Temporary Advance register it is revealed that the codal provisions has not been complied with, while sanctioning and settling the temporary advance.

The details <sup>of temporary advance drawn by Sri.</sup> furnished below Sri. Radhakrishnan Nair, Assistant Engineer as <sup>furnished below</sup>

He had given Rs. 8000/- towards Temporary Advance on 07/03/2012 vide cheque No. 780791. He had settled the amount except Rs. 3185. This amount is seen settled on 21/05/2014 without interest which is highly irregular. Interest at the rate of 12.5% should have been collected. So the interest as per rule may be calculated and recovered from incumbent otherwise it will be the liability of concerned. The fact may be reported to audit.

  
Internal Auditor

Accounts Manager

Accounts Member