24/9050/MC.

KERALA WATER AND WASTE WATER AUTHORITY RECEIPT AND PAYMENT ACCOUNT FOR 1984-85

Sl.No.	Receipts	Amount	Sl.No.	Payments	Amount
(1)	(2)	(3)	(4)	(5)	(6)
		Rs.			Rs.
1.	To opening balance cash in hand Sch. A	16,44,382.97	1.	By Establishment Charges Sch. F	1,75,95,641.59
2.	To Revenue realised Sch. B	2,69,25,474.28	2.	By Operation & Maintenance Sch. G	7,76,15,167.51
3.	To Grants and contributions received Sch. C	43,16,76,400.00	3.	By Net Debit under "Stock" "MPWA" etc., Sch. H	(—)13,65,92,679.19
4.	To Rent of quarters	35,589.39	4.	By Tools, Plant, Machinery	18,01,079.12
5.	To Maintenance charges recovered from Panchayats	68,952.82	5.	By Capital Expenditure on Water Supply & Sewerage Schemes. Sch. I	41,81,92,323.42
6.	To Pension contribution received	6,673.94	6.	By Pension and Gratuity	9,73,839.22
				Debit Deposits, Advances, Remittances and Suspense	
7.	To Interest on loans to Employees	6,943.90	7.	By Payment from GPF of Employees	67,59,509.30
8.	To Interest on balances held in Treasuries and Banks	25,693.90	8.	By Expenditure on deposits under Local Funds	3,648.80
	Debit Deposits, Advances, Remittances and Suspense.				
9.	To Loan from LIC of India	4,71,00,000.00	9.	By Refund of Deposits and Expenditure on deposit works	3,15,23,338.17

(1)	(2)	(3)	(4)	(5)	(6)
10.	To Receipts to GPF of employees	82,84,234.70	10.	By Advances paid to employees Sch. J	6,91,858.80
11.	To Deposits received	4,29,80,719.03	11.	By Remittance to Government Account	5,25,64,714.89
12.	To Recovery of loans/Advances paid to employees Sch. D	10,16,124.75	12.	By amounts debited to "Items adjustable by PWD"	3,67,576.53
13.	To Amounts withdrawn from Government funds during 1984-85	2,77,76,259.15	13.	By Amounts debited to "Items adjustable by Civil"	61,922.86
14.	To Amounts credited to "Items adjustable by PWD"	56,38,915.44	14.	By Amounts debited to "Suspense" Sch. K,L	5,40,82,033.95
			15.	*By Closing cash balance*	
				(i) Cash in hand	1,37,26,431.53
				(ii) Cash in Treasuries and Banks	7,59,96,308.59
15.	To Amounts credited to "Suspense" Sch.E	2,55,55,350.82		(iii) Cash in Transit Sch. M	33,79,000.00
	Total	61,87,41,715.09		Total	61,87,41,715.09

(Sd.) (Sd.) (Sd.)

KERALA WATER AND WASTE WATER, AUTHORITY
RECEIPT AND PAYMENT ACCOUNTS FOR 1984-85

SCHEDULE A

tatement showing office-wise break up of opening Cash in hand on 1-4-1984

			Rs.
1.	Chief Engineer, PHED., Trivandrum		245.86
2.	Superintending Engineer, P.H. South Circle, Trivandrum		Nil.
3.	Superintending Engineer, Peppara Dam Circle, Trivandrum		200.00
4.	Do.	IPD. Circle, Trivandrum	..
5.	Do.	IPD. Circle, Alwaye	98.50
6.	Do.	PH. Circle, Cohin	401.70
7.	Do.	PH. Central Circle, Trichur	760.36
8.	Do.	PH. North Circle, Kozhikode	1317.90
9.	Do.	IPD. Circle (N)	600.00
10.	Executive Engineer,	PH. Dn., Trivandrum	5,13,805.00
11.	Do.	PH. Dn., Quilon	5,62,254.67
12.	Do.	PH. Dn., Alleppey	1,31,610.43
13.	Do.	PH. Dn., Mavelikkara	32,490.07
14.	Do.	PH. Dn., Kottayam	1,24,328.64
15.	Do.	PH. Dn., Cochi n	20,278.46
16.	Do.	W.S. Dn., North Cochin	1,775.16
17.	Do.	PH. Dn., Irinjalakuda	2,006.19
18.	Do.	PH. Dn., Trichur	3,665.50
19.	Do.	PH. Dn., Palghat	3,748.08
20.	Do.	PH. Dn. Malappuram	25,157.52
21.	Do.	PH. Dn., Sulthan Battery	4,587.11
22.	Do.	PH. Dn., Calicut	18,971.43
23.	Do.	PH. Dn., Badagara	19,523.14
24.	Do.	PH. Dn., Cannanore	13,098.53
25.	Do.	PH. Dn., Thodupuzha	25,562.52
26.	Do.	Mechanical Dn., Cochin	541.09
27.	Do.	Water Supply Dn., (N) Trivandrum	38,734.00
28.	Do.	Peppara Dam Dn., No. I, Peppara	1,593.09

29.	Executive Engineer,	W.S. Aug. Dn., Trichur	1,520.90
30.	Do.	PH. Dn., Alwaye	3,895.55
31.	Do.	,, Thiruvalla	1,1490.14
32.	Do.	Peppara Dam Dn., II, Peppara	1,798.48
33.	Do.	Industrial W.S. Dn., Thrippunithura	2,300.00
34.	Do.	Drainage Dn., No. I, Trivandrum	55,135.56
35.	Do.	Drainage Dn., No. II, Trivandrum	326.36
36.	Do.	Drainage Dn., No. II, Quilon	..
37.	Do.	Drainage Dn., No. II, Cochin	1,013.06
38.	Do.	Drainage Dn., No. II, Calicut	1,698.75
39.	Do.	PH. Central Stores, Cochin	3,845.71
40.	Do.	PH. IPD. Dn., Trivandrum	3,694.05
41.	Do.	,, Pathanamthitta	..
42.	Do.	,, Kottayam	957.75
43.	Do.	,, Alwaye	4,664.10
44.	Do.	,, Palghat	1,92.40
45.	Do.	,, Calicut	1,683.20
46.	Do.	,, Manjeri	..
47.	Do.	,, Tellicherry	1,512.01
		Total	16,44,382.97

(Sd.)

Finance Manager and Chief Accounts Officer

(Sd.)

Managing Directo

(Sd.)

Technical Member

SCHEDULE B

Revenue Realised

	Rs.
Service and Service fees recovered	571.20
Receipt from Sewerage Scheme	14,680.16
Receipt from Urban Water Supply Scheme	1,33,82,039.01
Receipt from Rural Water Supply Scheme	6,55,814.51
Fees and fines realised	3,09,844.93
Other receipts	54,05,383.22
Receipt from Sewerage and Water Supply	71,67,141.25
Total	2,69,25,474.28

(Sd.)
Finance Manager and
Chief Accounts Officer.

(Sd.)
Managing Director.

(Sd.)
Technical Member.

SCHEDULE C

Grants and Contributions Received

Grants received from Government for setting up of the Authori

		Rs.
G.O. Rt.1400/84/LA&LAD dated 13-4-1984 / 18-4-1984		4,65,00,000.00
G.O. Rt. 1446/84	,, 21-8-1984	5,00,00,000.00
G.O. Rt. 2767/84	,, 13-11-1984	4,00,00,000.00
G.O. Rt. 3592/84	,, 29-3-1985	1,50,00,000.00
G.O. Rt. 1122/85	,,	
	Total:	15,15,00,000.00

Grants received from Government for Capital Expenditure on works

G.O. Rt. 1683/84/LA&LAD. dated 17-5-1984		5,00,00,000.00
G.O. Rt. 1926/84	,, 7-6-1984	4,00,00,000.00
G.O. Rt. 2767/84	,, 21-8-1984	7,00,00,000.00
G.O. Rt. 3592/84	,, 13-11-1984	8,00,00,000.00
G.O. Rt. 1098/85	,, 28-3-1985	1,50,00,000.00
	Total:	25,50,00,000.00

Contributions towards Centrally Sponsored Accelerated Rural Water Supply Scheme

G.O. Rt. 2767/84/LA&LAD dated 21-8-1984	2,00,00,000.00

Contribution from other sources

Kerala State Industries Department order No. G.O. Ms. No. 757/85/ID., dated 25-3-1985	24,46,400.00
Agriculture Department order No.	6,00,000.00
Scheduled Caste/Scheduled Tribes Department order No. G.O. Ms. No. 9/85/DD dated 5-2-1985	21,30,000.00
Total:	51,76,400.00
Grand Total:	43,16,76,400.00

(Sd.)
Finance Manager and Chief Accounts Officer.

(Sd.)
Managing Director.

(Sd.)
Technical Member.

SCHEDULE D

Recovery of Loans and Advances paid to Employees

	Rs.
House Building Advances	3,35,661.25
Motor Car Advance	44,206.80
Motor Cycle Advance	15,923.20
Cycle Advance	11,660.50
Festival Advance	6,07,064.00
Mosquito Net Advance	1,609.00
Total:	10,16,124.75

(Sd.)

Finance Manager and Chief Account Officer

(Sd.)

Managing Director

(Sd.)

Technical Member

Schedule E

Credit to Suspense

	Rs.
Cash settlement suspense Account	2,54,64,988.27
Income tax from salaries and contractor	79,136.72
Audit Charges payable	3,499.83
Sales tax payable	14,231.30
Suspense account with P & T	21.60
SLI payable	6,354.30
Items adjustable to other department	36.00
Provident Fund Suspense	(—) 12,917.20
Total:	2,55,55,350.82

(Sd.)
Finance Manager and Chief Accounts Officer

(Sd.)
Managing Direc

(Sd.)
Technical Member

SCHEDULE F

Establishment Charges

		Rs.
	Direction and Administration	
(i)	Salaries	5,05,41,137.07
(ii)	Wages	3,10,728.00
(iii)	Travel expenses	14,98,696.57
(iv)	Office expenses	30,92,423.29
(v)	Deduct share debit transferred to works under capital	(—)4,84,29,054.00
	Total	70,13,930.92
	Survey and Investigation	
(i)	Investigation Planning and design organisation	82,89,105.07
(ii)	Planning and design unit	2,94,811.24
(iii)	Investigation and machinery	5,74,439.91
(iv)	Planning Cell	1,97,429.01
(v)	Strengthening of Execution Unit	5,82,097.85
(vi)	Setting up of Statistical Cell	2,25,453.07
	Total	1,01,63,336.15
	Training	
(i)	Research and Employment	1,16,368.25
(ii)	Training	1,76,468.03
(iii)	Inventory Control	1,41,757.78
(iv)	Deduct amount reimbursed by Government of India	(—) 16,219.55
	Total	4,18,374.51
	Grand Total	1,75,95,641.59

(Sd.)
Finance Manager and Chief Accounts Officer

(Sd.)
Managing Director

(Sd.)
Technical Member

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SCHEDULE G

Operation and Maintenance

		Rs.
Maintenance of	Urban Water Supply Scheme	5,48,71,275.90
,,	Rural Water Supply Scheme	1,59,69,251.75
,,	Sewerage Schemes	43,11,410.52
Lossess on stock		1,30,498.01
Amount written off		96,447.00
Minor works		22,36,284.33
	Total	7,76,15,167.51

(Sd.)
Finance Manager and
Chief Accounts Officer.

(Sd.)
Managing Director.

(Sd.)
Technical Member.

SCHEDULE H

Stock, Misce. Work advance & percentage recoveries

	Rs.
Stock:	
Debit to stock	4,69,30,077.89
Debit advances for stock	2,51,101.24
(—)Debit under 'Purchases'	(-) 1,12,49,835.83
Total debit/stock	5,59,31,343.30
Issues to Revenue heads	3,80,69,990.20
Issues to capital heads	12,42,94,682.77
Issues outside the grant	1,97,75,549.92
Total credit to (—) stock	18,21,40,222.89
Net debit to stock (—)	14,62,08,879.59
Misce. Work Advance	
Debit to Misce. work advance	1,37,14,454.17
Credit Misce. work advance	27,19,816.73
Net debit to Misce. work advance	1,09,94,637.44
Percentage recoveries:	
Percentage recoveries within the Revenue head	1,66,823.94
Percentage recoveries on capital account	12,11,613.10
Total credit	13,78,437.04
Net credit	13,65,92,679.19

(Sd.)
Finance Manager and Chief Accounts Officer.

(Sd.)
Managing Director

(Sd.)
Technical Member.

SCHEDULE I

Capital expenditure on Water Supply Schemes and Drainage Schemes

		Rs.
1.	Public Health Sanitation Schemes	2,88,696.03
2.	Sewerage Schemes	2,69,35,848.32
3.	Urban Water Supply Schemes	6,19,46,353.20
4.	Rural Water Supply Schemes, LIC aided	4,98,55,755.06
5.	Accclerated Rural Water Supply Schemes (Centrally Sponsored)	14,99,67,234.05
6.	Minimum Needs Programme	7,28,67,133.90
7.	Water Supply to Industrial areas	1,10,18,399.31
8.	Flood control	2,30,808.08
9.	Rural Water Supply Schemes benefiting Harijans	3,92,64,459.48
10.	Rural Water Supply Schemes benefiting Tribals	57,66,482.54
11.	Low cost Sanitation	3,87,190.60
	Total	41,85,28,360.57
	Deduct Receipts and Recoveries on Capital account	3,36,037.15
	Net	41,81,92,323.42

(Sd.)

Finance Manager and Ch ef Accounts Officer.

(Sd.)

Managing Director.

(Sd.)

Technical Member.

Schedule J

Loans and advances to employees

	Rs.
Loan for purchase of Cycle	280.00
Festival Advance	6,91,578.80
Total	6,91,858.80

(Sd.)

Finance Manager and Chief Accounts Officer.

(Sd.)

Managing Director.

(Sd.)

Technical Member.

SCHEDULE K

Debit to Suspence

	Rs.
Cash settlement suspense Account	5,38,44,838.32
Other items	1,37,297.36
Unreconciled difference	99,898.27
Total	5,40,82,033.95

(Sd.)

Finance Manager and Chief Accounts Officer.

(Sd.)

Technical Member.

(Sd.)

Managing Director

SCHEDULE L

Statement showing cash balance held by the various Field Offices and Head Offices as on 31-3-1985

Sl. No.	Name of Offices	Cash in balance (i) In hand	(ii) In Bank
(1)	(2)	(3)	(4)
1.	Secretary, Kerala Water Authority, Trivandrum	9576.57	126810.50
2.	Chief Engineer, Southern Region, Trivandrum	651.65	108651.37
3.	Chief Engineer, Central Region, Cochin	250.00	112069.19
4.	Chief Engineer, Northern Region, Kozhikode	250.00	103675.60
5.	Superintending Engineer, P. H. Circle, Trivandrum	233.61	119027.83
6.	Do. W. B. Circle, Quilon	2692.78	105858.22
7.	Do. P. H. Circle, Kottayam	402.11	216104.50
8.	Do. W. B. Circle, Alwaye	342.70	22361.08
9.	Do. P. H. Circle, Ernakulam	479.90	100438.35
10.	Do. P. H. Circle, Trichur	11207.72	150140.56
11.	Do. P. H. Circle, Kozhikode	1445.10	108213.87
12.	Do. P.H Circle, Cannanore	600.00	121990.67
13.	Executive Engineer, PH.Dn., Trivandrum	324987.54	4040715.47
14.	Do. do. Quilon	153452.90	1527992.93
15.	Do. do. Kottayam	718685.87	528922.49
16.	Do. do. Alleppey	235780.68	1448760.01
17.	Do. do. Thiruvalla	329498.02	801158.56
18.	Do. do. Cochin	3611255.55	1288910.41

SCHEDULE M

Cash in Transit as on 31-3-1985

		Rs.
1.	Secretary, Kerala Water Authority, Trivandrum	2,12,00
2.	Chief Engineer, South, Trivandrum	2,00,00
3.	Superintending Engineer, World Bank Circle, Alwaye	1,00,00
4.	Executive Engineer, P.H. Dn., Quilon	3,00,00
5.	Do. W.B.P. Division Quilon	1,32,00
6.	Do. P.H. Dn., Cochin	2,50,00
7.	Do. do. - Irinjalakuda	2,00,00
8.	Do. do. Palghat	80,00
9.	Do. do. Shoranur	1,00,00
10.	Do. do. Thodupuzha	2,80,00
11.	Do. Mech. Dn., Cochin	3,00,00
12.	Do. W.S. Dn., Trivandrum	2,60,00
13.	Do. Id W.S. Dn., Thrippunithura	1,00,00
14.	Do. Drainage Mce. Dn., Trivandrum	1,10,00
15.	Do. I.P.D. Dn., Cochin	2,00,00
16.	Do. Do. Dn., Trivandrum	5,00
17.	Do. P.H. Dn., Pathanamthitta	1,00,00
18.	Do. W.B.P., Dn., Adoor	2,00,00
19.	Do. I.P.D. Dn., Manjeri	50,00
20.	Chief Engineer, Central Region, Cochin	1,00,00
21.	Chief Engineer, Northern Region, Kozhikode	1,00,0
	Total	33,79,00

(Sd.)

Finance Manager and Chief Accounts Officer.

(Sd.)

Managing Director

(Sd.)

Technical Member.

AUDIT CERTIFICATE

I have examined the accounts of the Kerala Water and Waste Water Authority, Trivandrum for the year ending 31st March 1985. I have obained all the information and explanation that I have required, and subject o the observations in the appended Audit Report, I certify as a result of ny audit, that in my opinion these accounts are properly drawn up so as to xhibit a true and fair view of the state of affairs of the Kerala Water and Vaste Water Authority, Trivandrum according to the best of information nd explanation given to me and as shown by the books of the organisation.

(Sd.)

ANANDA SANKAR,
Accountant General (Audit)
Kerala, Trivandrum.

Trivandrum,
6th August, 1988.

AUDIT REPORT ON THE KERALA WATER AND WASTE WATER AUTHORITY FOR THE YEAR 1984-85

The Kerala Water and Waste Water Authority was established by the Government of Kerala with effect from 1st April 1984 under the Kerala Water and Waste Water Ordinance, 1984 (No. 14 of 1984) to provide for the development and regulation of water supply and waste water collection and disposal. The Ordinance was replaced by an Act of the Legislature in August 1986. The nomenclature of the Authority was changed as Kerala Water Authority by the Act. The Authority has taken over all functions of the erstwhile Public Health Engineering Department.

2. The audit of the accounts of the Authority has been entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

3. Under Section 29 of the Kerala Water Supply and Sewerage Act, 1986, the Authority shall cause to be maintained such books of accounts and other books in relation to its accounts and prepare an annual statement of accounts and balance sheet in such form and in such manner as the regulations made under Section 65 ibid may require. But no regulations have been made by the Authority so far (February 1988). The Authority, however, prepared a receipts and payments account for the year 1984-85, which is a consolidation of the monthly accounts of the Divisions and receipts and disbursements in the Finance Wing of the Authority's Central Office. Annual statement of Accounts and Balance Sheet had not been prepared for the year 1984-85. The Authority stated (June 1988) that the receipts and payments accounts for 1984-85 was being rearranged in the new form approved by the Authority in December 1987 and that a balance sheet would be prepared after the finalisation of valuation of the assets and liabilities of the Authority as on 1st April 1984.

4. *Accounts*: Following is a summary of the receipts and payments accounts for the year 1984-85:—

Receipts		*Payments*	
	Rs. in lakhs		Rs. in lakhs
Opening balance	16.44	Establishment charges	175.96
Revenue Realised	269.26	Operation & Maintenance	776.15
Grants & Contributions	4,316.77	Stock & Miscellaneous Public Works Advance (–)	1,365.93

Receipts	Rs. in lakhs	Payments	Rs. in lakhs
Miscellaneous receipts	1.18	Tools, plant and Machinery	18.01
Interest on balance in Treasuries and Banks	0.26	Capital expenditure on Water Supply and Swerage Scheme	1,181.92
Loan from Life Insurance Corporation of India	471.00	Pension and Gratuity	9.74
Provident fund	82.84	Provident fund	67.59
Amount withdrawn from Government Account	277.76	Deposits	315.27
		Advance to employees	6.92
		Remittance to Government account	525.65
Deposits	429.81	Items adjustable by Public Woks Department	3.68
Loans & Advances to employees	10.16	Items adjustable by Civil Departments	0.62
Items adjustable by Public Works Department	56.39	Suspense	540.82
Suspense	255.55	Closing balance	931.02
Total	6,187.42	Total	6,187.42

A. *Receipts:*

(i) Opening cash balance of Rs. 16·44 lakhs was provisional pending reconciliation by the various unit offices of cheques drawn from and remittances made into the treasuries upto 31st March 1984. This work is in arrears for 969 months in respect of 42 unit offices.

(ii) Revenue realised: Rs. 269·26 lakhs

This figure had not been reconciled with the consolidated statement of demand, collection and balance as on 31st March 1985 and consequently misclassification, if any, of rent realised for quarters and maintenance charges collected from panchayats could not be verified.

(iii) Interest on balance held in treasuries and banks: Rs. 0·26 lakh

Interest amount of Rs. 5·05 lakhs credited by the treasuries and banks before 31st March 1985 was not accounted during 1984-85. The Authority stated (June 1988) that interest allowed on balances held in treasuries upto 31st March 1985 would be included in the accounts for 1985-86.

B. *Payments:*

(i) Establishment charges: Rs. 175·96 lakhs.

22 per cent of works expenditure under capital (Rs. 484·29 lakhs) was deducted towards share debit of establishment expenditure transferred to works under capital. The percentage adopted did not have approval of the Board.

An amount of Rs. 16,219·55 reimbursed by Government of India towards expenditure under training had been deducted from expenditure though the Authority had not ascertained whether the amount reimbursed related to the year 1984-85. The Authority had agreed (June 1988) to credit the amount to Government account if the reimbursement of Rs. 16,219·55 related to a period prior to 1984-85.

(ii) Operation and maintenance: Rs. 776·15 lakhs.

This included loss of stock valued Rs. 1·30 lakhs and Rs. 0·96 lakh written off. Authority for the write off was wanting. Maintenance charges recoverable from local bodies had not been accounted for separately.

(iii) Net debit under stock, Miscellaneous Public Work advance and percentage recoveries (Minus) Rs. 1,365·93 lakhs.

The figure was not supported by office-wise schedules showing the opening balance as on 1st April 1984, debits and credits during the year and closing balance as on 31st March 1985. The correctness of the debits and credits could not, therefore be verified.

(iv) Tools and Plasts: Rs. 18·01 lakhs

A central register of fixed assets showing the particulars of individual assets working upto the value had not been maintained.

C. *Provident Fund:*

Receipts: Rs. 82·84 lakhs
Payments: Rs. 67·59 lakhs

Recoveries of Rs. 3·35 lakhs had not been credited to accounts for want of schedules. Recoveries of Rs. 6·15 lakhs were kept unposted due to omission to adjust the credit in the accounts. Payments amounting to Rs. 6·81 lakhs had not been debited to the accounts for want of vouchers. Payment amounting to Rs. 0·43 lakh remained unposted in the individual provident fund accounts due to non-adjustment of debits in accounts. Annual closing of the Provident Fund accounts had not been done but the statements of annual account for 1984-85 have been issued to the individual subscribers.

D. *Deposits:*

Receipts: Rs. 429·81 lakhs
Payments: Rs. 315·27 lakhs

Office-wise schedules showing the opening balance on 1st April 19 receipts and payments during the year and closing balance as on 31st Marc 1985 were not available and so the correctness of the above figures coul not be verified. The Authority stated (June 1988) that comprehensiv schedule of deposits had been called for from field offices and that the recon ciliation would be done on receipt of these schedules.

E. *Loans and Advances to employees:*

Recoveries: Rs. 10·16 lakhs
Payments: Rs. 6·92 lakhs

Individual accounts had not been closed for 1984-85 and the balanc as on 31st March 1985 have not been got accepted from the employees i respect of long term advances.

F. *Remittances:*

(i) Amount withdrawn from Government account: Rs. 277·76 lakh

This included unauthorised withdrawal of Rs. 60·69 lakhs from th treasury after 30th April 1984 (i.e., after the Authority came into existence and irregular withdrawal of Rs. 148·45 lakhs against balance under Publi Works Deposits for current expenditure. As the erstwhile Public Healt Engineering Divisions ceased to be Government Offices after the formatio of the Authority withdrawal of moneys from treasury on Government Accoun without sanction of Government was irregular.

(ii) (a) Items adjustable by Public Works Department:

Credit: Rs. 56·39 lakhs
Debit: Rs. 3·68 lakhs

(b) Items adjustable by Civil Departments:

Debit: Rs. 0·62 lakhs

These heads are meant for inter departmental adjustments and not to be operated by autonomous bodies. Hence the transactions under these accounts are unauthorised.

(iii) Remittance to Government Account:

Debit: Rs. 525·65 lakhs

This included a loan of Rs. 471 lakhs received from the Life Insurance Corporation of India which was remitted to Government. The remittance of Rs. 33·53 lakhs in April 1984 and Rs. 21·12 lakhs thereafter had not been reconciled with the treasury accounts.

G. Suspense:

Credit:	Rs. 255.55 lakhs
Debit	Rs. 540.82 lakhs

Suspense transactions had not been analysed by the Authority. These transactions mainly related to cash settlement suspense accounts with other divisions for which acceptance of balances from the responding divisions were wanting.

H. Closing Balance:	Rs. 931.02 lakhs
Cash in hand	Rs. 137.27 lakhs
Cash in treasuries and banks	Rs. 759.96 lakhs
Cash in transit:	Rs. 33.79 lakhs

(i) Based on the opening balance of cash in hand and monthly total cash increase and decrease, the closing balance of cash in hand as on 31st March 1985 should have been Rs. 132.67 lakhs. The difference of Rs. 4.60 lakhs needed to be reconciled. Cash balance certificates were wanting from 47 out of 52 unit officers.

(ii) As no cash book was maintained by the Finance Manager and Chief Accounts Officer during the period, the Cash balance shown in the accounts represented the balance as per the books of the treasury and bank.

(iii) The cash balance in bank included an amount of Rs. 2.96 lakhs being unreconciled balance in the non-operative collection accounts at various branches of the State Bank of Travancore. Cash balance certificates for a sum of Rs. 2.96 lakhs as on 31st March 1985 were also due (June 1988).

(iv) The actual date of accounting by the receiving divisions had not been ascertained and indicated in respect of remittance in transit.

5. *Working Results:*

The general principles for the Authority's finance under section 23 of the Act are that the Authority shall not, as far as practicable and after taking credit for any grant or subventions or capital contributions or loans from the

Government under section 24, carry on its operations at a loss and shall a fix and adjust its rates of taxes and charges as to enable it to meet as soon a feasible the cost of its operations, maintenance and debt service and wher practicable to achieve an economic return on its fixed assets.

The Authority had not maintained/prepared the accounts for 1984-8 in such a way as to ensure that the above provisions of the Act have bee satisfied. In view of this and the deficiencies in accounts as commented i the preceding paragraphs the working results for the year could not b assessed. The Authority stated (June 1988) that accounts based on com mercial principles were under preparation.

6. Assets and liabilities of the Authority

In terms of the provisions of Section 16 of the Act all properties an assets including water works, building, vehicles machineries, water suppl and sewerage services etc., and so much of the subsoil appertaining to th water mains and sewers as may be necessary for the purpose of enlarging deepening, repairing or maintaining of such mains, sewers etc., which wer vested in the Government Public Health Engineering Department stoo transferred to the Authority. All the rights, liabilities and obligations o the Government pertaining to the Department became the rights, liabilitie and obligations of the Authority. All the assets, rights, liabilities and obli gations of the Kerala State Rural Development Board instituted under th Kerala State Rural Development Board Act, 1971 pertaining to the execution of water supply and sewerage schemes in the panchayat areas including th right to recover arrears of annual instalments from panchayats towards ex penditure on water supply and sewerage schemes became the assets, rights liabilities and obligations of the Authority. In terms of sub-section (2) o section 19, the cost of the properties and assets so transferred to the Authority and the liabilities and obligations undertaken should be valued in such manner as Government may determine. The mode of valuation of the pro perties, assets, rights, liabilities and obligations had not been determined by Government so far (June 1989).

In terms of sub-section (2) of Section 19 of the Act, the sums standing in the credit of the employees of the erstwhile Public Health Engineering Department transferred to the Authority in any pension, provident fund, gratuity or other like funds constituted for them should be transferred by the Government to the Authority with any accumulated interest due together with the accounts relating to such funds and the Authority shall be liable for payment of pension, provident fund, gratuity or other like sums as may be payable to such employees. Transfer of funds was yet to be effected by Gove rnment eventhough the Authority had made certain payments on the above account.

B. *Payments:*

(i) Establishment charges: Rs. 175·96 lakhs.

22 per cent of works expenditure under capital (Rs. 484·29 lakhs) was deducted towards share debit of establishment expenditure transferred to works under capital. The percentage adopted did not have approval of the Board.

An amount of Rs. 16,219·55 reimbursed by Government of India towards expenditure under training had been deducted from expenditure though the Authority had not ascertained whether the amount reimbursed related to the year 1984-85. The Authority had agreed (June 1988) to credit the amount to Government account if the reimbursement of Rs. 16,219·55 related to a period prior to 1984-85.

(ii) Operation and maintenance: Rs. 776·15 lakhs.

This included loss of stock valued Rs. 1·30 lakhs and Rs. 0·96 lakh written off. Authority for the write off was wanting. Maintenance charges recoverable from local bodies had not been accounted for separately.

(iii) Net debit under stock, Miscellaneous Public Work advance and percentage recoveries (Minus) Rs. 1,365·93 lakhs.

The figure was not supported by office-wise schedules showing the opening balance as on 1st April 1984, debits and credits during the year and closing balance as on 31st March 1985. The correctness of the debits and credits could not, therefore be verified.

(iv) Tools and Plasts: Rs. 18·01 lakhs

A central register of fixed assets showing the particulars of individual assets working upto the value had not been maintained.

C. *Provident Fund:*

Receipts: Rs. 82·84 lakhs
Payments: Rs. 67·59 lakhs

Recoveries of Rs. 3·35 lakhs had not been credited to accounts for want of schedules. Recoveries of Rs. 6·15 lakhs were kept unposted due to omission to adjust the credit in the accounts. Payments amounting to Rs. 6·81 lakhs had not been debited to the accounts for want of vouchers. Payment amounting to Rs. 0·43 lakh remained unposted in the individual provident fund accounts due to non-adjustment of debits in accounts. Annual closing of the Provident Fund accounts had not been done but the statements of annual account for 1984-85 have been issued to the individual subscribers.

D. *Deposits:*

Receipts: Rs. 429·81 lakhs
Payments: Rs. 315·27 lakhs

Office-wise schedules showing the opening balance on 1st April 198 receipts and payments during the year and closing balance as on 31st Marc 1985 were not available and so the correctness of the above figures coul not be verified. The Authority stated (June 1988) that comprehensiv schedule of deposits had been called for from field offices and that the recon ciliation would be done on receipt of these schedules.

E. *Loans and Advances to employees:*

Recoveries: Rs. 10·16 lakhs
Payments: Rs. 6·92 lakhs

Individual accounts had not been closed for 1984-85 and the balanc as on 31st March 1985 have not been got accepted from the employees i respect of long term advances.

F. *Remittances:*

(i) Amount withdrawn from Government account: Rs. 277·76 lakh

This included unauthorised withdrawal of Rs. 60·69 lakhs from th treasury after 30th April 1984 (i.e., after the Authority came into existence and irregular withdrawal of Rs. 148·45 lakhs against balance under Publi Works Deposits for current expenditure. As the erstwhile Public Healt Engineering Divisions ceased to be Government Offices after the formatio of the Authority withdrawal of moneys from treasury on Government Accoun without sanction of Government was irregular.

(ii) (a) Items adjustable by Public Works Department:

Credit: Rs. 56·39 lakhs
Debit: Rs. 3·68 lakhs

(b) Items adjustable by Civil Departments:

Debit: Rs. 0·62 lakhs

These heads are meant for inter departmental adjustments and not t be operated by autonomous bodies. Hence the transactions under thes accounts are unauthorised.

(iii) Remittance to Government Account:

Debit: Rs. 525·65 lakhs

This included a loan of Rs. 471 lakhs received from the Life Insurance Corporation of India which was remitted to Government. The remittance of Rs. 33·53 lakhs in April 1984 and Rs. 21·12 lakhs thereafter had not been reconciled with the treasury accounts.

G. Suspense:

Credit:	Rs. 255.55 lakhs
Debit	Rs. 540.82 lakhs

Suspense transactions had not been analysed by the Authority. These transactions mainly related to cash settlement suspense accounts with other divisions for which acceptance of balances from the responding divisions were wanting.

H. Closing Balance:	Rs. 931.02 lakhs
Cash in hand	Rs. 137.27 lakhs
Cash in treasuries and banks	Rs. 759.96 lakhs
Cash in transit:	Rs. 33.79 lakhs

(i) Based on the opening balance of cash in hand and monthly total cash increase and decrease, the closing balance of cash in hand as on 31st March 1985 should have been Rs. 132.67 lakhs. The difference of Rs. 4.60 lakhs needed to be reconciled. Cash balance certificates were wanting from 47 out of 52 unit officers.

(ii) As no cash book was maintained by the Finance Manager and Chief Accounts Officer during the period, the Cash balance shown in the accounts represented the balance as per the books of the treasury and bank.

(iii) The cash balance in bank included an amount of Rs. 2.96 lakhs being unreconciled balance in the non-operative collection accounts at various branches of the State Bank of Travancore. Cash balance certificates for a sum of Rs. 2.96 lakhs as on 31st March 1985 were also due (June 1988).

(iv) The actual date of accounting by the receiving divisions had not been ascertained and indicated in respect of remittance in transit.

5. *Working Results:*

The general principles for the Authority's finance under section 23 of the Act are that the Authority shall not, as far as practicable and after taking credit for any grant or subventions or capital contributions or loans from the

Government under section 24, carry on its operations at a loss and shall fix and adjust its rates of taxes and charges as to enable it to meet as soon as feasible the cost of its operations, maintenance and debt service and where practicable to achieve an economic return on its fixed assets.

The Authority had not maintained/prepared the accounts for 1984-85 in such a way as to ensure that the above provisions of the Act have been satisfied. In view of this and the deficiencies in accounts as commented in the preceding paragraphs the working results for the year could not be assessed. The Authority stated (June 1988) that accounts based on commercial principles were under preparation.

6. Assets and liabilities of the Authority

In terms of the provisions of Section 16 of the Act all properties and assets including water works, building, vehicles machineries, water supply and sewerage services etc., and so much of the subsoil appertaining to the water mains and sewers as may be necessary for the purpose of enlarging, deepening, repairing or maintaining of such mains, sewers etc., which were vested in the Government Public Health Engineering Department stood transferred to the Authority. All the rights, liabilities and obligations of the Government pertaining to the Department became the rights, liabilities and obligations of the Authority. All the assets, rights, liabilities and obligations of the Kerala State Rural Development Board instituted under the Kerala State Rural Development Board Act, 1971 pertaining to the execution of water supply and sewerage schemes in the panchayat areas including the right to recover arrears of annual instalments from panchayats towards expenditure on water supply and sewerage schemes became the assets, rights, liabilities and obligations of the Authority. In terms of sub-section (2) of section 19, the cost of the properties and assets so transferred to the Authority and the liabilities and obligations undertaken should be valued in such manner as Government may determine. The mode of valuation of the properties, assets, rights, liabilities and obligations had not been determined by Government so far (June 1989).

In terms of sub-section (2) of Section 19 of the Act, the sums standing in the credit of the employees of the erstwhile Public Health Engineering Department transferred to the Authority in any pension, provident fund, gratuity or other like funds constituted for them should be transferred by the Government to the Authority with any accumulated interest due together with the accounts relating to such funds and the Authority shall be liable for payment of pension, provident fund, gratuity or other like sums as may be payable to such employees. Transfer of funds was yet to be effected by Government eventhough the Authority had made certain payments on the above account.

7. Rules and Regulations for the Authority

In terms of Section 64 of the Act, the Government may make rules for carrying out the purposes of the Act especially in regard to the salaries and allowances and other conditions of service of officers and employees of the Authority, the manner of operation of funds by the Authority, the manner of making provision for depreciation reserve and for its utilisation, the manner in which the accounts of the Authority shall be published, the extent of contributions and manner of making such contributions by local bodies etc. No such rules have been made by the Government so far (June 1988).

In terms of section 65 of the Act, the Authority may make regulations with the previous approval of Government for the Administration of the affairs of the Authority and such regulations may provide *inter alia* for the following matters, namely:—

(a) The summoning and holding of meetings of the Authority, the time and place where such meetings are to be held, the conduct of business at such meetings and the number of persons necessary to form a quorum thereat;

(b) The powers and duties of the employees of the Authority;

(c) The mamagement of property of the Authority;

(d) The execution of contracts and assurance of property on behalf of the Authority;

(e) the limits upto which the Managing Director shall be competent to incur recurring or non-recurring expenditure in any financial year without such expenditure being included in the statement of programme and financial estimates submitted to Government as required in section 28 of the Act.

(f) the preparation of annual statement of accounts and balance sheet by the Authority, etc. Regulations for matters other than that against (a) and (b) above have not been framed by the Authority so far (June 1988).

8. Progress in the execution of Schemes

As per section 56 of the Act, the Authority should after the end of each financial year, prepare and submit to Government a report giving an account of its activities during the previous financial year. The report for the financial year ended 31st March 1985 has not been prepared and submitted to Government so far (June 1988). The Authority stated (June 1988) that the Government had not so far prescribed the form and the due dates for the submission of the report and that the matter was being taken up with Government.

9. Internal Audit and Internal Control

Though an internal audit section of the Authority started functioni from November 1984, a full-fledged Internal Auditor assumed office in Ju 1987 only. There is no system of internal control also. In the absence proper and efficient internal audit it could not be ensured that the orde and directions of the Authority had been followed scruppulosuly by t subordinate offices and the receipts and payments accounted for correctly.

(Sd.)

Trivandrum,
16-8-1988.

ANANDA SHANKAR,
Accountant General (Audit).

REPORT ON THE POINTS RAISED IN THE SEPARATE AUDIT REPORT OF KERALA WATER AUTHORITY FOR 1984-85

Para 3:

In the 60th meeting of the Kerala Water Authority held on 28-5-1988 it was resolved to seek the services of a Deputy Secretary in the Law Department of Government of Kerala on deputation terms to frame the rules and regulations envisaged in Clauses 64 and 65 of the Kerala Water Supply and Sewerage Act, 1986. Based on this resolution Government have been addressed on 12-7-1988 to depute a Senior Deputy Secretary of Law Department Conversant with the drafting of Rules and Regulations. The posting has been issued soon and the Rules and Regulations would be drafted and get approved by Government soon. In this connection it may be noted that the forms for the maintenance of accounts of the Kerala Water Authority prepared by M/s. Price Water House, Madras have been approved by the Kerala Water Authority in its meeting held in December 1987.

Para 4:

A. *Receipts.*—(i) The Drawing and Disbursing Officers of the offices concerned have been directed to submit all pending schedules of settlement with Treasuries to Accountant General immediately. It has been found that in some divisions the return is pending from 12/72 onwards. In response to our letter many officers have explained their difficulty in preparing and submitting the old returns. However they have been instructed to prepare and submit all pending schedules to Accountant General without further delay.

(ii) The maintenance of Demand, Collection and Balance Registers for water charges due from consumers and maintenance charges due from local bodies were not satisfactory during 1984-85. In view of the above it is not easy to reconcile the actual collection shown in the accounts with the collection shown in the D.C.B. statements at this distance of time.

(iii) No instructions were issued from Head Office to include the interest allowed during 1984-85 on balances held in S.B. accounts at treasuries in the cash books. However all efforts are made to include such interest in the accounts for 1985-86.

B. *Payment.*—(i) The percentage of 22% was adopted based on an observation by Accountant General reproduced in the accounting manual issued by M/s. Takur Vaidyanathan & Co. The adoption of a realistic percentage for share debit is under examination.

The nature of receipt is being located.

(ii) The replies from the divisions concerned regarding the details of the transactions are awaited.

(iii) The schedules called for from some more divisions are awaited.

(iv) The register will be prepared along with other assets.

C. *Provident Funds.*—The compilation of accounts for 1984-85 was done by the staff of Kerala Water Authority. As the nature of work was new to us some omission and defects occurred in the compilation and transmission of schedules and vouchers which resulted in non-posting of credits and debits in the individual accounts. The wanting schedules and vouchers have been called for from the offices concerned in 2/88 and credits to the extent of 1.33 lakhs and debits to the extent of 1.67 lakhs have since been posted in the accounts. The replies from some more divisions are still due.

D. *Office-wise schedules were called for in* 2/88.—The schedules from some divisions are yet to be received.

E. This is being done.

F. (i) The amounts drawn may be adjusted at the time of settling the assets and liabilities of Kerala Water Authority with Government.

(ii) (a) These amounts will be adjusted at the time of settling the assets and liabilities of the Authority with Government.

(b) The division has been directed to recover the amount in cash from the department concerned and credit it to Authority's Fund.

(iii) The divisions have been directed to reconcile these remittances also.

G. *Suspenses.*—The divisions have been directed to obtain acceptance from the responding divisions for the debits raised under cash settlement suspense account.

H. Closing Balance.—(i) The difference of Rs. 4.60 lakhs has been found to be due to misclassification in the accounts. Cash balance certificates have since been obtained from 23 out of 52 units. The certificates from the remaining 29 units have been called for.

(ii) The cash book is maintained from 1987-88.

(iii) The reconciliation of remittances under Non-operative collection account for 1984-85, 1985-86 and 1986-87 is in progress.

(iii) Remittance to Government Account:

Debit: Rs. 525·65 lakhs

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16-8-1988.

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Para 4:

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(iv) The register will be prepared along with other assets.

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D. *Office-wise schedules were called for in* 2/88.—The schedules from some divisions are yet to be received.

E. This is being done.

F. (i) The amounts drawn may be adjusted at the time of settling the assets and liabilities of Kerala Water Authority with Government.

(ii) (a) These amounts will be adjusted at the time of settling the assets and liabilities of the Authority with Government.

(b) The division has been directed to recover the amount in cash from the department concerned and credit it to Authority's Fund.

(iii) The divisions have been directed to reconcile these remittances also.

G. *Suspenses.*—The divisions have been directed to obtain acceptance from the responding divisions for the debits raised under cash settlement suspense account.

H. Closing Balance.—(i) The difference of Rs. 4.60 lakhs has been found to be due to misclassification in the accounts. Cash balance certificates have since been obtained from 23 out of 52 units. The certificates from the remaining 29 units have been called for.

(ii) The cash book is maintained from 1987-88.

(iii) The reconciliation of remittances under Non-operative collection account for 1984-85, 1985-86 and 1986-87 is in progress.

(iv) Out of 21 cases of Cash in Transit shown in the accounts reports of accounting of the amounts in cash books have been received from 11 offices.

(v) The accounts based on commercial principle to bring out the financial results will be compiled after finalising the assets and liabilities.

(vi) The work of valuation of assets of the Authority has been entrusted to M/s. Price Water House and they have submitted a draft report. The final report is also expected very soon. Action is also in progress to transfer the assets and liabilities of the Kerala State Rural Development Board in respect of Rural Water Supply Schemes executed out of the Loans received from L.I.C. The mode of valuation of assets and liabilities has not been determined by Government.

Action is in progress to transfer the amounts standing in the credit of the employees of the erstwhile P.H.E.D. in the G.P.F. account.

(vii) Reply same as for para 3 above.

(viii) No further remarks.

(ix) No remarks.

(Sd.)

Date: 15-12-1989. *Managing Director.*