

KERALA WATER AUTHORITY

Internal Audit Wing

Internal Audit Report

PH CIRCLE,KOCHI**PERIOD OF AUDIT : 23.02.2023 TO 01.03.2023****PERIOD COVERED : 01.04.2012 TO 31.03.2022****Audit Team**

SRI. T K ABDUL BASHEER, INTERNAL AUDITOR

SMT. LAKSHMY R, DIVISIONAL ACCOUNTS OFFICER

SRI. S V SIVAKUMAR , HEAD CLERK

Part I**A. Introduction**

The internal audit was conducted from 23.02.2023 to 01.03.2023, covering the period from 01/04/2012 to 31/03/2022.

PH Circle, Kochi consists of 4 Divisions namely PH. Division , Kochi, WS Division Kochi, Project Division, Kochi, PH Division Aluva.

A total number of 14 audit enquiries issued and 7 replies received. 11 audit queries included in the final audit report.

B Officers incharge**Appendix A****C Financial Analysis**

Year	2019-20 (in Lakhs)	2020-21 (in Lakhs)	2021-22 (in Lakhs)
Estt Expenditure	116.23	120.44	150.05
Contigencies	7.52	2.47	2.77

Part II**A. Significant Audit Finding**

Nil

B Other Audit Findings**I Non Crediting of time barred /unclaimed securities & EMDs as revenue to KWA**

As per para 15.4.1(iii) of the KPWA Code, balance amount unclaimed for more than three years should be credited to the revenue as lapsed deposit. On verification of Security deposit and EMD Registers showed that Security Deposits received by PH Circle Kochi in the form of FDRs, NSC ,KVP, Post office TD etc were not credited as lapsed deposits even after the expiry of stipulated period.

Non initiation of timely action to credit the lapsed deposits to the Revenue account resulted in the loss of revenue amounting to ₹33.57lakh.

Though the validity period of the securities had expired, no action was seen initiated by the



controlling officers either to renew/release/forfeit the deposit documents. Periodical physical verification should be conducted at regular intervals to avoid the lapse mentioned above.

The following security documents are found time barred and unclaimed

Sl No	Name	Details of instrument	Date	Bank/PO	Amount
EMD					
1	Jayanthi Agencies(VOI III-81)	307173	12.11.1987	NSC	8000
2	M/s Generation Equipments Co.(Vol III-127)	108919	27.07.1984	Nedungadi Bank	2000
3	Baby NV(Vol V 97)	037668	22.11.2007	Fed Bank	58632
4	Baby NV(Vol V 97)	037338	27.09.2007	Fed Bank	57810
5	Baby NV(Vol V 99)	037803	18.12.2007	Fed Bank	54403
6	Mathew V(Vol V 135)	346099	26.04.2007	Fed Bank	51026
7	Mathew V(Vol V 139)	346096	26.10.2006	Fed Bank	122944
8	MV Jayaraj(Vol V 141)	739464	04.08.2010	CS Bank	120000
9	Mathew V(Vol V 145)	863177	14.08.2007	Fed Bank	50947
10	M/s Biotech	389306	12.03.2013	SyndicateBank	2000
Security Deposit					
1	Indiatech Constructions	22861	8.03.2014	Post Office	300000
2	Tarun Khatwani	766956	19.12.2014	NSC	100000
3	NV Baby	1236278	21.01.2015	Post Office	300000
4	Sunil Mathew	3036776116		Post Office	300000
5	Torrents N Currents	174088	10.03.2016		100000
6	Saravanakumar	3233768006	29.03.2016	Post Office	40000
7	NV Baby	2 Nos	14.12.2009	Fed Bank	473043
8	M/s Crescent lab equipment	37450300000693	26.04.2013		13500
9	M/s Crescent lab equipment	37450300000694	26.04.2013		3100
10	M/s Kevin water & Power	7002219	11.03.2013	SBT Thirumala	100000
11	KK Bakker	30042	27.02.2013	Post Office	100000
12	Remani S Nair	22228	2.09.2011	Post Office	300000
13	MV Viswanathan	270932	14.02.2008	Fed Bank	300000
14	Paulson Chacko	2871	18.08.2010	Treasury	300000
15	M/s Thoovara	2855	23.02.2010	Treasury	100000
	Total				3357405



II Non remittance of revenue collection within the stipulated time

As per Kerala Financial Code Chapter II Rule 7(2) the daily collection should be remitted to the treasury/bank on the next working day itself. But on verification of the remittance details of revenue collected at this office, it is noticed that the above procedure is not properly followed. The details are as follows

Belated remittance of amount collected at PH Circle office Kochi				
Sl No	Receipt No & date	Amount	Remitted on	Delayed days
1	1060032 dt 21.05.2019	5000	10.06.2019	20 days
2	1060057 dt 19.12.2019	2000	30.12.2019	10 days
3	1060058 dt 20.12.2019	2000	30.12.2019	9 days
4	1060060 dt 21.12.2019	3000	30.12.2019	8 days
5	1060061 dt 21.12.2019	3000	30.12.2019	8 days
6	1060062 dt.23.12.2019	3000	30.12.2019	6 days
7	1060063 dt 23.12.2019	3000	30.12.2019	6 days
8	1060064 dt 23.12.2019	3000	30.12.2019	6 days
9	1060065 dt 23.12.2019	3000	30.12.2019	6 days
10	1060066 dt 23.12.2019	3000	30.12.2019	6 days
11	1060067 dt 23.12.2019	3000	30.12.2019	6 days
12	1060102 dt 30.12.2019	3000	06.01.2020	6 days
13	1060167 dt 23.09.2021	3000	28.09.2021	5 days
14	1060172 dt 22.12.2021	3000	27.12.2021	4 days
15	1060179 dt 16.02.2022	3000	21.02.2022	4 days
16	1060187 dt 26.04.2022	3000	29.04.2022	3 days
17	1060188 dt 26.04.2022	2500	29.04.2022	3 days
18	1060225 dt 16.02.2023	2000	20.02.2023	4 days

As per Chapter XI Article 283 of KFC "when an officer is negligent ,careless in his duties entrusted to him, and causes loss to Government, the case is clearly one for punishment and enforcement of personal liability". In this connection the clear dereliction of duty on the part of Junior Superintendent and a serious supervisory lapse is brought to the notice.

III Non remittance of accrued interest to Head office Account

On verification of Trial balance for the year 2019-20, 2020-21, 2021-22 , it is noticed that accrued interests were not remitted to the account of Head office.

A/C No	Purpose	Period	Amount
57030146237	Salary A/c	2019-20	₹30752
		2020-21	₹45805
		2021-22	₹125581



		04/2022	₹5229
	Total		₹207357

Action may be taken to remit the amount to the Account of FM&CAO and fact intimated to audit.

IV Non renewal of Bank Guarantee.

On verification of Bank Guarantee details it is seen that the validity of following BGs had expired and were not revalidated.

SI.No	Agt No.	Contractor	amount	Validity Date
1	11/2017-18/SE/PHC/CHN dated 19.2.2018	MV Jayaraj	Rs. 5,56,400/-	19/02/2022
2	16/2017-18/SE/PHC/CHN dated 21.03.2018	M/s East India Engineers	Rs.1,69,000/-	02/03/2020
3	03/2018-19/SE/PHC/CHN dated 24.04.2018	Paulson Chacko	Rs.13,68,500/-	17/04/2020
4	Imp to Manakkadavu- Kizhakkambalam	Shaji Mathew	Rs.5,94,400/-	13/08/2021
5	10/2019-20/SE/PHC dated nil	M/s Noble tec.	Rs.34,67,500/-	27/10/2021
6	AMTUT Projects under SAAP	M/s East India Engineers	Rs.2,14,350/-	03/08/2022
7	14/2020-21/SE/PHC/CHN dated 28.12.2020	M/s Marymatha infra	Rs.36,12,500/-	26/1/2023

As per Bank Guarantee Rules the bank is liable to pay the guarantee and only if a demand or a claim is lodged with the bank in writing on or before the expiry date of the bank guarantee. All rights under the guarantee shall be forfeited after the expiry of the validity, and the bank shall be relieved and discharged from all liability if no claim is made within the validity period.

Due to the non renewal of Bank Guarantee within the time limit stipulated by bank authorities, Kerala Water Authority stands at the risk of losing the Bank Guarantee amount if the contractor leaves the work in midway. Present Status of each work and whether the guarantee period of the work is over may also be reported. Action may be taken to renew the Bank Guarantee and the details of renewal may be intimated to the audit.

V Short collection of Stamp duty while executing agreement - Amount to be recovered from the Contractor and remitted to Treasury.

Name of work:-KIIFB WSS to Varapuzha panchayath-strengthening of distribution system of Varapuzha Panchayath by supplying laying various size and class of DIPVC and HDPE pipes and interconnecting with the OHSR at Mannamthuruth and renovation of existing 15.5 MLD WTP at Muppathadam to increase the production capacity to the installed capacity of 15.5 MLD with allied works including charging commissioning and maintaining for a period of 3 years

It is noticed that an amount of Rs.99800/-has to be recovered from contractors bills towards short collection of stamp duty. On enquiry ,it is replied that the same amount has been recovered from the contractor's the bills which has been deducted from the payment made from head office, and the recovered amount has not been released from Head office. Follow up action may be taken with the Head office to make available the amount to remit the same to the Govt. account. A Statement of Facts is pending to Govt. in IA wing for want of remittance details. Recovery amount may be obtained and remitted to treasury and fact intimated.



VI Improper maintenance of Tender Register

On verification of the Tender register of this Office, it is noticed that the same was improperly maintained from 2015. The required details were not filled properly and even the entered details were not authenticated. This is a very important register and shall be properly maintained. Necessary corrective steps may be taken and reported

VII Unnecessary delay in issuing Selection Notice to the contractor

Name of work: JJM-WSS to Karumaloor and Kunnukara Panchayaths Phase II Distribution system and providing FHTC

Agreement No. 06/2022-23 /SE/PHC/CHN dt. 31-05-2022

Name of contractor: M/s Surya Constructions

Ref: JJM/PHC/CHN/11578/2020

The above work was sanctioned by the Chief Engineer(CR) vide Order no. KWA/CE/CR/D5/28/2021/JJM dated 11.04.2022. But on verification of the related file, it is noticed that the selection notice issued only on 12.05.2022, after the stipulated time limit . Reason for unnecessary delay in awarding the work may be reported

VIII Non imposing of fine for delay in the execution of Agreement

On verification of the following work files ,it is noticed that contractors were permitted to execute the Agreement after the expiry of the stipulated time (**NIT Clause No 7.22.2**)and without imposing fine and without issuing specific Orders for granting Time extension.Hence the details of the recovery of the fine may be furnished

Sl No	Name of Work	Contractor	Date of Work order	Date of Agt	Delayed days	Remarks
1	DW- Improving WS to Coast Guard by laying 150 mm DI Pipe	KK Ramesan	18.02.2022	25.05.2022	82 days	
2	State Plan - Optimization of production and transmission(Agt No. 02/2021)	M/s Electro fine	19.05.2021	23.07.2021	50 days	
3	JJM-Ernakulam Dist- Providing FHTC by augmenting or retrofitting the existing schemes in Vazhakkulam Panchayath and allied works	M/s Sabani Engineers	23.12.2020	08.02.2021	31 days	

IX Irregular granting of Time extension to execute Agreement -extending undue benefit to the contractor

Name of work: Kochi Corporation-Deposit work-Replacing old and damaged 300mm and 250mm CI pipe by laying 250 mm 200 mm DI K9 pipe

Agreement No. 01/2022-23 /SE/PHC/CHN dt. 01-04-2022

Name of contractor: Sri Mathew Paul



The above work was awarded to Sri. Mathew Paul vide selection notice No. PHC/CHN/W1/497/2021 dated 13/01/2021 with direction to execute the agreement within 14 days on receipt of the Order But on verification of the file it is noticed that the contractor executed the agreement after the lapse of two months and 17 days. The agreement authority vide Order No. PHC/CHN/W1/497/2021 dated 1.04.2022 allowed to execute the agreement exempting fine for delay and reducing the Performance Guarantee from 5% to 3% as per GO dated 15.07.2022. In this connection the following observations are made.

- The contractor in his representation stated that his family members were affected with Covid 19 and hence could not come to office to execute the Agt and requested to extend the time to execute the Agt till 01.04.2022. But it is noticed that the same contractor has executed agreement for another work (Deposit work-Kochi Corporation-Replacing old 400mm premo pipe from Vytilla Jn to Kunnara Park -Agt no. 09/2021-22/SE/PHC/CHN) on 29.01.2022 ie during the period he requested for extension. This seems purposeful intention to and get undue benefit to the contractor by evading the fine for delay and reducing the PG from 5% to 3%. Hence fine for delay in execution of Agreement may be realized from the contractor as per Rules and reported. The following points may also be reported to audit.
- Whether the contractor has completed the work as agreed in his request if not, the present status of the work may be reported
- If completed the completion certificate (Form FA12) may be furnished.

X Executing Agreement without insisting additional performance guarantee- Undue benefit to the contractor

Name of work: District Panchayath-Deposit work- Augmentation Kalady Panchayath-Replacement of 300mm Raw water pumping main

Agreement No. 3/2022-23 /SE/PHC/CHN dt. 27-04-2022

Name of contractor: Sri. M B Pradeep

Ref: PHC/CHN/DW/25388/20

The above work was awarded to Sri. M B Pradeep vide selection notice No. 2871/DB2/2021/PHC-KHI dated 21/03/2022 with direction to execute the agreement within 14 days on receipt of the Order after depositing 5% of the APAC as Performance Guarantee and Rs.699300/-as Additional Performance Guarantee .In this connection the following points may be clarified.

- The Contractor is permitted to execute the agreement without producing the required Additional PG as instructed in the Selection Notice is the violation of the Govt. direction vide Order No. 168/2019 FIN dated 07.12.2019
- The Contractor executed the Agreement on 27.04.2022 which is 37 days after the issue of the work order. No fine is seen imposed to the contractor for the belated execution of the Agreement
- The Contractor approached the Hon.High Court against the decision of the agreement authority to deduct the Add.PG from the part bill of the contractor and obtained verdict in favour of him.
- Present status of the Stay Order and whether any payment released after the expiry of the same.



The reply submitted in this regard is not admissible. Exempting fine for delay in execution of Agreement is against the provisions in NIT

XI Delay in rearranging the abandoned work Denial of potable water to Edakochi area -

Name of work:- LAC- ADS- Augmentation of Kochi WSS-Improving water supply to division no. 13,14,15,&16 of Edakochi in Kochi corporation Part II- Construction of 15 L Its capacity GL sump at Pambaimoola

As No. G.O (Rt) No. 205/16/WRD dt 29.02.2016 for 278 Lakhs & RD5 1025/2017(9) dt 24.02.2018 for 68 Lakhs.

The Administrative sanction for the above work received on 2016&2018 and the work is seen abandoned. on enquiry it is replied that the contractor has filed a WP(C)3604/2020 before the Hon High Court of Kerala and now it has been decided to arrange the work at the risk and cost of the contractor. A letter has been submitted to MLA to revise the AS on 21.01.2022. Audit observes that there is inordinate delay in rearranging the work which resulted in depriving potable water to the general public of Edakochi area. In this connection the progress of arranging the work at the risk and cost of the contractor may be reported.

Part III

Outstanding Local Audit Paras

SI No	Year	Pending
1	2009-10	1
2	2011-12	1
3	2014-15	1
4	2016-17	2
5	2018-19	4
	Total	9

Based on the Audit Committee discussions, direction has been issued to the concerned to prepare the replies and submit to RAO immediately and regular follow up to make the Paras dropped.

Part IV

Best Practices

NIL

Part V

Acknowledgement

Internal Audit Wing acknowledges the cooperation extended by the auditee institution.

ABDUL BASHEER

Internal Auditor



Appendix A
B Officers in charge .

Incumbency Details: SUPERINTENDING ENGINEER			
Sl.No.	Name of Incumbent	Joining Date	Relieving Date
1	Er. G. VANAJA	9-Apr-10	30-Jun-12
2	Er.MATHEW JOSEPH full additional charge	30-Jun-12	11-Jul-12
3	Er.T.G. RAJASEKHARAN	11-Jul-12	30-Sep-13
4	Er.K.S BABU	30-Sep-13	17-Oct-13
5	Er.JOLLY THOMAS	17-Oct-13	31-Dec-14
6	Er.GRACE SAMUL full additional charge	1-Jan-15	1-Apr-15
7	Er.BABU THOMAS full additional charge	1-Apr-15	16-Apr-15
8	Er.T.K MANI	16-Apr-15	31-May-15
9	Er.SULEKHA M full additional charge	1-Jun-15	22-Jun-15
10	Er. BABU THOMAS	22-Jun-15	2-Aug-17
11	Er.K.K. ANIL KUMAR	2-Aug-17	17-Jun-19
12	Er.PREETHIMOL C K	17-Jun-19	14-Sep-20
13	Er.LEKHA M,N, Full.Addl.	14-Sep-20	12-Oct-20
14	Er.PREETHIMOL C.K.	12-Oct-20	4-Aug-21
15	JOCHAN JOSEPH	4-Aug-21	31-May-22
Incumbency Details: PA TO SUPERINTENDING ENGINEER			
Sl.No.	Name of Incumbent	Joining Date	Relieving Date
1	Smt.K.V Prasanna	13.02.2009 FN	15.04.2015
2	Sri. Babu Thomas full additional charge	16.04.2015	26.05.2015 AN



3	Smt.Jessy Joseph full additional charge	26.05.2015 AN	08.07.2015 AN
4	Smt.Anitha C.O	08.07.2015	19.06.2017 AN
5	Smt.Lekha M.N	19.06.2017 AN	12.07.2019 FN
6	Smt.Jolly K.K	12.07.2019 FN	09.12.2019 FN
7	Smt.Renuka Menon	09.12.2019	31.05.2020 AN
8	Smt.Lekha M.N	01.06.2020 FN	04.08.2021 AN
9	Sri.Muhammed Shahi full additional charge	04.08.2021 AN	16.08.2021FN
10	Sri.Bijeesh .D "	16.08.2021 FN	19.03.2022 AN
11	Smt.Rejitha R.S	19.03.2022 AN	26.03.2022 AN
12	Sri.Rajesh .S "	26.03.2022 AN	08.06.2022 FN

Incumbency Details: ACCOUNTS OFFICER

Sl.No.	Name of Incumbent	Joining Date	Relieving Date
1	Smt.C Sudhamany	05.04.2010 AN	30.04.2015
2	Sri.Savio John	30.04.2015	15.06.2015 AN
3	Sri.K.A Zulphicar	15.06.2015 AN	13.08.2019 FN
4	Smt.Sasikala	13.08.2019	16.08.2019
5	Sri.Babu P.A in charge	16/8/2019	26.08.2019
6	Smt.Sasikala .L	27.08.2019 FN	27.08.2019 AN
7	Sri.Babu P.A in charge	28.08.2019	28.10.2019 FN
8	Sri.Johnson V George full additional charge	28.10.2019 FN	24.06.2020 FN
9	Smt.Sasikala .L	24.06.2020 FN	24.06.2020 AN
10	Sri.Johnson V George full additional charge	25.06.2020	13.08.2020
11	Smt.Sasikala .L	14.08.2020	21.08.2020 AN
12	Sri.Rajan .N	24.08.2020 FN	01.03.2021 FN



13	Smt.Sindhu .V	01.03.2021 FN	03.01.2022
14	Sri.Santhosh K.N full additional charge	04.01.2022	13.02.2022
15	Smt.Sindhu .V	14.02.2022	30.04.2022

