

Report on the Internal Audit of the Accounts and registers of the Public Health Circle, Kannur for the period From 01.04.2012 to 31.03.2022.

Part I

A. Introduction

The internal audit was conducted from 18.6.2022 to 29.6.2022, covering the period from 01/04/2012 to 31-03-2022. PH Circle, Kannur consists of five (5) Divisions namely W.S Division, Kannur, Project Division, Kannur, Project Division, Mattannur, W.S division, Taliparamba and P.H Division, Kasargode.

Local Audit of RAO

Local audit wing of RAO, KWA Thiruvananthapuram conducted an ACM on 15.6.2022 to 17.6.2022 to clear the pending 171 Audit Paras under the circle. After discussion of the Division Offices under the circle, RAO has agreed to drop many audit Paras pending since 2005-06 to 2020-21. Remaining audit Paras are awaiting for further reply from Division Offices. It is requested to furnish replies with required documentary evidences.

B. Officers In Charge

Superintending Engineer

S/ No	Name	Designation	From	To
1	Sri. T. Raveendran Executive Engineer, Project Division, Kannur	Superintending Engineer (Additional Charge)	25/12/2012 FN	30/12/2012
2	Sri. T. Raveendran	Superintending Engineer	31/12/2012	21/05/2015
3	Sri. Jayaprakash.C Executive Engineer, Project Division Kannur	Superintending Engineer (Additional Charge)	22/05/2015	24/05/2015 AN
4	Sri. Jose Pannikkottu	Superintending Engineer	25/05/2015 FN	30/05/2015 FN
5	Sri. Jayaprakash.C Executive Engineer, Project Division Kannur	Superintending Engineer (Additional Charge)	30/05/2015	21/06/2015 FN
6	Sri. Mohanan Namboodhri	Superintending Engineer	22/06/2015	27/02/2016 FN
7	Sri. Jayaprakash.C	Superintending Engineer	27/02/2016 AN	28/02/2019 FN
8	Sri. Gopalan. P	Superintending Engineer	28/02/2019 FN	30/04/2021 AN (Retired)
9	Sri. Prakashan.M.P P to Superintending Engineer, P.H. Circle,	Superintending Engineer (Additional Charge)	01/05/2021 to	03/08/2021 AN



	Kannur		
10	Sri. Jayaprakash.C	Superintending Engineer	04/08/2021 FN (In Continuing)

PA to Superintending Engineer

Sl No	Name	Designation	From	To
1	Sri. T. Raveendran Executive Engineer, Project Division, Kannur	PA to Superintending Engineer (Additional Charge)	31/05/2012 to	11/06/2012 FN
2	Sri. Radhakrishnan.K	PA to Superintending Engineer	11/06/2012 FN to	03/07/2012 AN
3	Sri. T. Raveendran, Executive Engineer, Project Division, Kannur	PA to Superintending Engineer (Additional Charge)	04/07/2012 FN	11/07//2012FN
4	Sri. T. A. Mohanan	PA to Superintending Engineer	11/07/2012	08/08/2012 FN
5	Sri. U.K. Mohanan	PA to Superintending Engineer	08/08/2012	12/02/2013 FN
6	Sri. Jayaprakash.C, Executive Engineer, Project Division, Kannur	PA to Superintending Engineer (Additional Charge)	12/02/2013	21/02/2013 FN
7	Sri. Raghu Prasad P.K	PA to Superintending Engineer	22/02/2013	25/10/2014
8	Sri. Jayaprakash.C, Executive Engineer, Project Division, Kannur	PA to Superintending Engineer (Additional Charge)	26/10/2014	05/12/2014
9	Smt. Indulekha .T.P	PA to Superintending Engineer	05/12/2014	13/07/2017
10	Sri. Rathna Kumar.V.K Executive Engineer, Project Division,Kannur	PA to Superintending Engineer (Additional Charge)	7/14/2017	10/12/2017.
11	Sri.Vinaya Kumar.S	PA to Superintending Engineer	11/12/2017	30/07/2018.
12	Sri. Rathna Kumar.V.K Executive Engineer, Project Division,Kannur	PA to Superintending Engineer (Additional Charge)	30/07/2018.	30/09/2018
13	Smt. Suraja Nair	PA to Superintending Engineer	01/10/2018	20/08/2019
	Sri. Rathna Kumar.V.K	PA to Superintending		



14	Executive Engineer, Project Division,Kannur	Engineer (Additional Charge)	21/08/2019	21/06/2020
15	Sri. Prakashan.M	PA to Superintending Engineer	22/06/2020	10/08/2021
16	Smt. Usha A.C (Head Dafts Man) P.H. Circle, Kannur	PA to Superintending Engineer (Additional Charge)	8/11/2021	30/08/2021
17	Sri. Prakashan.A.V	PA to Superintending Engineer	31/08/2021 FN	03/11/2021 AN
18	Sri. Prakashan.M	PA to Superintending Engineer	31/11/2021 AN (In Continuing)	

Accounts Officer

Sl No	Name	Designation	From	To
1	Sri. George P.V	Accounts Officer	25/10/2012 FN	28/10/2012 AN
2	Sri. N.C. Sudhakaran Junior Superintendant	(Additional Charge)	29/10/2012 FN	04/07/2013 AN
3	Sri. Paul. T.V	Accounts Officer	05/07/2013 FN	05/07/2013 AN
4	Sri. N.C. Sudhakaran Junior Superintendant	(Additional Charge)	06/07/2013	10/07/2013 AN
5	Sri.Unnimadhavan	Accounts Officer	11/07/2013	02/08/2013 AN
6	Sri. N.C. Sudhakaran	Junior Superintendant (Additional Charge)	03/08/2013 FN	20/08/2013 AN
7	Sri. K.H. Abdulkhader	Accounts Officer	21/08/2013 FN	06/09/2013 AN
8	Sri. N.C. Sudhakaran Junior Superintendant	(Additional Charge)	07/09/2013 FN	12/09/2013 AN
9	Sri. E.T. Vargheese	Accounts Officer	13/09/2013 FN	15/11/2013 AN
10	Sri. Gopidas.E.N	Accounts Officer	15/11/2013 AN	10/12/2015 AN



11	Sri.P.Vinod Kumar	Accounts Officer	10/12/2015 AN	31/07/2017 AN	
12	Sri.Sunil Augustin	Accounts Officer	11/09/2017	06/09/2021 AN	
13	Sri. Rajan N	Accounts Officer	06/09/2021- (Continuing)		
C. Financial Analysis					
Year	2019-20	2020-21	2021-22		
Establishment Expenditure	14017846	13213883	1761326		
Work Expenditure	0	0	0		
Contingencies	137722	146718	199469		

IA Audit Team Members

1. Abdul Basheer TK, Internal Auditor
2. Shiji RP, Divisional Accounts Officer

D.Internal Control Mechanism

1.Internal Audit by the Accounts Officer

The audit of Division Offices under the Circle has not been conducted by the Accounts Officer for a long period. (No files produced for verification) Explanation in this regard may be intimated to audit.

2.Cash Book

On verification of cash book, the following defects were noticed.

a. The entries were not seen checked by a person other than the person who wrote the cash book . The Writer is also not signed in the cash book. The defects should be rectified and fact reported.

b. As per the bank statement (SB Account) the following amounts were seen credited as bank interest. A/C. no. 57066508380
01/2022 Rs. 4189/-

Total Rs. 15903/-

The bank interest may be remitted to Non Operative account and intimated to audit.

3.Huge amount parked in Non operative account.

a) Bank Account Details. (As on 31/03/2022)

A/C. No. 67148629284 Rs. 270628 Operative

A/C. No. 57066508380 Rs. 1767844 Operative

A/C. No. 57066443127 Rs. 240253 Non Operative

The NOP account Cash balance is showing an amount of Rs. 240253/- as on 31/03/2022. The reason for parking huge amount in the non operative account may be intimated to audit, and urgent action may be taken to transfer the amount to the Head office.

c. Funds in Bank Dormant account.

An amount of Rs. 2,70,628/- is seen as credit balance in Account No.



67148629284 which is not operational since 01/01/2017. The dormant account may be closed and amount kept in the account may be transferred to Head office after completing necessary accounting formalities and fact intimated to audit.

4. Trial Balance for 3/2022

On verification of the trial balance for the period from 04/2012 to 3/2022 is observed that following heads are showing huge amount as credit/debit balances. These head of accounts are third party payable accounts in which all the amounts received, should be paid to the respective agencies/departments. The errors may be rectified and fact reported to audit.

2826 (Professional Tax Deduction)

An amount of Rs. 500/- is seen credit balance in the account. As replied the excess deduction from the employee may adjusted and fact reported to audit.

2839 (ST on Other Sales)

Rs.41,599/-is showing as debit balance in this account. Necessary correction entries as replied, may be made and fact intimated to audit.

2842 (TDS from Supplier)

An amount of Rs.35600/- is showing as debit balance in this account. Necessary correction entries may be made and fact reported to audit.

5. Non-maintenance of Trial balance register and journal register

As per KWA manual and circular it is clearly specified that all ARUs should maintain register for trial balance ,Ledger and JV for strengthening KWA Accounting system. PH Circle, Kannur has not been maintaining the above mentioned register. These registers should be maintained and fact intimated to audit.

6. Imprest.

The Imprest paid to Head Draftsman of the Circle office is seen booked under the head of account 1659 (Temporary Advance). The imprest amount should be booked under 1532 . And also the imprest account is showing a debit balance of Rs. 144/- for 31/03/2022. This may be rectified and fact intimated to audit.

7. Non Settlement of Temporary advance

Temporary advance paid vide cheque No.236400 dt. 24/03/222 for Rs. 5000/- is not seen settled for the financial year 31/03/2022. The reason for non settlement may be furnished to the audit.

8. Irregular Payment of Hand Reciept

An amount of Rs.1000/-is seen paid towards Sweeping charges from Temporary Advance. The practice of making payment of HR wages through Temporary Advance is irregular. HR wages should be made through March Software only. Necessary explanations in this regard may be intimated to audit.

9. Non Operating of SLI, GIS Register

On verifying SLI, GIS files, the GIS subscription are seen recovered from the employees from the salary of 12/2019 onwards and remitted to the treasury vide circular Go.No.57/2019 dated 30.5.2019 and KWA/JB/E1/10525/2019 Dated, 16.11.2019 of The Managing Director, Kerala Water Authority, Thiruvananthapuram, But as per the statement showing deduction towards GIS for the month of 03/2022 the Account numbers not seen allotted to the incumbents till date. Moreover the PH Circle, Kannur is not maintaining the SLI and GIS register. Immediate necessary action may be taken to obtain policy numbers and pass books for Group Insurance Scheme and maintain register for monitoring deduction and fact intimated to audit.

10. Medical Reimbursement Claims

The Medical Reimbursement register for the year 2020-2021 has not seen authenticated by the controlling officer. The mandatory certificate to the effect of number of pages has also not recorded and authenticated.

Part II A

Major irregularities - NIL

PART II B

Other irregularities



I. Releasing of Additional performance guarantee- Violation of NIT condition

Source: (File No. KWA/PHC/KNR/D5/3745/2015(G))

Name of Work: AMRUT-2017-18 Kannur Water Supply Scheme-
Supplying and Laying new distribution lines to Pallikkunnu, Puzhathi Zone,
Agreement No. 01/2017-18/SE/PHC/PHC/KNR

The subject work was accorded administrative sanction for an amount of Rs.3.77 crores vide order no. GO(rt)No. 3530/2017/LSGD dt. 2/11/2017. Technical Sanction was issued by the chief engineer (NR) for the same amount vide order no. KWA/CE/NR/24/2017-18 dated 27/11/2017. The accepted PAC of the work is Rs. 2.20 crore against TPAC of Rs. 2.59 crores which comes to 15.10 % below TPAC.

As per order No. KWA/JB/P3/121/2020 dt. 06-02-2021 revised estimate of the subject work was sanctioned for an amount of Rs. 30380029/- which is 17.168% above the original estimate amount of Rs. 25928634/- Time extension was sanctioned to the contractor up to 31/12/2020. But work completion certificate is not seen submitted. till date. Additional Performance Guarantee has been released to the contractor on 18/07/2019. As per NIT conditions the Additional Performance Guarantee can be released only after completion of the work and passing the final bill. The reason for releasing the Additional performance guarantee as mentioned in file is not satisfactory.

The violation of NIT conditions for releasing Additional performance guarantee may be intimated to audit.

II. Non submission of completion certificates in form FA12 as per Chapter III B para 3 of Accounts Manual.

Submission of FA12 (completion / commissioning certificate) is mandatory in each and every work as per Chapter IIIB of para 3 of accounts Manual for ensuring that the desired result is achieved by spending the Government funds. On verification of the following work files Work completion /Commissioning certificate is not seen submitted even after the elapse of 1 to 2 years after the proposed date of completion. It is also brought to notice that many of the old paras in the LAR of Accountant General (Audit), Kerala is pending for want of Completion Report.

- a. AMRUT 2017-18Kannur WSS – Supplying and laying new distribution line to Pallikkunnu. Agreement No: 1/2018-19/SE/PH/KNR
- b. State plan 2019-20 optimization of products and transmission WSS to Kottayam. Agreement No: 28/2019-20/SE/PHC/KNR
- c. WSS to Pattuvam adjoining villages (JICA aided)balance distribution network phase II (Appendix VII) PariyaramPanchyath. Agreement No: 68/2017-18/SE/PHC/KNR
- d. KIIFB – Special investment package – WSS Mattannur and IrittyMunicipality- Package II – Design construction and commissioning of Treatment plant (42 MLD) Agreement No. 31/2017-18/SE/PHC/KNR
- e. State Plan 2019-20 and laying of 90 mm PVC rider main for length of 750 - WSS to Kolanchery- Rplacement of old 200 mm AC line with 200 mm DI k9 pipe for a length of 1500 mtr Agreement No. 82/2021-22/SE/PHC/KNR
- f. AMRUT-SAAP-2016-17- State Plan 2017-18- WSS to Kannur Corporation- Rehabilitation of existing distribution network, valves, house service connections and interconnection with existing line of pallikkunnu zone. Agreement No. 83/2017-18/SE/PHC/KNR
- g. AMRUT- WSS to Kannur corporation- Rehabilitation of existing distribution network. Interconnection with existing lines of edakkad zone Agreement No. 13/2018-19

Copy of Completion certificates for he above mentioned works may be furnished to audit.



III. Unclaimed/Time barred security Deposit/EMD

As per Para 15-4-1 of KPWA Code, the security deposit / EMD are time barred and unclaimed for more than three years should be forfeited and credited to the non operative account of KWA. On verification of SD register, it seen that a large number of security deposit are kept idle and no actions were taken to forfeit the same credit in to non operative account. The details of deposit are as follows -

Sl. No	Sl. No. as per register	Name of contractor	Details of SD	Amount
1	470	Naveen Construction Corporation Kochi	2 year TD, No.250772 dt.19.9.2005	100000
2	500	TM Rojer , Leon Engineers & Construction Taliparamba	Post office savings a/c No.13104 Dt.31.1.2006	82000
3	506	M/s Kirlosker Brothers, Ltd.Veejag Towers, Cochin	TSA No.13383 Dtd.21.2.2006	100000
4	535	BV Jose, Jose Industries , Cochin	2 year TD, No.13383 dt.21.2.2006	100000
5	561	Thasleem C A, Shabna Manzil, Mulleria Kasaragod	2 year TD A/c 15953	50000
6	562	Raju Thaomas K, Naduvanad ,Mattannur	2 year TD A/c 250924 Dtd. 3.10.2006	100000
7	610	M/ K K Pump Industries, PB No.80/R Bilanur-Gujarath	2 year TD A/c 507103, 507104	100000
8	656	Rajendra Mohan Lal, Leem Civil Engg Ltd.	3 Year TD A/c No.301567 Dtd.18.3.2009	300000
9	667	Rajeev Thomas, Mattannur	3 year A/c No.30569 Dtd.22.06.2009	100000
10	154 Vol-2	V Gopalakrishnan, Chathannur	TSA -46 dated, 12.7.1994	73200
11	174	V Gopalakrishnan, Karama Bhavan, Chathannur	TSA- 49 dated, 30.5.1995	39400
12	132	V Gopalakrishnan, MD, Reliance	TSA- 9163 dated 25 2 1994	100000



			Construction Company,Kollam		
13	133		V Gopalakrishnan, MD, Reliance Construction Company,Kollam	TSA- 9164dated,25.2.1994	100000
14	173		V Gopalakrishnan, Karama Bhavan, Chathannur	TSA- 50 dated,30.5.2005	100000
15	178		P Joseph, Contractor	TD 194241 dated, 8.8.1995	40000
16	187		V Gopalakrishnan, Chathannur	TSA 53 dated, 6.2.1996	65250
17	188		Vijaya Borewell	TSA 137 dated, 11.4.1996	18900
18	203		Prakash borewell	PSA 11476 dated,30.4.1996	36000
19	214		V Gopalakrishnan, Chathannur	PSA 55 dated, 29.10.1996	30550
20	224		V Gopalakrishnan, Chathannur	TSA10024 Dtd,4.2.197	70000
21	226		C Sebastian, Chatannur	TSA54 dtd,22.4.1997	33700
22	229		V Gopalakrishnan, Chathannur	TSA55 dtd,22.4.1997	86050
23	365		Kamalasanan, Kollam	PSA25047 dtd11.01.	100000
24	807		Abdul Samad, Malappuram	TD A/cNo.507711 dtd,29.11.2013	300000
25	809		Kevin Water & Power Thiruvanthapurm	Certificate 972193 dtd,28.12.2013 Federal Bank	100000
26	812		C K Baburaj Mambara	TD 67163 dtd,9.1.2014	300000
27	813		K M Asharaf, Manjeswaram	TD No.20850 Dtd,18.2.2014	100000
28	821		Abdul Khadar, Kasaragod	FD CSB No.026001293732	300000
Total					30,25,050



Urgent action should be taken to forfeit the time barred security deposit and credited to Non Operative account and the fact reported to the audit.

IV. Accepting Bank Fixed Deposit/BG more than 50% of the total performance guarantee by Violating of Govt. direction

- a. Name Of Work: AMRUT-SAAP- 2016-17 and 2017-18- WSS to Kannur corporation Enhancing capacity of treatment plant at chavassery paramba from 30 MLD to 40 MLD

Agreement No. 86/2020-21
Contractor: Sri: K Kannan,
(Source: File : KWA/PHC/KNR/D5-3748/2015)

As per Govt. directions vide order No GO(P)No.429/2015/FIN dt. 28/09/2015 at least 50% of the deposit should be collected in the form of treasury fixed deposit and rest in the form of Bank guarantee or any other forms prescribed in the revised PWD manual. The above condition is also mentioned in the selection notice also. But, while executing agreement, the agreement authority accepted 100% of the security amount (Rs. 4000000/-) as Kerala Grameen Bank FD, account No 40422141800175 Dtd.2/6/2018. This is a clear Violation of Govt Direction as mentioned above. Explanation in this regard may be intimated to audit.

b .Name of Work: Project under KIIFB – WSS to Mattannur and Iritty Municipalities - Package II- Design, construction and commissioning of treatment plant(42 MLD)

Agreement NO. 31/2017-18/SE/PHC/KNR
Contractor: M/s. Laxmi Civil Engineering services Pvt. Ltd.
Source: file No. KWA/PHC/KNR/D1-340/2017

The contractor executed the agreement on 18/08/2017 after submitting performance guarantee in the form of Bank Fixed Deposit of Karnataka Bank Ltd. For Rs. 55 Lakhs, Bank Guarantee of Rs. 54.78 Lakhs and an additional Performance guarantee of Rs. 11693978/- in the form of Bank guarantee. Accepting Bank FD/BG for more than 50% of the total amount of performance guarantee is against direction of the govt. vide GO(P)No.429/2015/FIN dt. 28/09/2015. Also the validity of the bank guarantee should be up to the defect liability period. Explanation in this regard may be intimated audit. The present status of the above two works also to be intimated to audit.

V. Non-renewal of Bank Guarantee.

On verification of Bank Guarantee register it is seen that the validity of following BG s had expired and were not revalidated.

Sl.No	Name of Work	Agt.No	Contractor	Amount	Validity Date
1	UIDSSMT-WSS to Thalassery- Package I	34/11-12	Techpro Infra Projects Ltd-Kochi	Rs. 1,34,95,000/-	31/01/2015
2	UIDSSMT-WSS to Thalassery- Package II	35/11-12	Techpro Infra Projects Ltd-Kochi	Rs.45,50,000/-	31/01/2015
3	JICA-Aided-WSS to Pattuvam- Chapprapadavu Panchayaths	64/17-18	M/s-TOMCO Engineering PVT Ltd Muvattupuzha	Rs.19,85,000/-	03/08/2019
	JICA-Aided-WSS				



4	to Pattuvam-Kurumathoor villages	65/17-18	M/s-TOMCO Engineering PVT Ltd Muvattupuzha	Rs.16,20,000/-	03/08/2019
5			Sri. Abdul Khader.C.M B.G.No.1221570001 dated 06/06/2022	Rs.8,67,500/-	06/06/2022
6	AMRUT-2015-16-Kannur WSSConstruction of 24 LL OHSR	72/17-18	M/s Noble Tech Engineering (P) Ltd	Rs.11,03,100/-	20/02/2021
7	WSS to Pattuvam (JICA Aided)	68/17-18	TBML Projects Pvt Ltd, Cochin B.G.No.84131 dated 17/02/18	Rs.13,50,000/-	15/02/2020
8	WSS to Pattuvam (JICA Aided) Phase II	69/17-18	TBML Projects Pvt Ltd, Cochin B.G.No.84124 dated 16/02/18	RS.21,20,000/-	15/02/2020
9	KIIFB-SIP WSS to Mattannur and iritty	Work order No.KWA/PHC/D/339/17 dated 10/07/17 Agt No. 37/17-18	Reena Engineers & Contractor, Kannur Receipt No. 799010500362621 dated 19/03/18	Rs.39,00,000/-	06/04/2022
10	KIIFB-SIP WSS to Mattannur and iritty Package II	31/2017-18	Laxmi Civil Engineering Services-Maharashtra	Rs.54,78,000/-	31/12/2021
11	WSS to Pattuvam and adjoining villages	57/2017/18	Sri. Shibu Zhakara, Alappuzha B.G.No. 83267	Rs.9,30,800/-	18/01/2020
12	AMRUT-SAAP- 2016-17	83/17-18	Sri.E.V. Raju Eranakulam B.G.No.85266	Rs.26,50,000/-	22/03/2022
13	SAAP-2016- 17State Plan-17- 18WSS to Kannur Corporation	83/17-18	B.G.No85267	Rs.26,50,000/-	22/03/2022
14	AMRUT –WSS to Kannur Corporation	12/2018-19	Sri.M. Aboobacker Kasaragod	Rs.17,00,000/-	13/09/2021
	AMRUT- 2015-16			Rs	



15	Kannur WSS – Laying gravity main	3/2018-19	M/s Koya&Co Construction	40,00,000/-	31/03/2020
16		3/18-19	HyderBad BG.No.0128BG000232018	Rs. 60,000/-	31/03/2020
17	NABAD WSS to Kottiyoor	26/19-20	Sri.C.H. Abdulla Flat No. 54 Goa BGN019017BG00025	Rs.7,84,384/-	04/06/2021

As per 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. Action may be taken to renew the Bank Guarantee and the details of renewal may be intimated to the audit.

VI.Executing agreement without obtaining necessary performance guarantee in the form of fixed deposit.-Undue benefits to the contractor

- Name of work: AMRUT – SAAP -2016-17 State plan 2017-18 – WSS to Kannur Corporation – Rehabilitation of existing distribution network
- Agreement Number: 83/2017-18/SE/PHC/KNR

The agreement executed on 26.3.2018 for the above work in not as per the direction issued vide GO(P)No.479/2015/Fin. Dated on 28/09/2015. Bank guarantee is seen accepted as performance guarantee for the total amount of Rs.53,00,000/- Vide BG No.1BG85267 and 1BG NO.85266 dated on 23.03.2018 for Rs.26,50,000/- each.The validity of the Bank Guarantee was also expired on 26.03.2020.

The time extension was granted to the contractor up to 31.12.2020. The work completion/ commissioning certificate is also not seen submitted.

The present status of the work, date of expiry of DLP and reason for accepting the Bank Guarantee as performance guarantee resulting undue benefits to the contractor, may be intimated to audit.

VII. Releasing Of treasury savings deposit against bank guarantee before completing DLP- Undue benefits to the contractor

Source: File Ref: KWA/PHC/KNR/D5-3748/2015(4)

Name of the work: AMRUT WSS to Kannur Corporation – Rehabilitation of existing distribution network- Inter connection with existing lines of Edakkad Zone.

Agreement No: 13/2018-19

On verification of security register Vol. IV (page No.104) it is seen that the security



deposit amount of Rs.1700000/-pledged in favour of The Superintending Engineer is seen released against bank guarantee. Work completion/commissioning certificate is not seen issued. The validity of the bank guarantee submitted against the release of treasury deposit was also expired in 13.9.2021.

The following points may be intimated for audit.

1. Present status of the work.
2. Date of completion of DLP.
3. The total amount of valid performance guarantee available in the custody of the agreement authority..
4. Details of valid security certificate.

VIII. Non commissioning of Scheme- Delay in getting Power connection

Name of the work: ARWSS TO Milatty ST Colony in Panathady Panchyath RWPM distribution system, construction of OH tank, pump house and supply and erection of pump set

.Agreement No: 01/2015-16 of EE, Project Dn. Kannur
Source: file No. D2-5467/14 , Project Dn. Kannur

The subject work was accorded administrative sanction for an amount of RS.33.75 Lakhs vide order no.384 (B)/2013/ARWSS/DPO/KSD dated 08/01/2015. Of the district collector Kasargode. The project implemented for providing water supply to Mylatty ST colony in ward no 8 of Panathady Panchayath for covering total population of 308 nos.. The accepted of PAC of the work is Rs.28,42,544/- The work awarded on 21-04-2015 and completed on 06-10-2015. But due to the delay in getting power connection the scheme is yet to be commissioned.

The reason for delay in getting power connection even after the elapse of 7 years, and action taken in this regard may be intimated to audit.

IX-Service Book – Irregular granting of increment

On test check of Service Books following irregularities are noticed:

Service Book of Smt. Bindu K.N. Junior Superintendent:

Consequent on the completion of 22 years of Time bond Higher Grade with Effect from 15/05/2016, the pay fixed vide order No.KWA/PHC/KNR/E1/ 18/2015/12 dated 27/08/2019 of SE PHC, Kannur at Rs.48,500/ with effect from 15/05/2016 FN in the scale of pay of Rs.30800-69800. But the next increment is seen sanctioned to the incumbent with effect from 01/07/2016. Since the normal increment date of the incumbent is in the month of may, the next increment falls due only on 05/2017. Hence the irregular sanctioning of increment may be corrected and excess pay, if any paid, may be recovered and fact reported to audit. Similar cases

Internal Auditor

Accounts member



Attachment (Unsupported Export format) - IAR PHC Kannur.docx

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