

Internal Audit Report on the office of the Project Planning & Development Unit, Regional Office, Thiruvananthapuram

A. Introductory

The Project, Planning and development unit(PPD) office was formed in 24/02/2016 with the intention of preparing project at medium and major scale. The office pattern is designed in a centralized manner to speed up the activities and also to minimize the administrative expenses. The PPD regional office, Thiruvananthapuram with head as superintending Engineer and the PPD camp Offices at Thiruvananthapuram, Kollam, Pathanamthitta, Alappuzha, Kottayam are under this office.

B. Officers in charge

Superintending Engineer

<u>Name</u>	<u>From</u>	<u>To</u>
Sri.K Ajayakumar	26/05/2016	12/08/2016
Smt Maria Goretti Fernadez(i/c)	12/08/2016	16/08/2016
Sri Sethukumar	17/08/2016	13/10/2016
Smt A Vijayam	13/10/2016	30/06/2017
Smt Ashalatha (i/c)	01/07/2017	19/07/2017
Smt. T P Indulekha	20/07/2017	11/07/2019
Sri Vinayakumar S (i/c)	12/07/2019	13/11/2019
Smt Sandhya P	14/11/2019	15/02/2021
Sri Gokul Sethuraj	15/02/2021	still continue

Executive Engineer

Smt Maria Goretti Fernadez	26/05/2016	30/11/2016
Smt Sreelekha V R (i/c)	30/11/2016	21/06/2017
Smt Ashalatha	22/06/2017	08/09/2017
Sri P Jayakumar(i/c)	08/09/2017	14/09/2017
Sri A Rajan	15/09/2017	30/06/2017
Sri P Jayakumar(i/c)	30/06/2018	31/07/2018
Sri Vinaykumar S	01/08/2018	still continue

Junior Superintendant

Sri Mohanaraj 21/10/2020 still continue

C. Internal Audit

Internal audit was conducted for the first time since the formation of the office from 24/08/2021 to 08/09/2021 covering the period from 26/05/2016 to 31/03/2021.

Team Members

- 1) A P K Balakrishnan, Accounts officer



- 2) Prasannalal N, DAO
- 3) Ragesh.B, Head Clerk

PART II

I. Improper maintenance of cash book

On Verification of the Cash Book the following irregularities were noticed: -

- 1) The Cash Book was not closed properly during the following months and there is a clear supervisory lapse. As per Rule 92(a) of Kerala Treasury Code (KTC) Vol.I, Cash book should be closed regularly and actual balance held in cash chest should be stated invariably both in figures and words. This must be attested by a responsible officer other than the writer of the Cash Book. This was not seen during the months October 2019 to January 2020, March 2020 to July 2020, septmeber2020, October 2020 and January 2020
- 2) For the month from 02/17, in the receipt side of the cash book, the entry of funds received (head of account 9132) not mentioned from which office the fund allotted and purpose of the allotment.
- 3) As per GO(P) 639/78/Fin dated 22/08/78, a certificate duly signed by the controlling officer regarding machine numbered pages of cash book is need to be written before beginning a cash book. This was not done in the case of cash books used in this office.
- 4) On verification of the cash book for the period from 10/19 to 03/21, the account code for the payment of other casual labourers was recorded as 3352 instead of 3359.

These omissions should be rectified and reasons for the defects occurred shall be intimated to audit.

II. Non Settlement of temporary advance & Imprest account

As per GO(P) No. 419/11/Fin dated 04/10/2011, it is clearly specified that the Temporary advance sanctioned to meet the contingent expenditure of specified kind or any specific occasion granted to the Government officials should be adjusted by detailed bills and vouchers as soon as possible and not being more than three months. In case of default, interest at the rate of 18% annum will be charged on the unutilized portion of the advance from the date of drawl to the date of refund of advance. In case the adjustment bill not submitted within the prescribed time limit, the entire amount may be recovered in lump on the expiry of such time limit. Interest at the rate of 18% will be charged in the entire amount of the advance from the date of drawl to the date of recovery.

On verification of the temporary advance register and cash book most of the officials under the PPD Regional office , Thiruvananthapuram drawn the temporary advance and imprest have not been settled within the prescribed time limit as shown below:-

Temporary advance Of Assistant Engineer's

Sl No	Cheque and date of payment	Name of AE	Amount	Date of Settlement
1	653076 dated 03/05/2016	Smt Maya S Devi	6000/-	01/10/2016



2	653077 dated 03/05/2016	Smt Omana A	10000/-	23/09/2016
3	653086 dated 26/07/2016	R Sasikumar	25000/-	09/06/2017
4	653087 dated 30/07/2016	R Sasikumar	25000/-	09/06/2017
5	653094 dated 01/09/2016	R Sasikumar	50000/-	09/06/2017
6	653095 dated 22/09/2016	Maya S Devi	15000/-	14/02/2017
7	653096 dated 22/09/2016	Sreelekha	25000/-	14/02/2017
8	653100 dated 29/11/2016	Sreelekha	23994/-	06/03/2017
9	767986 dated 05/05/2017	Sheeja V	9904/-	23/04/2018
10	767996 dated 30/06/2017	Sheeja V	8587/-	23/04/2018
11	663163 dated 09/11/2017	Nissar	25000/-	09/08/2018
12	663169 dated 07/12/2017	Suja N George	29913/-	23/04/2018
13	663176 dated 28/12/2017	Nissar	11952/-	12/09/2018
14	701829 dated 20/02/2018	Suja N George	20000/-	09/08/2018
15	701849 dated 21/04/2018	Suja N George	50000/-	19/02/2019
16	701850 dated 21/04/2018	Nikhil	25000/-	19/02/2019
17	701853 dated 27/04/2018	Nikhil	50000/-	19/02/2019

Imprest Of Assistant Engineers

1	653107 dated 06/01/2017	Suja N George	5000/-	14/07/2017
2	767983 dated 07/04/2017	Shaju V	4842/-	23/04/2018
3	663167 dated 01/12/2017	Suja N george	5000/-	06/08/2018
4	663173 Dated 07/12/2017	Nissar	4019/-	03/07/2018
5	663176 Dated 22/12/2017	Nissar	4999/-	12/09/2018

Hence necessary action should be taken to impose interest at the rate of 18% annum from the defaulters and intimate to Audit.

III. Verification of service Books

1) Sri Rahul K K, Surveyor Grade I

a) It is noticed that the date of birth and the educational qualifications in page No.1&2 was not attested. This may be done and report to audit.

b) It is seen that on page no 17 of the Service Book, Earned Leave surrender has sanctioned for 20 days as on 01/04/2006. But the same is missing in the leave account on page no.112,113.The same shall be corrected and report to audit.

c) In the financial year 2006-2007, the incumbent is seen surrendered twice, ie , on 28/08/2006 and 31/03/2007. This shall be corrected and the excess leave salary paid shall be recovered and intimate to audit.

d) The Paternity Leave taken by the incumbent was not seen deducted in the earned leave calculation for the financial year 2015-16. This shall be corrected and report to audit.



2) Sri Biju K S, Surveyor Grade I

a) It is noticed that the entry from 24/10/2008 to 15/07/2009 was missing in the Service Book. The omission shall be rectified and report to audit.

b) It is seen that in the earned leave account of the incumbent, 12CML was deducted for the period from 01/12/2015 to 31/12/2015. But on verification of CML account, it was seen missing. This omission should be rectified and the leave account of CML shall be corrected and intimate to audit.

3) Smt Krishna Priya, Surveyor Grade I

a) On verification of the leave account, it is seen that the incumbent has surrendered 60 days of earned leave in the financial year 2015-2016, ie, on 01/04/2015 for 30 days and on 09/03/2016 for 30 days. This is irregular and excess payment shall be recovered and intimate to audit.

b) The incumbent has joined as surveyor Grade II on 09/03/2016 through KPSC in this organization, but she relieved from the service for taken up a job in another department and re- entered in this organization on 05/08/2017. As per the re-appointment orders, her service started afresh. But on verification of the leave account, it is seen that during the first year of service, the earned leave was calculated as 1/11 days instead of 1/22 days. This shall be corrected and report to audit.

4) Smt Gigi S, Surveyor Grade II

a) The incumbent has availed LWA on medical certificate with effect from 01/05/2009 for a period of 90 days, ie, up to 29/07/2009. But the incumbent has produced fitness certificate dated 23/06/2009, that she has fully fit to join the service. Hence the balance period from 24/06/2009 to 29/07/2009 shall be converted to any other eligible leave as per the rules and report to audit.

5) Smt Bindu R V, Draftsman Grade II

a) On verification of the service book, the photo of the incumbent is not seen pasted in the service book.

b) It is noticed that, for the pay revision 2007, the incumbent has opted the pay revision with effect from 01/12/2005, but her pay was fixed with effect from 03/12/2005 without considering the option date. The erroneous fixation shall be corrected and any excess payment shall be recovered and report to audit.

c) In the financial year 2004-2005 and 2006-2007, the incumbent has surrendered earned leave for two times in the same financial year, ie, on 01/4/2004 & 07/07/2004 and 01/04/2006 & 29/03/2007. This shall be corrected and excess payment if any shall be recovered and intimate to audit.

6) Smt Dhanya S P

a) it is noticed that the incumbent had taken LWA without medical certificate from 17/04/2017 to 31/05/2017 for 45 days. So the next increment falls on 01/04/2019 instead of 01/03/2019. This shall be corrected and excess payment if any recovered and reported to audit.

7) Sri Biju S I, Assistant Engineer

a) On verification of the CML account, it is seen that the incumbent has taken 44 days of CML. But on the earned leave account, the same has not seen deducted. The omission shall be rectified and report to audit.

8) Smt Salini John, Overseer Grade III



a) On verification of the earned leave calculation for the financial year 2019-2020, the number of days taken as 367 days instead of 366 days. This shall be corrected and report to audit.

IV. Trial Balance

1) As per KWA manual and circular, it is clearly specified to maintain trial balance register for strengthening the KWA accounting system. But PPD Regional office has not been maintaining the above mentioned register. The register should be maintained without any further delay and reason for the non maintenance of the register shall be intimated to audit.

2) Account Code 1532 Imprest

On verification of trial balance for 04/2021, it is seen that Rs.165661/- is not settled during the financial year 2020-2021. The reason shall be explained and action should be taken to recover the said amount from defaulters as per article Kerala Financial Code(KFC) 99 and GO.1035/2000 dated 19/07/2000.

3) Account Code 1659 Temporary Advance

On verification of the trial balance for 04/21, it is seen that Rs.214370/- is not settled during the financial year. The reason shall be explained and action should be taken to recover the amount from defaulters as per article KFC 99 and GO.1035/2000 dated 19/07/2000.

4) Account Code 7131 Bank Interest

On verification of the trial balance, it is seen that Rs. 58573/- has been credited by the bank as interest. As per the existing rules, all ARU's bound to credit the interest amount into non operative account without any delay, but this office has not remitted the same. The amount collected towards interest shall be remitted into non operative account without any further delay and the reason for the delay ocured shall be reported to audit.

V. Maintenance of Casual Leave Register

On verification, it is seen that up to the Calender year 2020 casual leave register has not been maintained in the PPD regional office. While verification of the casual leave register that kept in the office, it is noticed that the register has maintain without mentioning the date of leave availed, eligible leave, balance leave etc.. and initial of the controlling officer. It is mandatory to keep the casual leave register for the past year and action shall be taken to maintain casual leave register for the current year in form PA4.

VI. Attendance Register

On verification of the attendance register for the year from 2016 following irregularities were noted.

1) Many pages are left without mentioning the name of the month.

2) many columns are left blank without marking attendance or absent.

3) For the month of 12/2016, the superintending engineer(PPD) has mentioned that Sri Chandra Babu, the transferred Assistant Executive Engineer, unauthorizedly taken the attendance register from the cabin of SE(PPD) while he was on official duty at the PPD camp office, Kollam on 03/12/2016 and marked the attendance from 13/10/2016 to 05/12/2016 including casual leave and returned the attendance register on 05/12/2016 before 10 AM.

What are the actions taken against Sri Chandra Babu, AEE as a responsible officer who committed to this type of serious irregularity and shall be reported to audit.



VII. Pay Bill Register

On verification of the pay bill register it is seen that the mandatory service details such as scale of pay, date of joining, date of completion of probation, date of increment, GPF account number, LIC/SLI/PLI number etc. are not entered in the register and not initialed by the concerned officer. These are required for future verification. The reason for the non completion of pay bill register shall be report to audit.

VIII. Income Tax

On verification of Income tax remittance register of contractors bill, it is seen that the amount deducted towards income tax from the contractor's bill had not been remitted in bank within the stipulated time

<u>Date of Payment</u>	<u>Amount Recovered</u>	<u>No & date of chalan</u>
2/17 to 01/19	24262/-	00012 dt 04/2/2019
07/19	1160/-	
12/20	1616/-	
04/20	685/-	
08/20	1083/-	00002 dt 03/11/2020
10/20	1520/-	00002 dt 03/12/2020

Delay in remittance of income tax may lead payment of fine to income tax department. The fine, if any imposed by the income tax department for the delayed remittance and reason thereof may be intimated to audit.

IX. KCWWF

As per Kerala Water Authority manual, one percentage from each bill of the contractor's shall be recovered towards KCWWF and the amount collected shall be remitted to the welfare . Out of the collected amount one percent should be retained in KWA towards collection charges. On verification of cash book, it is seen that for the period from 02/17 to 01/19, an amount of Rs.24262/- is outstanding in the account. The same was remitted on 04/02/2019 but the one percentage of collection charge was not retained in KWA. The reason shall be reported to audit.

Further it is seen that from 02/19 to 11/20, no KCWWF amount was collected from the contractor's bill. Hence the urgent action shall be taken to collect the KCWWF amount from the contractors and the amount shall be remitted into KCWWF account after one percentage of collection charge shall be retained and the same amount shall be remitted in to NOP account . The reason for non collection of KCWWF shall be report to audit.

X. Stamp Account Register

On verification, stamp account register it is seen that this register is maintained only from 01/02/2021. Previous account register since the formation of this office was not seen. Despatch Register has been maintained for the period from 26/05/2016, but cost of stamp for the each despatched materials has not been noted in the register. It is required to calculate the up to date stamp account.

Reason for the non maintenance of stamp account register shall be intimated to audit.

PART III



Internal audit has conducted for the first time since the formation of the office. On verification, the audit finds out that only establishment matters pertaining to this office.

PART IV

Best practices noted during the course of audit.
substantial points were not observed.

PART V

Conclusion

There was full co-operation of the PPD regional office , Thiruvananthapuram for the satisfactory conduct of audit. The records and documents called for were produced for verification. The audit party express its gratitude and co- operation extended by the Superintending Engineer and staff for the smooth conduct of audit.

Internal Auditor

