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REMINDER

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KERALA WATER AUTHORITY

Jalabhavan
Thiruvananthapuram-695033
Kerala

No. 22704/HC1(AUDIT)/2022/KWA

Dated: 28.10.2022

From

The Accounts Member

To

The Executive Engineer
Quality Control Division
Kerala water Authority
Kozhikode

Sub:- Internal Audit Report of Q.C Division Kozhikode for the period from 1.04.2017 to 31.03.2022- reg

Ref:- This office letter even no. dt.26.08.2022

Your immediate attention is invited to the reference cited. The reply called for to the Internal Audit report pertaining to your Division for the period from 01/04/2017 to 31/03/2022 is not seen submitted by you even after the elapse of more than two months. Hence you are hereby directed to submit the reply within a week positively.

Acc:- Audit Report

Yours faithfully,
ABDUL BASHEER
Internal Auditor
(For The Accounts Member)



**Report on the Internal Audit of the Accounts and registers of the Quality Control Division,
Kozhikkode for the period From 01.04.2017 to 1.03.2022**

Part I

A. Introduction

The internal audit was conducted from 01.08.2022 to 05.08.2022, covering the period from 01.04.2017 to 31.03.2022.

Quality Control Division, Kozhikkode consists of 2 Subdivisions namely Quality Control Subdivision Kozhikkode and Quality Control Subdivision Kannur Following are the District & Sub –District Laboratories working under Quality Control Division

1.KOZHICODE

1. Quality Control District Lab Kozhikkode
2. Quality Control Sub District Lab, Malaparamba
3. Quality Control Sub District Lab Koyilandi
4. Quality Control Sub District Lab Kuttyadi
5. Quality Control Sub District Lab Narikkuni
6. Quality Control Sub District Lab Peruvannamuzhi
7. Quality Control Sub District Lab Vadakara

2.WAYANAD

8. Quality Control District Lab Wayanad
9. Quality Control Sub District Lab, SulthanBatheri
10. Quality Control Sub District Lab, Mananthawadi
11. Quality Control Sub District Lab, Noolpuzha
12. Quality Control Sub District Lab, Kalpetta

3.MALAPPURAM

13. Quality Control District Lab Malappuram,Manjeri
14. Quality Control Sub District Lab, Parappanangadi
15. Quality Control Sub District Lab, Perinthalmanna
16. Quality Control Sub District Lab, Kottakkunnu
17. Quality Control Sub District Lab, Ponnani
18. Quality Control Sub District Lab, Tirur

4.KANNUR

19. Quality Control District Lab Kannur
20. Quality Control Sub District Lab, Irikkur JICA Pattuvam
21. Quality Control Sub District Lab, Mattannur
22. Quality Control Sub District Lab, Thaliparamba
23. Quality Control Sub District Lab, Payyannur
24. Quality Control Sub District Lab Pallikunnu

5.KASARAGOD

25. Quality Control District Lab Kasaragod
26. Quality Control Sub District Lab, Pulikkunnu



27. Quality Control Sub District Lab, Kanhangad
28. Quality Control Sub District Lab, Karadka

Local Audit of AG

Local audit wing of Resident Audit officer conducted an Audit up to 31.03.2019 There are 7 pending Paras to be settled under Quality Control Division

B. Officers In Charge

EXECUTIVE ENGINEER		PERIOD	
Name		From	To
DEVADAS.		27.01.17	19.04.17
SURAJA NAIR(I/C)		19.04.17	02.05.17
DEVADAS.P.B		02.05.17	17.07.17
SURAJA NAIR(I/C)		17.7.17	01.08.17
DEVADAS.	P.B	01.08.17	13.10.17
SURAJA NAIR(I/C)		13.10.17	01.01.18
DEVADAS.P.B		01.01.18	31.01.18
ROY GEORGE(I/C)		31.01.18	02.06.18
SURESH KUMAR.T.K		02.06.18	01.08.19
SHEEJA.E.M(I/C)		01.08.19	13.08.19
SURESHKUMAR.T.K		13.08.19	20.09.19
SUNDARESHWAN		20.09.19	08.10.19
GIREESHKUMAR.A.M(I/C)		8.10.19	11.10.19
SUNDARESHWAN		11.10.19	16.11.19
GIREESHKUMAR.A.M(I/C)		16.11.19	19.11.19
SUNDARESHWAN		19.11.19	19.06.20
SEEJA J SELIN		19.06.20	22.06.20
GIREESHKUMAR.A.M(I/C)		22.6.20	10.09.20
SEEJA J SELIN		10.09.20	21.09.20
GIREESHKUMAR.A.M(I/C)		22.09.20	20.12.20
SEEJA J SELIN		21.12.20	29.12.20
GIREESHKUMAR.A.M(I/C)		30.12.20	24.08.21



ANSAL JOHN(I/C)	24.08.21	11.09.21
RAJI.P(I/C)	19.11.21	11.07.21
CHANDRABABU.K	11.07.22	
NARAYANAN.K	29.07.22	
ASSISTANT EXECUTIVE ENGINEER		
Name	From	To
SONE C VARGESE	01.02.17	28.03.17
ABDUL SHAREEF CK(I/C)	28.03.17	03.04.17
SONE C VARGESE	03.04.17	30.06.17
ABDUL SHAREEF CK(I/C)	30.06.17	01.08.17
SONE C VARGESE	01.08.17	09.08.17
ABDUL SHAREEF CK(I/C)	09.08.17	16.08.17
SONE C VARGESE	16.08.17	13.09.17
ABDUL SHAREEF CK(I/C)	13.09.17	13.11.17
SONE C VARGESE	13.11.17	08.01.18
ROY GEORGE	08.01.18	08.08.18
ABY.K.T(I/C)	08.08.18	13.08.18
ROY GEORGE	13.08.18	11.09.18
ABDUL SHAREEF CK(I/C)	11.09.18	18.09.18
SABEER A RAHIM	18.09.18	26.09.18
ABDUL SHAREEF CK(I/C)	26.09.18	15.05.19
NOORJAHAN	15.05.19	15.05.19
ABDUL SHAREEF CK(I/C)	15.05.19	10.06.19



NOORJAHAN	10.06.19	29.07.19
ABDUL SHAREEF CK(I/C)	29.07.19	04.10.19
GIREESHKUMAR.A.M	04.10.19	22.10.19
ABDUL SHAREEF CK(I/C)	22.10.19	31.10.19
GIREESHKUMAR.A.M	31.10.19	24.08.21
ANSAL JOHN	24.08.21	05.11.21
SINDHU.K.P	05.11.21	19.11.21
RAJI.P	19.11.21	

HEAD CLERK		
Name	From	To
ABDUL RAZAK.A.K	05.11.16	23.08.18
PRAVEEN KUMAR.D	23.08.18	27.11.19
SAFFEEQ.M.P(I/C)	28.11.19	06.01.20
SANTHOSHKUMAR.P	07.01.20	16.08.21
SIYAB.T.P	17.08.21	02.06.22
DILEEPKUMAR.P.K(I/C)	02.06.22	22.07.22
SIYAB.T.P	22.07.22	

C. Financial Analysis

The financial analysis of Quality Control Division, Kozhikkode for the last three years is as follows

Year	2019-20	2020-21	2021-22
Establishment Expenditure	₹ 3,66,03,728	₹ 3,16,43,314	₹ 4,44,19,035
Capital Expenditure	₹ 37,92,106	₹ 38,10,939	₹ 1,19,64,525
Contingencies	₹ 60,55,243	₹ 38,10,939	₹ 2,03,77,700



Team Members

1. Abdul Basheer TK, Internal Auditor
2. Balakrishnan APK, Accounts Officer
3. Sivakumar S V, Head Clerk

D.Internal Control Mechanism

I. Cash Book

a) Cashbook written upto 31.05.2022. It is to be updated up to 31.07.2022 and brought for verification. The closing entries were not recorded on 04/2022 and 05/2022. The closing entries as on 31.03.2022 is not seen authenticated

b) On verification of the entries of April 2021, the entries made in the Cash Book against payment of capital work is not in proper form. The details of payments such as name of work, Gross, net etc. are not seen recorded.

(CBV 41 of 04/2021, CBV 37 of 07/2021, CBV 73 of 03/2022)

It is further noticed that different vouchers with different Head of A/c were given one voucher **No.41 of 04/2021** which is irregular.

II. Trial Balance of 03/2022

On verification of the trial balance as on 31/3/2022 it 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 accounted, should be paid to the respective parties/departments. The errors may be rectified and fact reported to audit.

A) 2811 (Sundry creditors-contractors)

Amount of Rs. 1667882/- is seen as debit balance which may be journalised and apportioned to respective Heads

2812(Sundry creditors-Suppliers)

Amount of Rs.823158/- is seen as debit balance which may be journalised and apportioned to respective Heads

2826(ProfessionalTax)

An amount of Rs. 6250/- is seen as credit balance

B) On verification of Total Balance as on 31/03/2022. It is noted the short remittance of various recoveries.

1. Other Statutory Employee deduction (2829) - Rs 13460/-
2. GST (2838) -Rs 4985/-
3. TDS from contractor (2841) - Rs 7872/-
4. TDS from suppliers (2842) - Rs 2836/-
5. Welfare fund from contractor (2895) - Rs 72930/-

Reason for short remittance of these statutory recoveries maybe explained.

III. Non maintenance of Non operative Control Register-CB 14



As per Accounts Manual Vol V Chapter III F(3),all ARUs shall update Non operative control Register in Form CB14 .It is noticed that the QC Division office is not maintaining the Register in CB 14 format which is a serious irregularity. The mandatory register may be maintained and fact intimated to audit.

IV.TenderRegister

On the verification of Tender Register, it is noticed that the Certificate of page nos. are not recorded .Entries made in the register are not seen authenticated by the competent authority in many cases. Register may be updated and intimated to audit.

V.Quotation Register

On the verification of Quotation Register, it is noticed that the Certificate of page nos. are not recorded .Entries made in the register are not seen authenticated by the competent authority in many cases (eg: Page Nos.115,125).On page 125,the amount quoted by the contractors ,and recommendation of the competent authority is not seen recorded. Register may be updated and intimated to audit.

VI.Supply Order Register

The Supply Order Register is not maintained in the prescribed format of MA9.The details of Supply and the payment effected is not mentioned in the register maintained

VII. Audit Objection Register.

Even after repeated directions from Head Office,the Audit objection Register(LAR/IAR) has not been maintained in the office.

VIII.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, Kozhikode has not been maintaining the above mentioned register. These registers should be maintained and fact intimated to audit.

Part II – A
Major Irregularities
-NIL-

Part II – B
Other Irregularities



I. Unclaimed/Time barred security Deposit/EMD

A)As per Para 15-4-1 of KPW A code, the security deposit / EMDS 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 such Time barred deposit are as follows -

Details of Time barred securities to be forfeited			
SI No.	Name of Contractor	Details of Securities/EMD	Amount
1	M/s Royal Scientific Instruments Co. Chennai.	FDR 0190166dt.01.03.2003	3700
2	Mejo PA	Pass Book	13600

B)Improper maintenance of Pledged Securities

As per Codal provisions,all the security deposits pledged in favour of the Exe Engineer, Quality Control Divison have to be kept in the safe custody of Junior Superintendent/Head Clerk. But on verification of Security Deposit Register, it is noted that all Securities were kept in the register itself, in an unsafe manner which have chances of misplacing and loosing the same. Action may be taken to keep the Security deposit in a safe custody and fact reported to audit.

II. Short collection of Stamp duty while executing agreement– Amount recovered but not remitted into Treasury account.

It is noticed that an amount of **Rs.260/-**has to be recovered from contractors bills towards short collection of stamp duty.Action may be taken 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 collected and remitted to treasury and fact intimated.

III Erroneous booking of Capital expenditure in mace head

As per JJM Guide lines annexure 1 (3) the expenditure on construction, renovation and maintenance of the building is not admitted. But it is noted that the expenditure incurred is booked under maintenance head which are impermissible and is actually capital expenditure. The details are follows.

Sl. No	Name of work	Amount	Date of Payment	CBV No.
1	JJM – setting up of chemical and bacteriological lab additional civil work to be newly Constructed lab below OHSR (JICA) at Malaparamb	35900/-	17/04/2021	CBV41 of 04/21



2	JJM Setting up of chemical and bacteriological lab Kozhikode supplying in installation and Commissioning of ups with batteries to lab.	659189/-	17/04/2021	CBV41 of 04/21
3	JJM setting up of new quality control sub district lab below OHSR GICA at Narikkuni	1633321/-	30/03/2022	CBV73 of 03/22
4	JJM up gradation of QC District lab Kannur supplying and fixing of chemical bottle disposing system.	129874/-	19/07/2021	CBV37 of 07/21

The wrong booking of this amount to maintenance head (3212 R&M of buildings) instead of Capital head may lead to the excess maintenance expenditure of KWA. Since these works are sanctioned under JJM, all the works are Capital works and to be recorded accordingly. Hence the rectification may be done and intimated to audit.

IV Non remittance of accrued interest to Non Operative Account

On verification of cheque memo register of the following account, it is noted that huge amount received as interest has not been remitted to the account of FM & CAO

1. A/C No 67221793159	Rs. 268233/-
2. A/C No 67000683089	Rs. 296847/-
3. A/C No. 57066508415 (QC Subdn,Kannur)	Rs. 54853/-

Total Rs. 619933/-

It is noted as a serious lapse and the same may be remitted to the account of FM& CAO immediately and intimated to audit

V Non payment of vouchers even after funds are allotted from Head office.

A/C No. 67000683089

1. Terminal surrender of Sri. Abdul Aseez – A E Rs. 1010440/-
2. H R Wages – Kozhikode Sub division - Rs. 23440/-
3. H R Wages – Kannur Sub division - Rs. 266300/-

A/C No. 67221793159

1. Remuneration of JJM supporting staff-Rs. 326930/-
2. CC IInd and Part bill Narikkuni (Ajayakumar – D)-Rs. 1535197/-

The reason for not making payment of the above vouchers may be explained to audit.



Part III

Best Practices : Nil

Part V

Internal Audit acknowledge the co-operation extended by the Auditee

Internal Auditor

Accounts Member

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