

**KERALA WATER AUTHORITY**

Internal Audit Wing

Internal Audit Report

**PROJECT DIVISION, MATTANNUR****PERIOD OF AUDIT : 2.06.2023 TO 09.06.2023****PERIOD COVERED : 01.04.2015 TO 31.03.2023****Audit Team**

SRI. T K ABDUL BASHEER, INTERNAL AUDITOR

SRI. KV KUNHIRAMAN, ACCOUNTS OFFICER

SRI. S V SIVAKUMAR, HEAD CLERK

**Part I****A. Introduction**

The internal audit was conducted from 2.06.2023 to 09.06.2023, covering the period from 01/04/2015 to 31/03/2023.

Project Division Mattanur, is under the control of PH circle, Kannur. The Division has jurisdiction of Project works of 10 panchayaths in Kannur district. The project Division aims to provide 51118 FHTCs across these panchayaths and the projects are ongoing. 14 projects under various programmes like KIIFB / STATE PLAN/ JJM/ are ongoing under the division at an estimated cost of ₹1,24,274 lakhs.

A total number of 12 audit enquiries issued and some replies received. 9 queries included in the final audit report.

**B Officers in charge****Annexure I****C Financial Analysis**

Year	2020-21 ( in Lakhs)	2021-22 ( in Lakhs)	2022-23 (in Lakhs)
<b>Estt Expenditure</b>	90.34	115.08	118.59
<b>Contingencies</b>	.94	3.05	3.62
<b>Capital Expenditure</b>	586.84	2536.22	7515.41

**Part II****A. Significant Audit Finding**

Nil



## B Other Audit Findings

### I Non inclusion of Centage charges as expenditure

Name of Work:- Deposit work WS arrangements to Kannur Medical College ,Anjarakkandy

Contractor: K A Kunhikrishnan

Agt No. 26/17-18/SE/PHC/KNR dated 10/SE/PHC/TSR/2019-20 dated 10.08.2017

Source file:- A1/792/17

The subject work was awarded to the contractor vide work order No KWA/PHC/KNR/D1-2829/2013 dated 24.07.2017 and agreement executed on 10.08.2017. The total value of work done is Rs. 7798158/- which is excluding centage charges and differential GST of Rs. 371341/- paid on 22.01.2010. As per the abstract of work register (FA11) for the month of 01/2020, the total expenditure noted is ₹ **8225677/-**. As per the direction of the MD vide order No.KWA/JB/P2/663/17 dated 24/09/2018 of the Managing Director the rate of Centage charge is revised to 10% of the estimate amount in the case of LSGs and ordered to continue the existing rate of 12.5% in the case of Quasi government organizations and 22.5% in the case of private parties, to be collected as centage charges and to be included in total utilized amount for the project. Under the above circumstances the following points may be clarified.

- Total amount of deposited by the party for the Project.
- Total expenditure reported including differential GST and centage charge. (utilisation certificate)
- Whether the centage charges booked under 6511 and amount transferred to head office.
- If any refund made, the total amount of refund to the party.

### II Non remittance of accrued interest to Head office Account

On verification of Trial Balance of Project Division Mattanur, it is noticed that accrued interests were not remitted to the account of Head office

Fin Year	Amount
2022-23	₹2,18,954
	<b>₹ 218,954</b>

The remittance details of accrued interest to head office account may be intimated to audit.

### III Parking of Funds in various Accounts

On the scrutiny of Cheque memo Registers of various Accounts and Cash Book, it is noticed that huge amount is parked in these accounts. The reason for parking huge amount in these operative accounts may be intimated to audit.

SI No	Account No	Parked Amount
1	67221263789	59,93,120
2	67227914613 KIIFB	1,89,098
	<b>Total</b>	<b>61,82,218</b>

Immediate action may be taken to refund the unnecessarily parked amount, if any to the Head Office Account.



#### **IV Belated settlement of Temporary advance**

On verification of the Temporary Advance Register amounts allotted towards temporary advance is seen settled after the prescribed time limit by the following incumbents

##### **Sri.PK Pavithran, Asst Engineer II**

Date	Cheque	Amount	Settlement details
Belated settlement			
17.06.2015	517756	16000	Jan-2016
Total		<b>16000</b>	

##### **Smt Reena K, Asst Engineer**

Date	Cheque	Amount	Settlement details
Belated settlement			
28.06.2022	726562	10000	Nov-22
09.11.2022	825318	10000	Mar-23
Total		<b>20000</b>	

Applicable penal interest as per Rules may be recovered to belated settlement of Temporary Advance and remitted to NOA and intimated

#### **V Non Operative Account -Balance**

On verification of the Bank reconciliation for the month of 03/2023, it is noticed that, huge amount is parked in the non operative account (Account No. 57067054923). An amount of ₹31,947 is remaining as closing balance as on 31/03/2023. Bank authorities may be contacted to activate sweep transfer facility and urgent action may be taken to transfer the this amount to Head Office Account and fact intimated to Audit.

#### **VI Non remittance of collection charges of KCWWF to Head office Account**

On verification of KCWWF register of Project Division Mattanur, it is noticed that collection charges of 1% of the amount deducted from the CC bills for the period from July 2022 to March 2023 has not seen remitted to the account of Head office

Amount deducted from CC Bills for the period from July 2022 to March 2023	Amount to be remitted as collection charges to HO account
₹ 55,69,133/-	₹ 55,691/-

Action may be taken to remit the amount to the Account of FM&CAO

#### **VII Trial Balance**

1661( Adv to contractors)

Rs.9,75,787- is showing as debit balance in this account

1662( Adv to suppliers)

Rs.14,98,894- is showing as debit balance in this account.

1669( Adv to contractors(OD facility))

Rs.51,41,620- is showing as debit balance in this account.



2843( Income tax from employees)

Rs.8,806- is showing as debit balance in this account

These figures were shown in debit balance of the trial balance of March 2021, March 2022, March 2023. This may be explained and necessary corrective measures taken.

### **VIII Service Book**

#### **Irregular sanctioning of Earned Leave Surrender**

On the random verification of the service books of the following incumbents it is noticed the following irregularities

- Smt Rema T.O, Overseer Gr III :- In earned leave account, the duty days calculated is 90 days instead of 86 days for the period from 05.01.2021 to 31.03.2021 which is to be corrected.
- Smt Sandhya P, Overseer Gr III :- Earned leave is seen sanctioned to the incumbent for 30 days as on 01.01.2020. But the calculation of duty for leave earned is made from 01.04.2018 to 30.11.2021. This may be verified and re-casted.
- Sri. Bineesh P Jose, U D Clerk :- The days of duty from 29.03.2007 to 28.03.2008 is seen calculated as 365 days instead of 366 days.
- Smt Nisha K T, Office attendant :- The days of duty is erroneously calculated as 81 days instead of 112 days for the period from 14.12.2021 to 04.04.2022

Necessary corrective measures shall be taken and reported.

#### **IX Irregular sanctioning of Travelling allowance**

On verification of the travelling allowance bills of Smt Vrinda KM, Overseer Gr III for the period from 02.06.2022 to 30.08.2022 it is noticed that the bills are claimed as per the revised rate in the Pay revision Order dated 25.10.2022. It is clearly mentioned in the Order that the date of effect of the allowance is from the month in which the Order is issued, i.e., from 10/2022 and hence the amount sanctioned is irregular. Necessary action may be taken to recover the excess amount sanctioned and disbursed to the incumbent and intimated to audit with supporting documents.

### **Part III**

#### **Outstanding Local Audit Paras**

SI No	Year	Pending
1	2017-18	1
2	2018-21	3
	<b>Total</b>	<b>4</b>

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**

**Necessary registers are maintained and properly updated**

### **Part V**

#### **Acknowledgement**

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

ABDUL BASHEER

Internal Auditor





The document is digitally approved. Hence signature is not needed.

Annexure IIncumbency details of Executive Engineer, Assistant Executive Engineer,  
Divisional Accountant for the period from 01.04.2015 to 31.03.2023Executive Engineer

N.B.Ajayagosh	-	01.04.2015 to 30.06.2018 AN
Muhammed Hanees.K	-	01.07.2018 FN to
26.09.2018AN		
(Addl charge)		
Sabeer A Rahim	-	27.09.2018FN to 06.11.2018 AN
Muhammed Hanees.K	-	07.11.2018 FN to
21.11.2018AN		
(Addl charge)		
Sabeer A Rahim	-	22.11.2018 FN TO 8.03.2019 FN
V K Retnakumar(Addl charge)	-	8.03.2019 AN 9.06.2019 AN
A V Prakasan	-	10.06.2019 FN to 08.03.2020 AN
Muhammed Hanees.K	-	09.03.2020 FN to
12.04.2020 AN		
(Addl charge)		
A V Prakasan	-	13.04.2020FN to 21.02.2021AN
Nouphal T V(addl charge)	-	22.02.2021FN to 15.03.2021 AN
A V Prakasan	-	16.03.2021FN to 26.08.2021AN
Vineeth Palleri	-	27.08.21FN to 2.11.2021AN
Vineeth palleri (addl charge)	-	3.11.21FN to 12.12.21AN
AV Prakasan	-	13.12.21FN to 01.03.2022AN
Vineeth palleri (addl charge)	-	02.03.2022FN to 31.05.2022AN
M Prakashan (addl charge)	-	01.06.2022 FN to 20.07.2022AN
M Prakashan	-	21.07.2022 to still continuing.

Assistant Executive Engineer

Suraja Nair		
(Addl.Charge)	-	01.04.2015 FN to16.09.2015FN
Muhammed Hanees.K	-	16.09.2015AN to 16.10.2020FN
Muhammed Hanees.K	-	16.10.2020AN to 20.01.2021FN
(Addl charge)		
Deepthi S Chandran	-	20.01.2021AN to 8.02.2021FN
Nouphal T V(addl charge)	-	8.02.2021AN to 17.02.2021 AN
Theresa Rini K J	-	18.02.2021FN to 19.02.2021AN
Nouphal T V(addl charge)	-	20.02.2021FN to 21.03.2021 AN
Theresa Rini K J	-	22.03.2021FN to 11.04.2021AN



Nouphal T V(addl charge) - 12.04.2021FN to 14.06.2021 FN  
Theresa Rini K J - 14.06.2021AN to 5.08.2021FN

Nouphal T V(addl charge) - 5.08.2021AN to 30.11.2021 AN  
Abdul Kather P A - 1.12.2021FN to 23.07.2022FN  
Arun K (addl charge) - 23.07.2022 AN to 29.08.2022 FN  
Arun K - 29.08.2022AN to still continuing

Divisional Accountant

Jayapal.K.V - 01.04.2015 FN to 31.07.2015AN

Post of Divisional Accountant Officer Shifted to WS Divison,  
Thaliparamba on 1.8.2015 onwards



