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KERALA WATER AUTHORITY

Jalabhavan
Thiruvananthapuram – 695033
Kerala - India

File No.KWA/JB/1372/2023-HC2(Audit)

Dated: 22-07-2023

UIN:IAR/06/2023-24

INTERNAL AUDIT REPORT
PROJECT DIVISION, PERUMBAVOOR
PERIOD OF AUDIT:10-07-2023 TO 15-07-2023
PERIOD COVERED:01-04-2015 TO 31-03-2023

Audit Team

Sri. Abdul Basheer TK, Internal Auditor
Sri. Shaji A Accounts Officer
Sri. Sreejith S Head Clerk

Part I

A. Introduction

The internal audit was conducted from 10.07.2023 to 15.07.2023, covering the period from 01/04/2015 to 31/03/2023. Project Division Perumbavoor is under the control of PH Circle, Kochi. The division has jurisdiction over 34 panchayaths and 1 Municipality in Ernakulam District. One project under KIIFB is ongoing and one project under STATE PLAN is nearing completion. 34 works under JJM are ongoing under the division at an estimated cost of Rs. 1,32,259.80 lakhs. The proposed number of FHTCs are 133824 Nos.

A total number of 15 audit inquiries issued. The replies received are not satisfactory. Hence all the queries included in the final audit report.

B. Officers in charge

Attached separately as **Annexure I**

C Financial Analysis

Year	2020-21 (in Lakhs)	2021-22 (in Lakhs)	2022-23 (in Lakhs)
Estt Expenditure	15604528	17160574	18687423
Contingencies	456792	952667	4558795

Capital Expenditure	3396969	115694668	756311745
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Part II**A. Significant Audit Finding**

NIL

B. Other Audit Findings**I. Parking of Funds in various Accounts**

On the scrutiny of Bank Reconciliation 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.

Sl No	Account No	Parked Amount	Remarks
1	67147382484 State plan	21,24,312	
2	67213207837 JJM	30,290	
3	37460041187 KIIFB	3,56,858	
4	57041606476 salary	21,19,274	
	Total	46,30,734	

Immediate action may be taken to refund the unnecessarily parked amount to the Head Office Account and intimate to Audit.

II. Non remittance of accrued interest to Head office Account

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

Fin Year	Amount
2019-20	₹1,52,042
2020-21	₹1,13,673
2021-22	₹66,360
2022-23	₹1,30,790
Total	₹ 4,62,865

Action may be taken to account the interest and remit the amount to the Account of FM&CAO and furnish reply to Audit.

III Trial Balance**2825 (LIC/SLI)**

An amount of Rs. 119102/- is showing as credit balance in this account. The reason for showing huge balance in this account may be explained.

2826 (Professional tax)

Rs. 124650/ is showing as credit balance towards professional tax collected.

The reason may be explained.

The following accounts is showing credit/debit balance

2829(statutory employee deduction)	Rs.1,65,149/-Cr.Balance
2834(ST on tender sales)	Rs. 51,402/- Cr.Balance
2839(ST on other sales)	Rs.4,673/- Cr.Balance
2841(TDS from contractors)	Rs.3,30,635/-Dr.Balance
2843(TDS from employees)	Rs.2,29,731/- Cr.Balance

These may be verified, corrected and intimated to Audit.

IV. Delay in preparing Monthly Accounts

On verification of the Monthly accounts of this Division shows that the Monthly Accounts have been prepared only up to 12/2022. Delay in preparation of accounts should be avoided. Reason for delay in preparing monthly accounts may be intimated and the monthly accounts up to 06/2023 may be updated immediately and report to Audit.

V. Bank Reconciliation

Project Division Perumbavoor is maintaining 9 Bank Accounts.

Bank Account No.57041606476

Balance in Cash Book/CMR	Rs. 21,19,274/-
Balance in Bank Statement	Rs. 21,19,615/-

a. Cheques issued but not presented for payment as per list "D".

An amount of Rs. 695/- is seen in the list D- Cheque not cashed. On verification, it is understood that the cheque is lapsed. Hence the cheque may be cancelled and re- credited to account and fact intimated to audit..

b. Bank charges/interest debited by Bank.

An amount of Rs.354/- is seen in Bank Statement debited by bank towards bank charges. This may be accounted and fact intimated.

VI. Sanction of Medical Reimbursement claims to inadmissible bills.

The Managing Director, Kerala Water Authority has issued a Circular vide. No. KWA/HO/E11-6207/2015 dated 29-11-2019 in connection with the reimbursement of medical bills. The Circular contained instructions to regulate the malpractices in claiming medical reimbursement for OP treatment using medical prescriptions issued by a particular doctor and cash bills from a particular institution especially in the case of treatment under Ayurveda/Homeopathy systems. Instructions were issued through the circular regarding the admissibility of the medical bills.

On Verification of the passed medical bills of Project Division Perumbavoor irregularities have been noticed. Most of the bills were passed without observing the rules and admitted the bills without observing the rules. And also in 29 cases there are no bills were produced for verification.. The details are as follows.

PROJECT DIVISION PERUMBAVOOR					
Proceedings: KWA/EE/PD/PBR/A4-407/17 Dtd:10/06/2020 CBV 14 Dn of 06/2020 P.Dn Perumbavoor					
Sl no.	Name of Employee	Designation	Name of suppliers	Amount	Remarks
1	Muhammed Ashraf.p.a	Assistant Executive Engineer		1790	File / Documents Not Produced
2	Sheela Joy	Assistant Executive Engineer		18170	File / Documents Not Produced
3	Mani.T.V	Divisional Accounts		17610	File / Documents Not Produced

		Officer			
4	Rekha.C	U.D.Clerk		1401	File / Documents Not Produced
5	K.C.Sivadasan	Draftsman Gr.I		10920	File / Documents Not Produced
6	Thankachan.P.P	Draftsman Gr.I		7151	File / Documents Not Produced
7	Bijitha..K.B	Draftsman Gr.I		4622	File / Documents Not Produced
8	Fabitha.C.B	Overseer Gr.III		1795	File / Documents Not Produced
9	Pratheesh Kumar	Overseer Gr.III		6271	File / Documents Not Produced
10	Naushad.K.A	Overseer Gr.III		2460	File / Documents Not Produced
11	Nandhakumar.N.G	Overseer Gr.III		4099	File / Documents Not Produced
12	Harikumar.M.K	Driver		19920	File / Documents Not Produced
13	Shaila.P.M	Office Assistant		10200	File / Documents Not Produced
Total				106409	
Proceedings: KWA/EE/PD/PBR/A4-407/17 Dtd:29/03/2021 CBV 12 Dn of 04/2021 P.Dn Perumbavoor					
Sl no.	Name of Employee	Designation	Name of suppliers	Amount	Remarks
1	Muhammed Ashraf.p.a	Assistant Executive Engineer		1790	File / Documents Not Produced
2	Sheela Joy	Assistant Executive Engineer		18170	File / Documents Not Produced
3	Mani.T.V	Divisional Accounts Officer		17610	File / Documents Not Produced
4	Rekha.C	U.D.Clerk		1401	File / Documents Not Produced
5	K.C.Sivadasan	Draftsman Gr.I		10920	File / Documents Not Produced
6	Thankachan.P.P	Draftsman Gr.I		7150	File / Documents Not Produced
7	Bijitha.K.B	Draftsman Gr.I		4622	File / Documents Not Produced
8	Fabitha.C.B	Overseer Gr.III		1794	File / Documents Not Produced
9	Pratheesh Kumar	Overseer Gr.III		6271	File / Documents Not Produced
10	Naushad.K.A	Overseer Gr.III		2460	File / Documents Not Produced
11	Nandhakumar.N.G	Overseer Gr.III		4099	File / Documents Not Produced
Total				76287	

Proceedings: KWA/EE/PD/PBR/A4-407/17 Dtd:07/12/2020 CBV 13 Dn of 04/2021 P.Dn Perumbavoor					
Sl no.	Name of Employee	Designation	Name of suppliers	Amount	Remarks
1	Amina.E.M	Junior Superintendent		5750	Bills/Documents Not Produced
2	Rekha.C	U.D.Clerk		16011	Bills/Documents Not Produced
3	Sudhakaran.P.A	L.D.Clerk		6892	Bills/Documents Not Produced

4	Bijitha.K.B	Draftsman Gr.I		11232	Bills/Documents Not Produced
5	Fabitha.C.B	Overseer Gr.III		12750	Bills/Documents Not Produced
Total				52635	

Proceedings:KWA/EE/PD/PBR/A4 407/17 Dtd:10/02/2022					
Sl no.	Name of Employee	Designation	Name of suppliers	Amount	Remarks
1	Suresh.K.K	Divisional Accounts Officer	Homeopathic Medical Center	33600	CBV 42 Dn of 03/2022 P.Dn Perumbavoor
2	Sreedevi.P.R	Junior Superintendent	Homeopathic Medical Center	25740	CBV 43 Dn of 03/2022 P.Dn Perumbavoor
3	Swapna.M.R	U.D.Clerk	Homeopathic Medical Center	25740	CBV 43 Dn of 03/2022 P.Dn Perumbavoor
4	Shibu Vargheese	L.D.Clerk (H.G)	Homeopathic Medical Center	21300	CBV 43 Dn of 03/2022 P.Dn Perumbavoor
6	Suru.K	Office Assistant	Homeopathic Medical Center	21000	CBV 43 Dn of 03/2022 P.Dn Perumbavoor
Total				127380	

On the Scrutiny of Medical Reimbursement Claims sanctioned, it is observed that, medical claim amount of Rs.106409/- has been disbursed on 11/06/2020 vide CBV No. 14 Dn of 06/2020 on the next day of the Proceedings: KWA/EE/PD/PBR/A4-407/17 Dtd:10/06/2020. Audit viewed the unusual disbursement very seriously, as strict instructions were given from Head Office to disburse the claims only after the availability of fund fund from Head office. . The circumstances in which unusual disbursement of Medical reimbursement claim disbursed on the next day of the sanctioned date without fund request to Head Office, may be explained. The source of Fund disbursed thus also furnish to Audit.

The details are given below:-

Sl.No.	Proceedings No.	Proceedings Date	Amount	Date of Disbursement
1	KWA/EE/PD/PBR/A4-407/17	10-06-20	106409	11-06-20
2	KWA/EE/PD/PBR/A4-407/17	29-03-21	76287	13-04-21
3	KWA/EE/PD/PBR/A4-407/17	17-12-20	61035	13-04-21
4	KWA/EE/PD/PBR/A4-407/17	24-01-22	63827	02-03-22
5	KWA/EE/PD/PBR/A4-407/17	10-02-22	96367	23-03-22
6	KWA/EE/PD/PBR/A4-407/17	10-02-22	33600	13-03-22

VII. Improper voucher accounting of KIIFB work

Name of Work: KIIFB -Augmentation of WSS to Ankamali Constituency- Part II- WS to Malayattoor,Neeleswaram and Ayyanpuzha pts. Package Laying Pumping main.

Contractor : Sri. PP Abbas

Ageement : 15/2020-21/SE/PHC/CHN

On verification of the work bill vouchers and cash book, it is noticed that the passed voucher against

2nd and part bill of the above work is not recorded in the cash book in full shape. The partial entry of passed voucher in cash book is irregular. The total passed amount of Rs.2,09,91,398 (including GST) is seen recorded in the payment side of the cash book. But instead of recording the receipt side adjustments the total amount is seen recorded under the head 9132 in the receipt side of the cash book. The following amount as per voucher so passed is not taken in to account. .

1. SGST	2835	: Rs. 1,87,423/-
2. CGST	2835	: Rs. 1,87,423/-
3. IT	2841	: Rs. 1,87,424/-
4. KCWWF	2895	: Rs. 1,87,423/-
5. Retention	2724	: Rs.4,68,558/-

The voucher entered vide CBV 35 Dn of 12/2021 may be verified and necessary corrective steps may be taken and fact intimated to audit.

VIII. Incorrect recording of JJM Volunteers wages

On verification of the payment of HR wages under the head 3359, it is noticed that JJM volunteers wages are seen booked under the head 3359 (other Casual wages). This is irregular. JJM volunteers wages has to be booked under capital expenditure in the respective head of account for which the service of the volunteers are utilised. Hence urgent necessary action may be taken to correct the entries in consultation with the account wing of head office and fact intimated to audit. The total amount of wages of JJM volunteers wrongly recorded under the head 3359 is as follows.

FY 2022-23 : 41.58 Lakhs

Similar payments in the previous years may also be verified and corrected.

IX. Delay in commissioning the Scheme- Deprivation of drinking water to Public

Name of Work:- KIIFB Augmentation of WSS to Angamali constituency- PartII WS Malayattur, Neeleswaram and Ayyampuzha pts. Package I -Laying row water pumping main, erection of pumpsets, construction of 8 mld WTP, service roads providing SCADA and automation etc.

Contractor : PP Abbas

Agreement No.: 15/2020-21/SE/PHC/CHN dt. 31-12-2020

The administrative and Technical sanction for the project was issued vide order number AS No. GO(Rt)No. 184/2018/WRD dt. 22-03-2018 of Govt of Kerala and TS No. 2020-2021/2019/13363 dt.25-09-2020 of CE(CR) KWA, Kochi. Work order issued to the contractor Sri. PP Abbas on 18-12-2020.vide Order No.PHC/CHN/KIIFB/13363/2019. Time extension is seen granted to the contractor upto 15/03/2023 vide order dated 28/11/2022 and further extension was requested by the contractor up to 15/06/2023 as per his letter dated 24/02/2023. It is not known whether request has been granted and work completed within the time. Inordinate delay in commissioning the Project may result deprivation of potable water despite spending huge amount to the Project. In this connection it was requested to clarify the following

1. Whether time extension granted as requested and work completed.
2. If not completed, the present status of work and reason for delay.

It is replied that all works except commissioning of transformer is completed. Commissioning of transformer is pending due to delay in getting Electrical inspectorate sanction. Delay has been occurred from KSEB for charging transformer and allied works due to non remittance of power charge arrears of Rs. 2.12 crore in the existing LT connection.Fund request also submitted to FM&CAO on 05-07-2023 for the allotment of 2.12 crores for the payment of power charge arrears of existing LT connection.

Further progress of commissioning the scheme may be intimated to audit with copy of work completion certificate in form FA!2.

X. Balance Materials

Name of Work: JJM-WSS to Vengoor, Asamannoor and Mudakuzha panchayath-providing distribution network, Pipe line extension and providing FHTC in Assamannoor.

Agreement No: 17/2022-23/EE/PD/PBR Dtd:07/07/2022

Contractor : A.M. Thomas.

Source file : EE/PD/PBR/JJM/858/22.

As per the revised MAS account attached with the cc 1st and final bill the following materials are seen balance with contractor.

90mm PVC Pipe- 19 mtr

There is no MRN is seen attached with the final bill. Hence it may be clarified and intimate to Audit whether these materials are returned by the contractor and accounted.as per rule.

XI. Non imposing of fine for delay in completion of work

Name of Work:- Jal Jeevan Mission- Water supply to karumaloor and kunnukara panchayath- PhaseII. Providing Distribution network and FHTCs - LSGD Road Restoration work for UCC Zone in Karumaloor Panchayath- reg.

Agreement No. 49/2022-23/SE/PD/PBR dt. 10-11-2022

Contractor : M. Musthafa

The above work was awarded to the contractor Sri. Mustafa M vide order No. EE/PD/PBR/JJM/1035/2022 dt. 28-10-2022 of the Executive Engineer, Project Division, Perumbavoor. It was directed to complete the work on or before 27-01-2023. The contractor didn't complete the work within the stipulated time due to unavailability of materials and Crusher and lorry owners strike. Time extension was granted up to 17-04-2023 with imposing a fine of Rs. 5000/- Further as per order No. EE/PD/PBR/JJM/1035/2022 st. 17-04-2023 time extension was granted up to 15-06-2023 for the same reason without imposing fine In this connection the audit observe the following:-

1. No fine imposed while granting time extension for the second Time, for the same reason.
2. Since the extended time of completion is completed, present status of the work.
3. Reason for delay in completion of the work.

XII Non forfeiture of Time barred /Unclaimed Securities

As per Codal Provisions the unclaimed/time barred Securities shall be forfeited and taken into the account of KWA But it is noticed that the same has not been done in this Project Division.

Sl No	Name	Details of instrument	Date	Bank/PO	Amount
1	P.T.Baiju Puthenveetil (H), Ochanthuruthu.P.O-682508.	NSC 4 Nos.	27/03/2014 (3Nos.) & 31/08/2018 (1 No.)	National Savings Certificate	50,000
2	Babu.M.T Molekudy Valayanchirangara, Vengola.	TSD No.JK214946	28/03/2019	Treasury Savings Deposit	25,000
3	D.R.Venugopal Pogasseril, Perumbavoor.	No.4393215522	03/04/2019	National Saving Certificate	50,000
4	A.M.Thomas, Kakkanattil(H), Pulluvazhi.	No.1396648	26/07/2019	National Saving Certificate	50,000
5	Universal machine service	No.95674	Nil	Treasury Deposit	3,000
6	A.D.Kuriyan, Balassery(H) Thuruthy.P.O	No.4540774025	03/09/2019	National Saving Certificate	50,000
TOTAL					2,28,000

Immediate action may be taken to forfeit the above Securities and taken into the Account.

XIII. Service Book**Irregularities in Leave account**

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

A. Sri. Sudhakaran PA , LD Clerk :-**Special disability leave**

Special disability leave is seen sanctioned to the incumbent for the period from 01-12-2020 to 28-02-2021 vide order No. 13223/E10/2019/KWA dated 28-08-2021 of the CE, HRD, KWA TVM. No further leave is seen sanctioned to the incumbent with effect from 01-03-2021. on expiry of special disability leave sanctioned up to 28-02-2021. The following points may be clarified

1. Whether further leave applied by the incumbent
2. If applied what action has been taken on the request
3. Upto which date the salary has been disbursed to the incumbent
4. What action has been taken to regularize the absence from 01-03-2021 onwards

B. Swapna MR LD Clerk

Leave Account:

The incumbent availed commuted leave from 27/06/2022 to 03/07/2022, taken as 6 days instead of 7 days (Page No. 126). And also while calculating the earned leave account for the period from 03-01-2021 to 21-03-2023, 3 earned leave is seen deducted instead of 10. (page No. 120) Hence HPL and EL account may be verified and corrected.

C. PP Thankachan Draftsman Gr. I

Earned Leave Account:

Committed leave taken for 5 days (02/08/2021 to 06/08/2021) and 7 days (01-09-2021 to 07-09-2021) is not debited while calculating earned leave. This may verified and corrected.

D. Ajeesh TS, Driver Gr. II .

Half pay Leave account:

Committed leave taken for 29 days for the period from 20-05-2022 to 22-07-2022 is not seen recorded in the half pay leave account. Further the incumbent is availed 45 days commuted leave without sufficient balance in the leave account. And also 25 days commuted leave is also recorded in the leave account using pencil. This is irregular. Hence the leave account may be verified and irregularity in availing of leave may be regularized and fact intimated to audit.

XIV. Non Maintenance of SLI, GIS and GPAIS Register

Register for SLI, GIS and GPAIS is not seen maintained in this office. The register should be maintained for monitoring the recovery and remittance, in proper format and intimated to Audit.

XV. Preparation of pay revision arrears- Excess claim submitted

On verification of the pay revision arrears calculation of retired employees, it is noticed that the fund request submitted to head office vide letter no. JS/2004 dt. 06-03-2023 is not as directions contained in the pay revision order in many cases. The arrears calculations of the following employees may be further verified , corrected and fact intimated to audit.

1. Sri. Sreekumar, Asst. Exe Engineer	Rs. 164502.00
2. Sri. Muhammed Ashraf, Asst. Exe Engineer	Rs. 87549.00
3. Smt. Aamina EM JS	Rs. 20469.00
4. Dileepkumar PV, D'man Gr. I	Rs. 118282.00
5. KC Sivadasan D'man Gr. I	Rs. 85425.00
6. Harikumar MK, Driver Gr. II	Rs. 87857.00
7. Smt. Lekha M Nair, AE	Rs. 82700.00
8. Sri. Antony Joseph, JS	Rs. 53686.00

XVI. Marking O/D in Attendance for several months.

A practice of marking O/D for several months for the year 2023 without signature in attendance for field staff is noticed. It is also observed that, as this is a Project Division office, field staff is focused on field work. However, updation of attendance in the time trace software is has to be done. Hence, concerned AE/AEE should submit the Attendance Certificate according to the FNPR of field officials **in time** for updating the Time trace Software. Failure of submitting the attendance certificate in time will also cause delay in salary processing in future.

Part III**Outstanding Local Audit Paras**

SI No	Year	Pending
1	2014-15	1
2	2016-17	1
3	2017-18	2
4	2019-22	3
	Total	7

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.

Annexure I**Incumbency details of Executive Engineers from 01.04.2015 to 31.03.2023**

SI No	Name	Date of Joining	Relieving Date	Remarks
1	Smt.T.K Meera	01.06.2015	13.09.2015	
2	Sri. T.K Govindakumar (Holding additional charge)	14.09.2015	09.10.2015	
3	Sri. A.Noushad	19.06.2017	01.08.2018	
4	Sri.Muhammed Ashraf P.A (AEE, Full additional charge)	02.08.2018	26.09.2018	
5	Sri. Pradeep V.K	27.09.2018	03.06.2019	
6	Sri. Praveen K.S	03.06.2019	03.06.2019	
7	Sri. Muhammed Ashraf P.A (AEE, Full additional charge)	04.06.2019	17.07.2019	
8	Smt. Lekha M.N	18.07.2019	08.06.2020	
9	Smt. Jaysree V.K	08.06.2020	Continuing	

Incumbency details of Divisional Accounts Officer from 01.04.2015 to 31.03.2023

SI No.	Divisional Accounts Officer	Date of Joining	Relieving Date
1	Smt. M C Bindhu	09.07.2013	08.06.2015
2	Smt. Rajeswary R (JS holding full additional charge)	08.06.2015	19.08.2015
3	Smt. Marykutty Joseph Kadavil	20.08.2015	25.01.2016
4	Sri. T.V Philips	25.01.2016	07.07.2016
5	Sri. T.V. Many	07.07.2016	30.08.2019
6	Sri. K.K. Suresh	30.08.2019	23.12.2022
7	Sri. Eldho Thomas, Junior Superintendent (Full additional charge of DAO)	24.12.2022	16.04.2023
8	Smt. Reshmy Varkey	17.04.2023 AN	CML upto 30.04.2023
	Sri. Eldho Thomas, Junior Superintendent (Full additional charge of DAO)	17.04.2023 FN	30.04.2023
10	Smt. Reshmy Varkey	02.05.2023	Continuing

