

KERALA WATER AUTHORITY**Internal Audit Wing**

UIN: IAR/09/2023-24

**Internal Audit Report
PROJECT DIVISION, KANNUR****PERIOD OF AUDIT : 11.09.2023 TO 16.09.2023****PERIOD COVERED : 01.04.2015 TO 31.03.2023****Audit Team**

SRI. T K ABDUL BASHEER, INTERNAL AUDITOR

SRI. ANIL P, DIVISIONAL ACCOUNTS OFFICER

SRI. S V SIVAKUMAR , HEAD CLERK

Part I**A. Introduction**

Project Division Kannur carries out the Project works of 43 Grama panchayaths, two municipalities and one Corporation of Kannur and Kasaragod districts. This Division is responsible to execute the Project works related to JJM, KIIFB, NABARD, NRDWP State Plan and other Center and State assisted Capital works.

Sl No	Head of Works	Amount (in lakh)
1	JJM	₹2,29,577
2	NABARD	₹5,231
3	Deposit	₹252
4	Kasaragod Development Package	₹877
5	KIIFB	₹29,699
6	NRDWP/ARP	₹1,000
	Total	₹2,66,636

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	305	343.80	294.27
Capital Expenditure	705.14	1194.43	1964.46
Contingencies	18.01	25.50	23.05

Part II**A. Significant Audit Findings****NIL****B****Other Audit Findings****I Over staffing of Office attendants in Division offices and sub offices.**

On verification of the incumbency of Project Division Kannur, it is noticed that total 9 nos. of Office attendants were working under Project Division Kannur. he details are as follows:-

Sl No.	Name of incumbent	Designation	Office
1	Sreejith K	Office Attendant(HG)	Project Division Kannur
2	Jibu K	Office Attendant	Project Division Kannur
3	Renmitha R K	Office Attendant	Project Division Kannur
4	Riji E	Office Attendant	Project Division Kannur
5	Vacant	Office Attendant	Project Subdivision Payyannur
6	Sujith Kunnath	Driver Cum Office Attendant	Project Subdivision Payyannur
7	Pushpa N	Office Attendant(HG)	Project Subdivision,Koothuparamba
8	Anitha K	Office Attendant(HG)	Project Subdivision,Koothuparamba
9	Vacant	Office Attendant	Project Subdivision Uppala

Unlike other Project Divisions, separate establishments were maintained in this Division,ie,Project Subdivisions at Payyannur, Koothuparamba and Uppala. Project Subdivision Koothuparamba has three LD/UD Clerks to look

after the estt/Accounts matters of 14 staff which is not necessary. Similarly in Uppala and Payyannur Subdivisions also. This may be reviewed and the excess staff may be deployed as many Offices were suffering from under staffing to carry out the day to day activities.

II Parking of Funds at Division and Subdivisions

A)On the scrutiny of Cheque memo Registers and bank statements of various Accounts and Cash Book, it is noticed that huge amount is parked in these accounts as on 31.08.2023. The reason for parking huge amount in these operative accounts may be intimated to audit.

Project Division

Sl No	Account No	Parked Amount	Remarks
1	67004940158 Estt	₹11,45,854	
2	67068155686 UDISSMT	₹13,94,232	
3	37600884788 AMRUT	₹1,19,58,417	
4	67148032562Deposit	₹6,58,84,106	
5	41749809243 JJM Holding	₹74,80,699	
6	67233022239 epayment	₹80,73,829	
	Total	₹9,59,37,137	

Project SubDivision Payyannur

1	67068461853	₹222543	
---	-------------	---------	--

Project SubDivision Koothuparamba

1	67005002711	₹338533	
---	-------------	---------	--

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

B) Amount of ₹204816/- is seen as balance in Non operative accounts of Project Subdivision Uppala and ₹315964/- in Project Subdivision Koothuparamba .This may also made transferred in liaison with the Banks concerned

II Non remittance of accrued interest to Head office Account

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

Fin Year	Amount
2020-21	₹19,62,695
2021-22	₹15,16,062
2022-23	₹24,13,830
Uppala Subdivision	₹6777

Koothuparama Subdivision	₹16634
Payyannur Subdivision	₹22378
	₹ 59,38,376

Interest if any prior to 2021 may also be calculated and remitted.

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

III Non forfeiture of Time barred /Unclaimed Securities

As per para 15.4.1(iii) of the KPWA Code, balance amount unclaimed for more than three years should be credited to the revenue as lapsed deposit. On verification of Security deposit Register, showed that Security Deposits received by Project Division Kannur in the form of FDRs, NSC ,KVP, Post office TD etc were not credited as lapsed deposits even after the expiry of stipulated period of three years.

Non initiation of timely action to credit the lapsed deposits to the Revenue account resulted in the loss of revenue amounting to **₹23.38**lakhs.

SI No	Name	Details of instrument	Date	Bank/PO	Amount
-------	------	-----------------------	------	---------	--------

SECURITY DEPOSIT

1	CM Abdul Khader	Fixed Deposit No. 01/2003	31.08.2013	The Catholic Syrian Bank	1705000
2	C Mohanadas	Term Deposit No. 67364511152	8.06.2016	SBT	100000
3	M/s Hydro Electrical Systems	Term Deposit		Post Office	85000
4	K Kannan	3439647389	2.12.2016	Post Office	13000
5	Jithesh KV	67397732988		SBI	5400
6	Jithesh KV	67397732922		SBI	6600
7	Reghu O	67397759138		SBI	20200
8	Jithesh KV	67397733131		SBI	5200
9	Reghu O	67397759445		SBI	19800
10	Dineelkumar TK	3627522474		Post Office	2800
11	Jithesh KV	3630500254		Post Office	1000
12	M/s Brothers Agencies	799010500310775		Subtreasury	65800
13	M/s Mini Enterprises	799010500416727		Subtreasury	7500

14	Reghu N	799010500663788		Subtreasury	212500
15	Manoj P	390916	27.05.2019	Subtreasury	66600
16	Manoj P	504246	12.11.2019	Treasury	12500
17	Manoj P	504245	11.11.2019	Treasury	8750
	Total				23,37,650

IV Trial Balance

2811 (Sundry creditors/contractors)

An amount of Rs. 4754769/- is showing as credit balance in this account. The reason for showing huge credit balance in this account may be explained.

2812 (Sundry creditors/Suppliers)

Rs. 10525492/ is showing as debit balance. This may be verified and corrected.

2825(LIC/SLI) Rs. 68192/- showing credit balance.The reason for non payment of LIC /SLI premium collected may be explained.

2826 (Professional tax deducted) Rs.1250/- debit Balance. Excess payment may be verified and corrected.

2833 (ST on materials) Rs.1260993/ - debit .Balance. Reason for showing huge amount in this account may be explained

2829 (Other statutory deductions) Rs.125353/--credit balance. Non remittance of statutory deductions may be verified and corrected.

2843 (TDS employees) Rs.12326/- is not seen paid to the IT department. This may be verified and corrected

2853 (Interest Account but not due-bank) Rs.5139491/- is showing as credit balance .The reason for keeping the account may be verified and corrected.

9212 Rs. 396940/- is shown as credit balance

9219 Rs. 16144619/- is shown as credit balance

All the above cases may be verified and necessary corrective steps may be taken.

V Inordinate delay in commissioning the Scheme-Deprival of drinking water to Public

A)Name of Work: WSS to Kottiyoor-Kelakam and Kanichar Phase 1 of Iritty Thaluk of Kannur district-Laying gravity main from WTP Clear water sump-at ManjalapuramJ-Package II.

Agreement No: 26/2019-20/SE/PHC/KNR ,Contractor : CH Abdulla.

The above work was awarded to Sri. CH Abdulla vide Order No.

KWA/PHC/KNR/D1-2506/2017 dated 26.02.2019 of the SE, PHC Kannur. Since the original contractor expired on 20.05.2021, the balance work was arranged to M/s Ceeyech Constructions Pvt Ltd, by the Agreement authority. The time of completion of the above work was on or before 05.02.2022. But the Contractor could not complete the work within the stipulated time. Time extension was granted up to 30.09.2022. No further time extension is seen granted beyond 30.09.2022. Under the above circumstances the following points may be clarified.

1. Whether any time extension granted beyond 30.09.2022
2. If granted, the date of execution of Supplementary agreement.
3. Present status of the work
4. If completed, the date of completion and copy of FA12 to be produced.

B) Name of Work: WSS to Kottiyoor-Kelakam and Kanichar Kannur district-Supply erection of 315 KVA transformer and pumpset at intake well-Package V

Agreement No: 203/2021-22/SE/PHC/KNR , Contractor : M/s Premier powerline

Source file: A4-660326/NABARD dated 15/03.2023.

AS No.: 1070/2017/WRD dated 30.12.2017

Technical sanction for the above work was issued vide Order No. TS/2021-22/35420 dated 27.12.2021 and work awarded to M/s Premier powerline , Erode Tamilnadu vide Order No. KWA/PHC/KNR/D1-35420/NABARD/2021 dated 08.02.2022. Time of completion allowed was up to 07.06.2022 (4 months from the date of Order). But the Contractor couldn't complete the work within the permitted time, due to the delay in getting the motor, pumpset and transformer from the manufacturers. Considering the application received from the Contractor the time extension was granted up to 31.03.2023 with fine vide Order No. KWA/PHC/KNR/D1-35420/NABARD/2021 dated 13.02.2023.

The Contractor supplied the materials on 10.07.2023 vide GRS No. 0682 and 1st and part bill paid to the Contractor on 12.06.2023. But on verification of the page No. 30 of M Book CE/NR/5157/20-21 the total amount payable to the contractor is mentioned as **Rs. 7807764/-** and net amount **Rs. 6839505/-**. But the amount released by the FM&CAO is Rs. 5668340/- only after deducting **Rs. 1171165/-** as Special deposit. The same is not seen updated in the M book. Moreover payment details also not seen recorded in the m book. **The payment details in the M book may be corrected and intimated.**

Further it is noticed that the work is not yet completed. As the time extension expired on 31.03.2023, and no further time extension is granted beyond that date, the following may be clarified.

The present status of the work.

Reason for delay in completing the work

Status of the ToC request,if any,submitted by the Contractor.

If completed, the date of completion and copy of FA12 to be produced.

C) NABARD-WSS to Kottiyoor-Kelakam and Kanichar Villages Package I

The work was completed but not commissioned yet due to the non getting of KSEB connection. Th present status of the same may be intimated.

D) NABARD-WSS to Kottiyoor-Kelakam and Kanichar Villages Package II

The work was completed but not commissioned yet due to the non getting of KSEB connection. Th present status of the same may be intimated.

VI Connection Charges

A)Name of Work: JJM-Kasaragod district- Panathady Panchayath-WSS to Panathady and Kallar Phase II-Laying distribution system and providing FHTCs.

Agreement No: 43/2020-21/SE/PHC/KNR Dtd:27/10/2020

Contractor : T.M.Basheer.

On verification of the work file and connected registers,it is noticed that the details related to the claims submitted for connection charges through PFMS is not seen in the file. A total no. of 1200 FHTCs are proposed to be given in the above work and on completion of the work,1051 connection were effected. But the fund request for connection charges is seen submitted for 43 FHTCs only.

Hence the details of connection charges requested and amount received may be intimated with documentary evidences. The details of fund requested submitted is as follows:-

Funds to be obtained for 1008 Nos for which request has not been submitted

No. of FHTCs:1051 Nos.

Fund request submitted for:43 Nos.

Funds to be obtained for 1008 Nos for which request has not been submitted :₹. 579600/-

The details of fund request submitted ,if any may be produced to the Audit.

Similar cases if any may also be verified and intimated.

VII Erroneous accounting of Connection Charges in JJM works

On verification of the JJM work files and cash book,it is noticed that the connection charges for giving FHTCs in various works are not seen recorded as expenditure of JJM. As per the cash book entry of 22.11.2022 vide CBV 40Dn ,an amount of ₹. 5167512/- is seen recorded in the payment side of the cash book under the head **9132** instead of booking as expenditure of the respective works along with other contract charges.

Further as per CBV 25 Dn of 02/23, it is noticed that the connection charges is seen recorded under the head **6113** in the payment and receipt side, instead of recording as capital expenditure in the payment side of the Cashbook. Also on verification of the ledger account of 6113, it is noticed that there are a number of debit entries in this account which is irregular.

Hence urgent necessary action may be taken to record the connection charges as expenditure in various works and as revenue under the head **6113**. All the erroneous entries may be corrected and fact intimated to Audit.

VII Erroneous accounting of Centage Charges in Deposit works

Name of Work: Deposit work WSS to Belur and adjoining villages-Laying pipeline to Athiyadukkam colony and providing house connections
Agreement No: 10/2021-22
Contractor : Sooraj P.
Source file: A1-DW/WSS/2022

On verification of the files and the utilization certificate issued to the Kodom Belur panchayath, the total expenditure incurred for the project is Rs.301065/- The amount is including ₹.26575/- centage charges. But the centage charge is not seen recorded as expenditure of the work. The reason for not recording the the expenditure may be intimated to audit.

Similar cases if any also may be verified and corrected

VIII Auction of Unserviceable materials

It is noticed that huge quantity of unserviceable materials is stacked at the yard of KWA for want of auction.

AC Pipes

SI No	Description	Quantity
1	200mm AC Class 15 Pipe	158M
2	200mm AC Class 20 Pipe	429.3M
3	200mm AC Pipe	48M
4	250mm AC Class 20 Pipe	29.4M
5	250 mm AC Pipe	5M
6	200mm AC Coupling	24 Nos
7	250mm AC Coupling	20 Nos

PVC, GI & Other materials in Koothuparamba & Payyannur Subdns

1	250mm PVC 8 Kg	1M
2	300mm DIK9Pipe	0.3M
3	80mm GI Pipe	2 M
4	140mm PVC 10 KG Pipe	4M
5	180 mm PVC 8KGPipe	8M
6	450 mm Rubber Gasket	23 Nos
7	400 mm DI K7Pipe	2.6 M
8	200mm DI K7 Pipe	5.8 M
9	90mm PVC 6 Kg pipe	27.2 M
10	75mm PVC 6 Kg pipe	409.6 M
11	110mm PVC 6 Kg pipe	11.8 M

12	160mm PVC 6 Kg pipe	29 M
13	450 mm 8Kg Rubber Gasket	319 Nos
14	300 mm 8Kg Rubber Gasket	5 Nos
15	250 mm 8Kg Rubber Gasket	10 Nos
16	400 mm 8kg Rubber Gasket	6 nos

It is reported that though the auction tenders were invited, there was no response for AC Pipes.

Immediate action may be taken to dispose off these materials through re-auction

IX Slow progress in giving JJM connections(FHTCs)

It is informed that the total no. of FHTCs proposed to be given through JJM is **2.09 lakhs** in 45 panchayaths of Kannur and Kasaragod districts. The proposed Revenue through connection fees is **12.06 crores+SME/CSME** charges. In this connection the following details may be produced.

No.of FHTCs effected so far

No. of HTC's effected so far

No.of FHTCs/HTCs in the ongoing projects

The details of connection fees collected and remitted to H.O

It is noticed that there is no serious monitoring of these revenue to KWA is being done at Division.

X Non remittance of service charge of KCWWF to KWA Account

On verification of the KCWWF register, it is noticed that the 1% service charge of KCWWF deducted from the contractors has not been remitted to Head office Account from 2020 onwards.Immediate action may be taken to remit the same to KWA and intimated.The amount such collected prior to 2020,if any may also be remitted and intimated. _

XI Recovery of excess amount allotted towards Leave Travel Concession

It is Ordered by the CE(HR&GL) vide No. 10970/E19/2021/KWA dated 17.08.2021 to recover the excess amount allotted towards the Leave Travel Concession in respect of the following incumbents.

Sl No	Name and designation	Amount
1	Sri. A V Ravi, Surveyor Gr II (Rtd)	Rs. 18,840/-
2	Sri. V Madhusoodhanan, OA	Rs. 5,649/-
3	Sri. Kamalakshan, D Man Gr II	Rs. 5,649/-
4	Sri A Raghavan ,D Man Gr I	Rs. 30,660/-

Details of recovery with CBV No. may be submitted.

XII Establishment & Service Books

A)Irregular promotion of Head Clerk as Junior Superintendent

On verification of the service book of Sri Mani C, it is noticed that the incumbent promoted to the cadre of Junior Superintendent vide Order No.KWA/JB/E9/4293/2007 dated 12.02.2020 is not as per the Rules. Sri. C Mani

promoted to the post of Head Clerk vide Order No. KWA/JB/E9-2078/07 dated 23.03.2016 .He has not joined to the post of Head Clerk and continued in the FRIENDS-Janasevanakendram. He has neither performed the duties as a Head Clerk nor declared satisfactory completion of probation in the post of Head Clerk.Without the declaration of probation, the incumbent promoted as Junior Superintendent on 12.02.2020 which is irregular as per Rules.Since the incumbent was on the scale of UD Clerk(HG),the fixation of Junior Supdt was also.not enjoyed. As per G O (P) No. 23/2022 WRD dated 25.10.2022 Para 4(Fixation Rules),all employees who were in service as on 01.07.2019 shall come over to the revised scale wef 01.07.2019 ,and there will be no option facility to elect another date of Pay revision.

It is recorded by the EE PH Division Malappuram in the Service book that Dist Collector Malappuram has not given permission to relieve from FRIENDS-Janasevanakendram and join as Head Clerk in KWA.The basis of such an entry in Service Book is brought to the notice.

It is brought to the notice the irregularity and the same may be rectified in liaison with the Head office and the outcome may be intimated.

B)Unauthorised absence of Sri Santhosh P K, LD Clerk(HG)

The entries in Service Book regarding the recovery of salary for unauthorised absence from duty in respect of Sri Santhosh PK ,LD Clerk(HG)is not seen authenticated by the competent authority.

C)Disciplinary action against Sri Rajesh K,UD Clerk

The disciplinary action against Sri Rajesh, UD Clerk, was finalized vide Order No. KWA/JB/E6(C2)/1246/2018 dated 05.05.2020 of the CEHRD&GL). . On verifying the Service Book of the incumbent the details of disciplinary action has not been entered in the appropriate page(Page 99-100)The recovery details of the liable amount if any has also not been noticed.

D)Leave Account

A)As per G O (P) No. 75/2007 Fin dated 27.02.2007,the employees who have completed three years of service will become eligible for earned leave @1/11 for the period spent on duty for the first year of service as admissible for a permanent employee. On verification of the Service book of Sri.Manojkumar K, L D C of this office, the leave @1/11 has not been recasted yet.

E)Sanctioning of increment without declaration of probation.

On verification of the Service book of the following incumbents it is noticed that the increments were sanctioned without the declaration of probation.

- A. Smt.Renisha M,D man Gr II :-The incumbent provisionally promoted as D Man Gr II vide order No. KWA/JB/E4(B)/346/98 vol II dated 19.2.2020 .It is

noticed that annual increments were sanctioned without the declaration of probation.

- b. Sri Reejesh K.O, D Man Gr II :- Provisionally promoted as D Man Gr II vide Order KWA/JB/E4(B)/346/98 vol II dated 16.11.2018 .Further increments were granted without the declaration of probation in the cadre.
- c. Sri Dileep O.K ,D Man Gr II:-Provisionally promoted as D Man Gr I vide Order No.KWA/JB/E4/755/96 vol III dated 21.07.2020.Further increments were granted without the declaration of probation in the cadre.

Irregular increments sanctioned prior to the declaration of probation may be regularized and excess pay and allowances disbursed may be recovered and intimated.

Part III

Outstanding Local Audit Paras

SI No	Year	Pending
1	2005-06	1
2	2010-11	1
3	2011-12	1
4	2015-16	2
5	2016-17	2
6	2017-18	2
	Total	9

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.

ABDUL BASHEER T K

Internal Auditor

Annexure I**Executive Engineer**

SL NO.	NAME	DATE OF JOINING	DATE OF RELEIVING	Remarks
1	C Jayaprakash	01.01.2013	05.01.2016	
2	N B Ajaya Ghosh	06.01.2016	14.01.2016	(FullAddl charge)
3	V.K Rathna Kumar	15.01.2016	23.06.2020	
4	Ramesh Babu D.K	23.06.2020	30.10.2021	
5	K.Sudeep	30.10.2021	17.11.2021	(FullAddl charge)
6	Ramesh Babu D.K	17.11.2021	31.3.2022	
7	Arun K	01.04.2022	29.06.2022	In Charge
8	Amrut Raj B J	30.06.2022	19.07.2022	
9	Arun K	20.07.2022	03.08.2022	
10	Santhosh Kumar S	04..08.2022	05.11.2022	
11	Ajith Kumar J	06.11.2022	20.11.2022	In Charge
12	Santhosh Kumar S	21.11.2022	24.11.2022	
13	Ajith Kumar J	25.11.2022	11.12.2022	In Charge
14	Santhosh Kumar S	12.12.2022	till continuing	

Technical Assistant

SL NO.	NAME	DATE OF JOINING	DATE OF RELEIVING	Remarks
1	Kalpana S	10.09.2015	24.02.2016	In Charge
2	Muhammad Ashraf P A	25.02.2016	07.10.2016	
3	Deepa P P	08.10.2016	05.08.2019	
4	Sherna Raghavan	05.08.2019 AN	16.10.2021	
5	Ouseph M E	16.10.2021	11.04.2022	
6	Riju V	11.04.2022	27.07.2022	In Charge
7	Gireesh Babu K	27.07.2022	30.07.2022	In Charge
8	Subin PS	30.07.2022	22.08.2022	In Charge
9	Ajith Kumar J	22.08.2022	19.01.2023	
10	Subin PS	20.01.2023	Till Continue	In Charge

Divisional Accounts Officer

SL NO.	NAME	DATE OF JOINING	DATE OF RELEIVING	Remarks
1	Sunil Augustine	01.04.2015	18.01.2016 AN	
2	O Prakash	19.01.2016	02.09.2016	

3	Dhanesh C	15.01.2019	14.03.2019	Trainee
4	Shylaja V V	03.09.2019 FN	28.12.2019 FN	
5	Dhanesh C	28.12.2019 FN	25.07.2022	
6	Shyma K V	25.07.2022	01.08.2023	
7	Mani C	02.08.2023	04.08.2023	In Charge
8	Shyma K V	05.08.2023	15.09.2023	