

KERALA WATER AUTHORITY**Internal Audit Wing**

UIN:IAR/07/2023-24

**Internal Audit Report
PROJECT DIVISION ,KATTAPPANA**

PERIOD OF AUDIT : 07.08.2023 to 14.08.2023

PERIOD COVERED : 01.04.2014 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**

The Internal Audit of Project Division Kattapana conducted from 07.08.2023 to 14.08.2023, covering the period from 01.04.2014 to 31.03.2023

Project Division Kattapana is under the control of PH Circle Moovattupuzha. The Division has jurisdiction of project works of 42 Grama panchayaths and two Municipalities The project aims to provide 179829 FHTCs across these 42 Panchayaths. Several projects are ongoing under various programmes like KIIFB/STATE PLAN/JJM with an estimated cost of **₹305161.73 lakhs**

A total No. of 17 audit enquiries issued and some replies received. 13 queries included in the final audit report.

B Officers in charge .

Attached separately as **Annexure I**

C Financial Analysis

Year	2020-21 (Rs in Lakhs)	2021-22 (Rs. in Lakhs)	2022-23 (Rs. in Lakhs)
Estt Expenditure	199.26	231.75	196.98
Contingencies	37.68	41.26	114.02
Capital Exp	3227.37	4035.20	4504.88

Part II**A. Significant Audit Findings**

NIL

B Other Audit Findings

I Incorrect recording of JJM Volunteers wages

On verification of the Cash book and 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 utilized. . The total amount of wages of JJM volunteers wrongly recorded under the head 3359 is as follows.

FY 2020-21 : Rs.1572657/-

FY 2021-22 : Rs.2013310/-

FY 2022-23 : Rs.8724418/-

Hence urgent necessary action may be taken to correct the entries in consultation with the Accounts wing of head office and fact intimated to Audit

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

II Improper accounting of centage charges

As per 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. But on verification of the deposit work details it is observed that there is no Centage charges are being booked under the head 6511 while finalizing the bill of work. The Centage charges has to be booked in the respective head of account and to be deposited to the non- operative account. The reason for violating the direction from the Managing Director may be intimated to audit. On verification of the cash book entry on 27-08-2021 it is noted that an amount of **Rs. 4,14,196** is seen recorded under the head 9132 on payment side and the same amount is recorded under the head 6511 (Centage Charge) on receipt side of the cash book. It is not clear whether the above amount has already been recorded as an expenditure for the project while making payment. On verifying the ledger account of 6511 for three years it is noted that only an amount of Rs.414196 is seen recorded as income of KWA. The total amount of centage charges to be remitted may be calculated for the previous periods and to be booked as expenditure of the project and revenue of KWA. The deposit work register may be verified and necessary corrective steps may be taken urgently and fact intimated to audit.

III Trial Balance

1659 (Other advance for Exp)

An amount of Rs. 293543/-n/- is showing as credit balance in this account. The reason for showing huge credit balance in this account may be explained.

1661 (Advance to contractors)

Rs. 60,37,745/ is showing as unsettled advances paid to the contractors. The reason for non settlement may be explained.

2731(EMD of contractors) Rs. 18800 showing debit balance.The reason for excess payment may be explained.

2826 (Professional tax deducted) Rs.26000/- debit Balance. Excess payment may be explained.

2829 (other statutory deductions) Rs.1008718/- Credit Balance. Non remittance of statutory deductions to the respective agency may intimated.

2843(TDS from employees) Rs.4500 /- is showing as debit Balance - Excess remittance of income tax deducted may be explained.

2899 (other Dues) Non remittance of Rs.63889/- may be verified and intimated.

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

IV Non forfeiture of Time barred /Unclaimed Securities

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

Sl No	Name	Details of instrument	Date	Bank/PO	Amount
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SECURITY DEPOSIT

1	N A Francis	Term Deposit No. JK 241268	29.11.2018	TREASURY	27500
2	N A Francis	Term Deposit No. JK 241384	15.05.2019	TREASURY	9000
3	N A Francis	Term Deposit No. JK 241385	15.05.2019	TREASURY	20000
4	N A Francis	Term Deposit No. JK 241475	22.08.2019	TREASURY	75700
5	N A Francis	Term Deposit No. JK 241474	22.08.2019	TREASURY	64800
6	N A Francis	Term Deposit No. JK 241470	22.08.2019	TREASURY	52600
7	N A Francis	Term Deposit No. JK 241473	22.08.2019	TREASURY	22000
8	N A Francis	Term Deposit No. JK 241472	22.08.2019	TREASURY	4000
9	N A Francis	Term Deposit No. JK 362241	23.01.2020	TREASURY	36700
	Total				312300

V Irregular accounting of fixed asset purchase

On verification of the Tally accounts for the month of 04/2022 (CBV 54 of 27.04.2022) it is noticed that an amount of **Rs 2400/-** has been accounted in code ***1081** towards the purchase of furniture as cash book entry.. As per Vol IV Chapter IV B 1.1.2 of the Accounts Manual, it is clearly specifies that the ARUs shall account such transactions under the head **"9219-Control Account-Capital**

Expenditure (Others)” Details of such purchase shall be forwarded to Head Office in form FA7 and journalize in the appropriate Capital Heads(*1081,*1082 etc) as the case may be.

It is replied that the same has been rectified in communication with Head office. But correction is not reflecting in the trial balance. Hence the corrected Trial Balance may be submitted to audit.

VI 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

Name	Date	Cheque	Amount	Settlement details	Remarks
BSSuresh, AE	28.10.2015	160689	20000	03/2016	
E J Antony,AE	24.07.2015	160674	6000	03/2016	
E J Antony,AE	17.06.2015	156675	10000	03/2016	
E J Antony,AE	10.09.2015	159403	40000	03/2016	
Mathew Paul, AE	20.06.2016	464625	10000	03/2017	
V Adarsh, AE	24.10.2018	568911	15000	02/2019	
V Adarsh, AE	04.06.2019	929964	20000	10/2019	
Soby Paul,AE	22.07.2021	875948	10000	11/2021	
Soby Paul,AE	19.11.2021	968166	10000	03/2022	
George EL, AE	14.09.2018	568878	10000	03/2019	
George EL, AE	17.10.2018	568907	20000	03/2019	
Govindankutty,AE	17.10.2018	568908	3000	03/2019	
PK Jayaprakash, AE	11.06.2019	929966	12000	10/2019	
Achuthanunni, AE	23.04.2022	176565	20000	09/2022	
	Total		206000		

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

VII Remittance of connection fees

A)Name of work : JJM-Velliyamattam Panchayath- Phase II Providing FHTCs 350 Nos in various places of Velliyamattom Panchayath

Contractor: Monce T Paul

Agt No. 06/2021-22/SE/PHC/MVPA

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 submitted. A total no. of 350 FHTCs are proposed to be given in the above work and on completion of the work ,443 connection were effected. But the fund request for connection charges is seen submitted for 202 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:-

No. of FHTCs:443 Nos.

Fund request submitted for:202 Nos.

Amount requested :Rs. 137150/-

Funds to be obtained for 241 Nos for which request has not been submitted:Rs. 138575/-

B) Name of work : JJM-Providing FHTCs to household in Kumily Panchayath from existing scheme

Contractor: Roopesh K Rajappan

Agt No. 05/2021-22/SE/PHC/MVPA

On verification of the work file and connected registers ,it is noticed that the details related to the expenditure of connection charges is not seen in the file .A total no. of 1293 FHTCs are proposed to be given in the above work and on completion of the work. This may be verified and intimated.

Similar cases if any may also be verified and intimated.

VIII Stock Verification Pending Paras

On verification of the Stock Verification files, it is noted that 11 Paras are pending for want of settlement. Most of the Paras involves financial liabilities .The details are as follows:-

SVR 2019

Para	Name of the incumbent	Assessed liability	Remarks
II(H),II(I),IV(I)	K G Haridas	Rs.186193/-	Incumbent Expired
II(I)	KK Raman	Rs.939284/-	Incumbent Expired
II(J),II(K),IV(H),IV(K)	Mathew Paul	Rs.1284621/-	Retired on superannuation
III(H)	Muhammed Nazir P A	Rs.25647/-	Retired on superannuation
IV(J)	V V Viju	Rs.250625/-	Incumbent Expired

Immediate action may be taken to realize the assessed liability from the incumbents /DCRG in liaison with the Head Office as the loss sustained to KWA comes to Rs. 26.86 Lakh

SVR 2022

The first reply of the report has not been submitted even after the lapse of four months. Reason for this inordinate delay may be explained.

IX Irregular accounting of advertisement charges of deposit works

On verification of the Cash book, it is noticed that the payment of advertisement charges of deposit works is booked under the head 3453.This will not reflected in the

expenditure of that particular deposit work. This resulted in increasing the administrative expenses of KWA. As it is the deposit work of an outside agency, the same has to be booked as an expenditure of that work and not an expenditure of KWA. Hence all the items included in the estimate/Utilization certificate of a particular deposit work shall be booked under the respective "Capital expenditure head" and intimated.

X Expenditure in excess of amount deposited

Name of Work:- Deposit work-Providing pumping main from intake well at Chakkakkanam to tank at Nedumkandam thaluk hospital
Contractor: Roopesh Rajappan
Agt No. 47/2022-23

The above work was arranged based on the request received from the Superintendent, Thaluk Hospital, Nedumkandam. An amount of Rs. 4809000/- has been deposited by the hospital vide cheque No. 293045 dated 15.12.2022 being the total estimate amount informed by KWA. The total PAC of the work was **Rs.3521928/-** plus 18% GST. But on completion of the work the total value of work done including GST and other expenses comes to Rs. **4885707/-** which is an excess of Rs. 76707/- than the amount deposited. In this circumstances the following points may be clarified.

1. What action has been taken to obtain shortage amount of **Rs. 76707/-**
2. Any further amount received from the Thaluk hospital against the shortage amount .
3. Total amount paid to the Contractor

XI Idling of department vehicle and non utilization of the service of Driver

It is noticed that two nos of department vehicles were in idle condition since obsolete
KL06D 1321 BOLERO
K107P 6560 JEEP

It is also noticed that the service of Sri Anoop PR, Driver of the department vehicle is not utilized for other purposes. There is no duty assigned for him. In this connection, the situation may be reported to Head office, to transfer the incumbent to other location as there is no department vehicle.

The action taken to conduct auction of these obsolete vehicles and the duty of department Driver may be reported

XI Establishment & Service Books

1) Non deduction of GIS /SLI

On verification of the salary bills it is noticed that some of the employees were not subscribed to GIS/SLI which is mandatory. The details are :-

GIS

Antony EJ, Assistant Exe Engineer
Sandeep S Pillai, Assistant Engineer
Vishnu Vijayan, Assistant Engineer
MM Sreekumar, UD Clerk
Vignesh Babu, Overseer Gr III
Vineeth V D, Overseer Gr III
Vinayak Aravind, Overseer Gr III
Sreerag S, Overseer Gr III
Anand C G, Overseer Gr III
Akhil C V, Overseer Gr III

SLI

Antony EJ, Assistant Exe Engineer

MM Sreekumar, UD Clerk

Vignesh Babu ,Overseer Gr III

Vinayak Aravind, Overseer Gr III

Akhil C V, Overseer Gr III

2. Sanctioning of increment without declaration of probation.

On verification of the Service book of the incumbent it is noticed that the increments were sanctioned without the declaration of probation in respective cadres.

Smt Suma CM,.D Man Gr I :-The incumbent provisionally promoted as D Man Gr II vide order No. KWA/JB/E4(B)/346/98 vol II dated 27.12.2016.In the Order itself it is clearly specified that the incumbent will be on probation for a period of one year duty within a continuous period of two years.It is noticed that annual increments were sanctioned without the declaration of probation.Further the incumbent promoted as D Man Gr I vide Order No. KWA/JB/E4/755/1996 Vol II dated 04.01.2022 of DCE(GL).In this cadre also the probation has not been declared.

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

Part III

Outstanding Local Audit Paras

SI No	Year	Pending
1	2014-15	1
5	2015-16	2
6	2016-17	2
7	2021-22	1
	Total	6

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.

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IA KWA

Annexure I**ProjectDivision, Kattappana****INCUMBENCY DETAILS FROM 01-04-2014 to 31-03-2023**

Sl.No.	Name	Date of joining	Details of incumbency/retirement
1	Sri.K.K.Anilkumar	19.10.2012	19.6.2015
2	Sri.P.V.Nandakumar (EE P.H.Division Thodupuzha in Full additional charge of EE)	19.6.2015	6.7.2015
3	Sri.N.Jayaram	6.7.2015	13.8.2015
4	Sri.G.K.Sujath kumar	13.8.2015	27.9.2018
5	Sri.Sooraj Sukumar	28.9.2018	15.6.2019
6	Sri.T.N.Mohanan AEE in full additional charge of EE)	16.6.2019	25.6.2019
7	Sri.M.Harikrishnan	26.6.2019	23.06.2020
8	Sri.T.N.Mohanan AEE in full additional charge of EE)	24.06.2020	09.07.2020
9	Smt. P.K Sheela	09.07.2020	16.11.2020
10	Sri E.J Antony AEE in full additional charge of EE)	16.11.2020	31.12.2020
11	Smt. P.K Sheela	01.01.2021	31.05.2021
12	Sri E.J Antony AEE in full additional charge of EE)	31.05.2021 AN	31.08.2021 AN
13	Sri. K.L Gireesh	31.08.2021 AN	18.09.2021 FN
14	Sri E.J Antony AEE in full additional charge of EE)	18.09.2021 FN	21.10.2021 FN
15	Sri. K.L Gireesh	21.10.2021 FN	27.02.2022
16	Sri. Sudheer M	27.07.2022 AN	07.02.2023
17	Sri. Aby M Mundakkal (AEE in full additional charge of EE)	07.02.2023	07.03.2023
18	Sri. Sudheer M	08.03.2023	Still continuing

Divisional Accountant			
Sl.No.	Name	Date of joining	Details of incumbency/retirement
1	Sri.V.G.Soman	8.7.2013	31.8.2015
	Sri.K.A.Johnikutty (J.S in full		

2	additional charge of DA)	1.9.2015	18.9.2015
7	Sri.O.Prakash	18.9.2015	9.12.2015
8	Sri.K.A.Johnikutty (J.S in full additional charge of DA)	10.12.2015	28.1.2016
9	Sri.G.Harikrishnan	28.1.2016	23.5.2018
10	Sri.K.A.Johnikutty	28.5.2018	31.05.2020
11	Sri.A.K Mohandas (J.S in full additional charge of DA)	01.06.2020	20.11.2020
12	Sri.A.K Mohandas	23.11.2020	28.02.2023
13	Smt. Sreekala K (J.S in full additional charge of DA)	01.03.2023	20.03.2023
14	Smt. Geethakumari. D	20.03.2023	04.08.2023
15	Sri. Suresh K.K	04.08.2023	Still Continuing

Assistant Executive Engineer No. 1			
1	Sri.A.Arunkumar	22.1.2014	19.7.2018
2	Sri.T.N.Mohan	1.10.2018	28.02.2021(on LPR)
3	Sri. M.A Hashim (full additional charge of No.1 kattappana	01.03.2021	14.06.2021
4	Smt. K Archana	14.06.2021	09.11.2021
5	Smt. Sumi R (full additional charge of No.1 kattappana	10.11.2021	12.04.2022
6	Sri. Aby M. Mundakkal	12.04.2022	Still continuing

Assistant Executive Engineer No. 2			
1	Smt.Y.Sajeeda	24.8.2011	19.1.2015
2	Sri.Sone C Varghese	22.1.2015	15.9.2015
3	Sri.Jose M.P	16.9.2015	1.2.2016
4	Sri.E.J.Antony	1.2.2016	12.10.2020
5	Sri. M. A Hashim	12.10.2020	16.08.2021
6	Smt. Sumi R	16.08.2021	05.07.2023
7	Sri. E.J Antony	05.07.2023	Still continuing

Assistant Executive Engineer (Piravam Sub Division)			
1	Sri. V.K Anil	28.08.2019	19.10.2020
2	Sri.E.J.Antony	19.10.2020	08.04.2022
3	Sri. M.V. Georgekutty	08.04.2022	Still continuing