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## **KERALA WATER AUTHORITY**

**Jalabhavan**  
**Thiruvananthapuram – 695033**  
**Kerala - India**

File No. .KWA-JB/4407/2024-DA1(AUDIT)

Dated: 31-05-  
2024

### **Internal Audit Report** **ADMINISTRATIVE WING & FINANCE(Funds) SECTION**

**PERIOD OF AUDIT : 21.05.2024 TO 25.05.2024**

**PERIOD COVERED : 01.04.2012 TO 31.03.2024**

#### **Audit Team**

T K ABDUL BASHEER, INTERNAL AUDITOR

A .SHAJI, ACCOUNTS OFFICER

LAKSHMY R, DIVISIONAL ACCOUNTS OFFICER

S V SIVAKUMAR , HEAD CLERK

#### **Part I**

##### **A. Introduction**

As per the Order No KWA/HO/IA/TP1360/2008/Vol 2 dated 18.05.2024 of the FM& CAO, the above team has been deputed to conduct the regular audit of the Administrative and Finance Sections of Head Office. Only a sample verification has been done within the limited time.

**B Officers in charge .**

Attached separately as **Annexure**

**Administrative Wing****Part II****A Significant Audit findings**

Nil

**B Internal control****I Sanctioned Strength of various categories in various offices of KWA- Excess strength required rearrangement / deployment**

On verification of the sanctioned strength of various categories of KWA, the sanctioned strength in several categories are found excess which requires suitable rearrangement/deployment. The following points may be noted

- The post of Lascar/OA may be suitably rearranged /deployed for revenue related activities
- After the implementation of DDFS/e office, the nature of duty of OA has been changed. Hence they may be engaged more for revenue related activities. A considerable reduction in HR wages may be made.
- After the implementation of DDFS/e office, the nature of duty of Typist has been changed. Hence they may be engaged more for clerical activities.
- The excess posts of DMan Gr I, D Man Gr II, Overseer Gr III may suitably rearranged based on the quantum of work.

SI No	Designation	Office	sanctioned Strength
1	Assistant Engineer	Project Division Thiruvananthapuram	11
2	D Man Gr I	WS Subdivision Punalur	4
3		O/o Chief Engineer(CR)	7
4		O/o Chief Engineer(NR)	7
5		PH Subdivision Cherthala	5
6		PH subdivision Parappanangadi	4
7		WS Subdivision Thalassery	4
8	D Man Gr II	PH Subdivision Manjeri	5
9		Project Division Kannur	5

10	Driver Cum OA	WW Section No. I, Kottayam	2
11	Lascar	WS Section No I, Attingal	3
12		WS Section Varkala	2
13		WW Section Karuvelippady	4
14		PH Section Kariyad	4
15		WS Section Malampuzha	15
16		QC Division Kozhikkode	4
17	LD Clerk	WS Section Sasthamkotta	5
18		PH Section Kottayam	8
19		WW Subdivision Pallimukku,Kochi	6
20		WS Subdivision Kannur	6
21	LD/UD/Sr Gr. Typist	Jalabhavan	23
22		PH Circle Thiruvananthapuram	3
23		WS Division Neyyattinkara	2
24		PH Division Kollam	2
25		WS Subdivision Punalur	2
26		PH Circle Palakkad	3
27		PH Subdivision Kalpetta	2
28	Office Attendant	WWCentral Subdivision	2
29		WW Section Kuriathy	3
30		Sewerage Division Pattoor	3
31		HW Division Aruvikkara	3
32		Project Subdivision Vaikom	3
33		PH Division Alappuzha	3
34		WS Subdivision Neyyattinkara	4
35		WS Section Parassala	3
36		WS Section Kattakada	3
37		WS Subdivision Kanjiramkulam	2
38		WS Subdivision Attingal	4
39		PH Section Oachira	3
40		PH Section Vadasserikkara	2
41		PH Subdivision Cherthala	2
42		PH Section Kalamassery	3
43		Pipe line section No 1 Aluva	3
44		PH Circle Thrissur	4

45		PH Division Thrissur	5
46		PH Subdivision Trissur	4
47		PH Division Irinjalakkuda	4
48		O/o Chief Engineer(NR)	4
49		Dist Section No II Sarovaram	4
50		PH Division Vatakara	4
51		PH subdivision Perambra	3
52		Project Subdivision Vatakara	3
53		Project Section Vatakara	3
54		Project Subdivision Koilandy	3
55		PH subdivision Kalpetta	4
56		PH Subdivision S bathery	4
57		PH Division Malappuram	4
58		PH Subdivision Malappuram	3
59		PH Section Parappanangadi	3
60		WS Subdivision Kannur	4
61		WS Section II Kannur	2
62		WS Section III Kannur	2
63		WS Section Thalassery	2
64		WS Section Kuthuparambu	2
65		WS Subdivision Mattannur	5
66		WS Subdivision Peralassery	3
67		Project Division Kannur	4
68		Project Division Kuthuparamba	3
69		QC Division Thiruvananthapuram	3
70		QC Division Kozhikkode	3

The Sanctioned strength of the above offices may be further reviewed and suitable action may be taken.

#### **II** Belated settlement of Temporary advance

As per Article 99 of KFC Vol I and related GO(P) No. 417/11/Fin dated 4.10.2011, temporary advances sanctioned for meeting contingent expenditure of specific kind or on a specific occasion which should be adjusted by detailed bills and vouchers within three months and in case of default, interest @18% per annum shall be charged. In cases where temporary advance is not fully utilized, but the adjustment bill is submitted in time, interest @ 18% per annum will be charged on the unutilized portion of the advance from the date of drawl to the refund of advance. It is noticed that some of the officers were not settled the temporary advance in time. Moreover further amount allowed without settling

previous advances taken.

Smt. Santhi V P, Asst Exe Engineer(IT unit)

<b>Date</b>	<b>Cheque</b>	<b>Amount</b>	<b>Settlement details</b>
Date	Cheque	<b>Amount</b>	Settlement details
03.06.2023	No. not mentioned	<b>60000</b>	26.02.2024

It is noticed that the incumbent has settled the allotted temporary advance after the lapse of 8 months.

- Applicable penal interest as per Rules may be charged and recovered in case of belated settlement of Temporary Advance and remitted to NOA and intimated
- Allotment of temporary advance without settling previous advances shall be discontinued.
- It is brought to your notice that the cheque no. and date of disbursement and details of settlement (CBV/CBR No.) not mentioned in the Temporary advance control register

### **III**

#### **Bank Reconciliation Statement-**

**A/c. no. 57047105554 (Estt account-Operative )as on 30.04.2024**

An amount of **Rs 5,65,370/-** is seen noted as Cheque deposited but not accounted by Bank .The details are .

<b>Deposit Date</b>	<b>Cheque/DD</b>	<b>Amount</b>
2.11.2017	484934	164904
2.11.2017	484935	168143
14.05.2018		540
27.06.2018	157749	159039
17.12.2018	2368860	15504
5.01.2019	1922881	15504
20.03.2019	897699	23836
21.03.2019		1860
05.07.2019		72

18.09.2019	342662	15968
Total		<b>565370</b>

The deposit dates seems pretty old. Action may be taken to make available the funds in contact with the bank/treasury. Claims needed if any to be raised .

Further an amount of **Rs. 167139/-** is recorded as cheques issued but not presented for payment. Some of the cheques were of 2018.The outdated cheques shall be cancelled, re credited and intimated.

#### **IV**

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

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

<b>Fin Year</b>	<b>Amount</b>
2020-21	₹7,14,302
2021-22	₹6,06,806
2022-23	₹21,18,733
	<b>₹ 34,39,841</b>

Action may be taken to remit the amount to the Account of FM&CAO. If the amount is already remitted the remittance details may be intimated to audit.

#### **V Trial Balance**

##### **A) 1532(Imprest Account balance )**

An amount of Rs. 81873- is shown as debit balance in this account. The reason for the non settlement of imprest allotted may be reported.

##### **1661(Advance to contractors)**

An amount of Rs. 24,26,195- is shown as debit balance in this account. The reason for the non settlement of advance to contractor may be reported to audit.

##### **1662(Advance to Suppliers)**

An amount of Rs.-2,39,44,197/- is shown as debit balance in this account. The reason for the non settlement of advance to Suppliers may be reported to audit

##### **2821 (House rent deductions)**

An amount of Rs.92,202/-/- is showing as debit balance in this account. The reason for not settling the amount may be clarified

2825 (SLI/LIC)

An amount of Rs.1,58,996/- is showing as debit balance.As this account is a third party account,the reason for showing debit balance may be reported .

2826 (Professional Tax from employees)

An amount of Rs. 445353/- is showing as credit balance towards professional tax deducted from employees is not seen remitted to respective department This may be verified and rectified

2829 Other deductions from employees)

An amount of Rs. 3,86,96,218/- is showing as debit balance.The reason for huge amount remaining as debit balance may be intimated. Necessary JV may be passed and corrective measures may be taken.

2843 TDS from employees)

An amount of Rs. 18,09,866/- is showing as debit balance.The reason for showing excess payment may be verified.

These accounts may be verified and reason for appearing in the trial balance may be reported .

Necessary corrections may be effected immediately and intimated.

**B)**Non journalization of Sundry credit Account Heads

2811(Sundry Creditors- contractors) Debit balance Rs. 6,08,26,944/-

2812(Sundry Creditors- Suppliers) Debit balance Rs. 2,38,74,199/-

2813(Sundry Creditors- Others) Debit balance Rs. 1,48,84,863/-

It is noticed that the journalization of the above sundry credit Account Heads were not done since 01/06/2023 and hence it is not regularized. It is also noticed that 12416357 is seen as OB as on 1.04.2020 which is also to be verified and journalized.

**C)**Trial Balance-Advance to contractors-Bank loan

1661(Advance to contractors)

It is noticed that an amount of Rs. 158744/- is shown as debit balance under this account. This amount is paid to the contractor under bank loan scheme. Hence the details of work/scheme, date of payment of advance, name of contractor and reason for non settlement may be intimated.

#### **VI Incorrect recording of JJM funded expenditure**

On verification of the payment of various expenditure under Jal Jeevan Mission projects for the year 2021, 2022, 2023, 2024, it is noticed that the advertisement/publicity expenses were booked under the head of account 3453.

2020-21	7277648/-
2021-22	1,05,65,450/-
2022-23	4,44,51,384/-
2023-24	35,33,074

Since there are separate Administrative sanction is available for various capital projects including JJM/KIIFB/AMRUT etc., the expenditure has to be recorded as capital expenditure in the heads 2811/9212/9219, as the case may be, and to be journalized to the respective Capital heads of accounts. The practice of recording the expenditure under JJM funded projects, as **Operating/office Expenses of KWA** may result in unnecessary increase in the operating expenses of KWA. Hence urgent necessary action may be taken to rectify the irregular recording of JJM funded expenditure of various projects. The wrong entries made so far may be rectified in consultation with the accounts wing of head office and result intimated to audit.

Also it is noticed that while preparing the CB3 voucher for payment, the work/scheme details for the payment towards capital expenditure are not seen mentioned from the concerned section of Secretary's unit. Due to this it will be difficult to identify the nature of payment whether it is capital or others

#### **VII) Establishment & Service Books**

On verification of the Service book of Sri Sanjaykumar V S, Office attendant the following points were notice which needs immediate rectification

**A) Irregular sanctioning of Time Bound Higher Grade on completion of 8 years of service**

Sri Sanjaykumar S appointed as Office Attendant (Supernumerary) under the scheme of regularizing physically challenged employees and joined duty on FN of 30.09.2013. It is noticed that the Ist TBHG on completion of 8 years was sanctioned to the incumbent vide Order No. 2255/E10/2014/KWA dated



19.11.2021 of DCE(GL) in the scale of pay 17500-38800 wef 30.09.2021 and pay has been revised accordingly. The employees who are appointed through supernumerary scheme were not eligible for Grade promotion and hence irregular. This may be cancelled and excess payment on account of irregular sanctioning of TBHG may be recovered and intimated.

**B) Irregular granting of conveyance allowance to Supernumerary employee**

As per Govt.order(P) No 126/2021/Fin dated 12.09.2021, conveyance allowance to differently abled employees posted on supernumerary category, shall be sanctioned from 12.09.2021 only. On verification of the Service Book and pay bill register of **Sri Sanjaykumar S, Office attendant**, it is noticed that the incumbent has been drawing the Conveyance allowance from 30.09.2013 which is not in order. Similar cases if any shall also be reviewed.

The total amount irregularly admitted may be calculated and recovered and intimated to audit.

**C) Service Books**

**1) Leave Account**

**Beena C, Head Clerk** Non deduction of CML/HPL in Earned leave calculation

Earned leave taken for the period from 11.12.2014 to 12.12.2014(2 days) and CML for the period from 08.03.2010 to 10.03.2010 and 25.03.2010 to 27.03.2010 (6 days) is not seen deducted in the Earned leave calculation.

**2. 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. Anuja B, LDC** :-The incumbent joined duty as office attendant on the FN of 27.12.1999. The probation of the incumbent declared wef 27.12.2000 FN. But it is noticed that annual increment was sanctioned wef 1.12.2000 without the declaration of probation which is irregular.

**B. Anu V, Head Clerk** :-The incumbent joined duty on the FN of 10.02.2006. The probation of the incumbent declared wef 10.2.2008 FN. But it is noticed that annual increment was sanctioned wef 1.2.2008 prior to the declaration of probation which is irregular.

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.

**2) Improper maintenance of Service Books**

A)Reshma M V, LDC :-The incumbent has availed maternity leave from 16.08.2022 to 11.02.2023.The entries related to the maternity leave (page 23) and Leave account (Page 23,125) were not seen authenticated by the controlling officer

B) Arathy SS ,LDC : It is noticed that the photo of the incumbent is not pasted in the SB and page no. 1,2,3&4 not seen authenticated .pay details of the incumbent is not recorded in page 16

C)Smitha Mohan-UDC :The CML account (Page 129) not authenticated.In page No. 55&129,the Earned leave account entries are seen written by pencil. This is irregular

On verification of several other Service Books ,many of the entries were written using pencil

**VIII)Non crediting of Dearness allowance ordered in Pay Revision Order dated 24.102022**

As per para 3 and 6 of the Pay revision Order No. G.O (P) 23/2022/WRD dated 25.102022,the Dearness allowance for the period from 01.04.2021 to 31.08.2022 @ 7% has to be credited to the PF account of employees along with the salary bill of September 2022.On verification of the pay bill and PF details, it is noticed that the same has not been credited to the PF account of the employees even after the lapse of 19 months.This resulted in heavy loss towards the accrued interest in PF account of employees. The reason for not crediting the DA may be brought to the audit

**IX)Outstanding Local Audit Paras**

<b>SI No</b>	<b>Year</b>	<b>Pending</b>
1	2006-07	1
2	2007-08	1
3	2009-10	5
4	2010-11	3
5	2012-13	4
6	2013-14	8
7	2014-15	5
8	2015-16	14
9	2016-17	12
10	2017-18	17
11	2018-19	11
12	2021-22	11
	<b>Total</b>	<b>92</b>

- It is brought to the attention that Local audit Paras of ARUs for which the decision to be taken from Head office is pending for long . If this is timely cleared, the ARUs concerned can submit their replies properly to Accountant General
- 92 Local Audit Paras of Head Office is pending for the period from 2006-07 to 2021-22. This requires urgent attention
- Two senior officers ,each for technical and administration, under the control of CE/DCE(GL) ,may be assigned for the timely submission of Local Audit Paras of Head office to avoid the adverse remarks from the Govt and Accountant General.

### **Part III**

#### **Funds Section**

##### **Bank Reconciliation Statement-**

##### **A/c no. 33403868329**

**a)** Bank charges are not seen debited in CMR, instead the amount is shown in both sides of the bank reconciliation statement

**b)** It is noticed that an amount of ₹1002585008/- is transferred and converted as term deposit is not seen recorded in CMR. It is to be debited from the balance outstanding and a separate register should be maintained for monitoring the term deposits.

##### **A/c no. 67318269670**

**a)** Interest credited by bank for 03/2024 ₹12246/-not recorded in CMR

**b)** As per bank reconciliation statement closing balance 12/2023 -₹24714773/-

CMR closing total is not recorded. On verification ,the transaction for the month is ₹24848791/- Difference amount is ₹134018/- to be clarified

#### **General remarks**

- Cash book not maintained
- Balance of each transaction not arrived or recorded
- Instead of recording the names of the persons to whom the cheque is issued, separate sheet is seen pasted in the CMR which is not in order. The Accountant General has raised several queries regarding this .
- Several pages in the CMR left blank(eg:A/c No. 67149793402-Retention,

Pages 9,14,24,25,31,43)

**Part IV**

**Best Practices**

**NIL**

**Part V**

**Acknowledgement**

**Internal Audit Wing acknowledges the cooperation extended by the auditee Sections.**

ABDUL BASHEER T K  
INTERNAL AUDITOR