

**KERALA WATER AUTHORITY**  
**Internal Audit Wing**

UIN : IAR/2/2025-26

**Internal Audit Report**  
PROJECT DIVISION MALAPPURAM  
PERIOD OF AUDIT : 02/07/2025 to 11/07/2025  
PERIOD COVERED : 01/04/2017 to 31/03/2025

**Audit Team**

Sri. Lalish Kumar.K.G, Internal Auditor  
Smt. RehanaV Kamal, Divisional Accounts Officer  
Sri. Aneesh.M, Head Clerk

**Part -1**

**A. Introduction**

The internal audit of the Project Division, Malappuram was conducted over a period of nine working days, from 02.07.2025 to 11.07.2025.

This audit covers the financial period from 01.04.2017 to 31.03.2025. The Project Division, Malappuram operates under the administrative control of the PH Circle, Malappuram. The division exercises jurisdiction over 57 Grama Panchayaths within the Malappuram District. The division is presently overseeing the implementation of various water supply projects, categorized under the following schemes Jal Jeevan Mission (JJM): Total Schemes: 20 with total Administrative Sanction Amount: Rs. 3674.41 Crore Kerala Infrastructure Investment Fund Board (KIIFB) Scheme: Total Schemes: 10 with total Administrative Sanction Amount: Rs. 711.11 Crore State Plan Schemes: Total Schemes: 5 with Total Administrative Sanction Amount:Rs. 74.87 Crore

**B. Officers In charge**

**Executive Engineers**

Sl.No	Name	From	To
1	A Mohammed Rafi	05.12.2014	25.04.2018
2	Santhosh Kumar E S	26.04.2018	05.05.2018
3	A Mohammed Rafi	06.05.2018	29.09.2018
4	Abdul Nasar Panoly	29.09.2018	18.09.2019
5	Mohammed Sidique	19.09.2019	29.09.2019
6	Abdul Nasar Panoly	30.09.2019	29.02.2020
7	Mohammed Sidique	01.03.2020	20.03.2020

8	Samsudeen P	20.03.2020	31.01.2021
9	Suresh Babu T H	01.02.2021	10.02.2021
10	Mohammed Sidique	10.02.2021	09.08.2021
11	Ansar M S	09.08.2021	16.10.2023
12	Afsal F	16.10.2023	24.05.2023
13	Arun Kumar A	25.10.2023	07.03.2024
14	Sreejesh P	08.03.2024	13.03.2024
15	Jobi Joseph	14.03.2024	17.03.2024
16	Sreejesh P	18.03.2024	20.03.2024
17	Jobi Joseph	21.03.2024	21.03.2024
18	Arun Kumar A	22.03.2024	15.08.2024
19	Santhosh Kumar E S	16.08.2024	04.04.2025
20	Babu M S	05.04.2025	27.04.2025
21	Santhosh Kumar E S	28.04.2025	Continuing

### **Divisional Accounts Officers**

Sl.No	Name	From	To
1	N Rajan	20.03.2017	29.06.2017
2	P.K.Raphel	29.06.2017	24.08.2019
3	Jisha V G	25.08.2019	24.09.2019
4	Raviprakash M	25.09.2019	08.10.2019
5	Rajan N	09.10.2019	29.12.2019
6	Krishnankutty V	30.12.2019	30.04.2021
7	Biju T V	01.05.2021	09.08.2021
8	Bindu V P	10.08.2021	30.05.2022
9	Biju T V	31.05.2022	10.06.2022
10	Bindu V P	11.06.2022	02.11.2022
11	Joji U J	03.11.2022	17.11.2022
12	Bindu V P	18.11.2022	05.07.2023
13	Joji U J	06.07.2023	19.03.2024
14	Biju Muraleedharan	20.03.2024	Continuing

### **C. Financial Analysis**

Year	2021-22	2022-23	2023-24
Estt. Expenditure	330.35	285.25	253.74
Contingencies	32.98	35.35	33.21
Capital Exp.	36804.47	29523.56	19745.85
Main. Expenditure	Nil	Nil	Nil
Total	37167.80	29844.16	20032.8

## **Part.II**

### **A. Significant Audit finding**

NIL

### **Para I: Monthly Accounts(Trial Balance)**

On verification of Trial Balance as on 31-03-2025. It is noticed that the credit and debit balance are seen wrongly accounted in some codes as shown below.

#### **1313 (Stock of pipe)**

An amount of Rs-1,56,17,257/-is seen as credit balance in the trial balance. This may be verified and result intimated

#### **1319 (Stock of Others).**

An amount of Rs-21,248/-is seen as credit balance in the trial balance. This may be verified and result intimated.

#### **1631 (Other loan Due)**

An amount of Rs-3000/-is seen as credit balance in the trial balance. This may be verified and result intimated.

#### **1641 (Onam Advance)**

An amount of Rs-4,42,300/-is seen as credit balance in the trial balance. This may be verified and result intimated.

#### **1651(Travelling)**

An amount of Rs-65,800/-is seen as debit balance as long pending in the trial balance. This may be verified and result intimated.

#### **1659( Other Advance for Exp)**

An amount of Rs-50,030/-is seen as debit balance as long pending in the trial balance. This may be verified and result intimated.

#### **2812 (Sundry creditors Suppliers )**

An amount of Rs-1,93,723/-is showing as debit balance in the trial balance. In trial balance statement there should be no balance under this head. Necessary journal voucher should be prepared and the expenditure booked under respective head and rectified the errors and report to Audit.

#### **2813(Sundry creditors-Expences)**

An amount of Rs-87,500/-is showing as credit balance in the trial

balance. In trial balance statement there should be no balance under this head. Necessary journal voucher should be prepared and the expenditure booked under respective head and rectified the errors and report to Audit.

#### 2814 (Employees Unpaid Salaries)

An amount of Rs-97,898/-is seen as debit balance in the trial balance. This may be verified and result intimated.

#### 9139(Contra)

An amount of Rs-43,39,931/-is showing as debit balance in the trial balance. In trial balance statement there should be no balance under this head. This may be rectified and result intimated to Audit.

#### 9212 (Control A/c Capital Ex Materials)

An amount of Rs-1,50,327/-is showing as credit balance in the trial balance. In trial balance statement there should be no balance under this head. Necessary journal voucher should be prepared and the expenditure booked under respective head and rectified the errors and report to Audit.

#### Recovery Heads

The credit balance are showing in the trial balance is as follows.

SI No	Account Code	Details	Dr Balance	Cr Balance
1	2825	LIC,	-	52,362
2	2826	Prof Tax	-	33,450
3	2829	O E Deduction	-	40,83,964
4	2835	ST on Work Contract	-	4,32,32,265
5	2841	TDS from Contractors	-	40,47,794
6	2895	KCWWF	-	72,32,864

The reason for keeping the above amounts in various head as credit balance, without remitting into concerned authorities may be verified and intimate to Audit.

#### 2834 (ST on Tender sale)

An amount of Rs-131318/-is showing as debit balance in the trial balance. The reason for excess payment may be verified and rectify the errors and intimated to Audit.

#### 2843 (TDS from Employees)

An amount of Rs-2,07,176/-is showing as debit balance in the trial

balance. The reason for excess payment may be verified and rectify the errors and intimated to Audit.

**Para II : Trial Balance as on 31-03-2025 Non Settlement of advances to contractor.**

**1669 (Advance to contractor Bank Loan scheme)**

On verification of the trial balance, it is noticed that an amount of Rs.18,56,54,058/- is seen till showing as long pending advance to be settled by the contractor. The reason for non settlement may be intimated to audit with following details.

1. Name of Contractor
2. Date of disbursement of advance
3. Reason for delay in settlement

**Para III : Non settlement of Imprest Account**

While verifying the Cash Book imprest is passed in the head of account 9139 instead of 1532 vide CBV No 47 of 29-07-2019 it is wrong.

While checking the trial balance, the imprest account is not closed properly. As per the rule, the imprest account should be closed on 31st March every year. But the imprest account of this office was not closed on March 2015. There is no balance as per the imprest register, but as per the trial balance Rs. 2000/- is seen as long pending. Hence the reason for not closing the account should be reported to the audit.

**Para IV : Non accounting/remittance of accrued interest.**

On checking the trial balance, the following interest is not found to have been credited to the head office account.

Head of account code:7131

SI No	FY	Amount
1	2019-2020	4,54,842
	2020-2021	13,66,910
	2021-2022	13,88,127
	2022-2023	9,97,579
	2023-2024	2,21,105
	2024-2025	1,89,056

Urgent necessary action may be taken to transfer the amount to Head Office account and fact intimated to Audit. Similar cases if any for the previous periods may be verified and corrective measures may be taken. If already remitted, the details may be furnished.

### **Para V : Parking of Fund**

#### **Non Operative Account, ( No. 67095200047)**

On scrutiny of bank reconciliation statements of Non Operative Account, it is noticed that an amount of Rs.19,65,107/- is parked in the account as on 31-03-2025. Urgent necessary action may be taken to transfer the unfruitful fund to Head Office with direction on receipt from FM&CAO and result intimated to Audit.

#### **Deposit Account (No. 67180903235)**

On scrutiny of bank reconciliation statements of Deposit Account, it is noticed that an amount of Rs.40,63,530/- is parked in the account as on 31-03-2025. As per the direction issued from the head office only an amount of Rs.25 Lakhs shall be retained in deposit account. This is to be recouped on expenditure. Necessity of keeping this amount in division is irregular as per circular. Immediate action may be taken to refund the unnecessarily parked amount to the head office account if parking at present and result intimate to audit.

Other bank account details are as follows.

Sl.No	Bank A/C No	Closing Balance in bank statement as on 31/03/2025	Description of Accounts
1	67087878170	2221711	Salary
2	67149405127	849333	NABARD
3	67278399985	73492	Jalanidhi
4	38468777449	577430	NRDWP
5	37537632551	3548293	KIIFB

### **Para VI : Service Books Related**

#### **i. Pay fixation statement**

The 11<sup>th</sup> Pay Revision fixation statements are not counter signed by AO/Controlling officer. The name of employees are given below.

1. Nabeel Babu.K, Office Attendant
2. Umadevi.V, D'man Gr.I
3. Maya Puthenveettil, Senior Grade Typist
4. Ayyoob.C P, Overseer Gr.III
5. Ashraf.K, Assistant Engineer

## II. Earned Leave not re-casted at the rate of 1/11 days

As per G.O(P) No.75/2007/Fin dated 27/02/2007 the employees who have completed 3 years of service will become eligible for Earned Leave at the rate of 1/11 for the period spent on duty for the first year of service as admissible to a permanent employee. On verification of the Service Book of the under mentioned incumbents of this office the leave at the rate of 1/11 has not been re-casted yet. Reason for the delay shall be intimated to audit and recalculate the leave account at the earliest.

1.Nabeel Babu.K, Office Attendant

## III. Non- Countersigned by Controlling Officer/Not-Recorded in SB ,etc

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1. Kalyani.C,PTS

On Verification of Service book of incumbent, Sanctioning of grade for 8-years is not signed by the Executive Engineer vide page No.26.

2. Manikantan.C,D'Man Grade-II

On verification of Service book of incumbent, joining entry vide page-16 is not signed by the controlling officer.

3. Santhosh Munhakkottil,D'Man Grade-I

On verification of Service book of incumbent, entry recorded vide page-62 & 64 is not signed by the controlling officer.

4. Kalyani.C,PTS

Personal marks of identification not recorded in the SB

## VI. Date of Birth not Authenticated in SB

The entries recorded in service book regarding the date of birth of the following incumbents are not authenticated with the relevant records.

1. Kalyani.C,PTS

2. Nabeel Babu.K, Office Attendant.

## VII. Date of Retirement

1. Nabeel Babu.K, Office Attendant-Date of retirement should be corrected as per existing rules.

2. Kalyani.C,PTS-Date of Superannuation not recorded in the SB. Rectified the same and reported to Audit

## **Para VII : Non Maintaining of Registers**

### **1.Trial Balance Register with Ledger and Journal Register**

As per KWA manual and circular, it is specified all ARU's should be maintained Trial Balance

Register, Ledger and Journal Register for strengthening for the proper maintenance of Accounting system of KWA. This shall be maintained and intimated to Audit.

### **2.Internal Audit Report Register**

On verification, Internal Audit Register is not maintaining in this office. This shall be maintained and intimated to Audit.

### **3.Local Audit Report Register**

On verification, Local Audit Register is not maintaining in this office. This shall be maintained and intimated to Audit.

## **II.Not properly maintained Registers.**

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### **1.Quotation Register**

(a).The Quotation Register for the year 2022 to 2023 vide Page No.9 and 11 were not signed by the concerned authority. The selected bidder details are not entered in the register. This shall be updated and intimated to Audit.

(b).The Quotation Register for the year 2023 to 2024 vide Page No.71 to 79 were not signed by the concerned authority. The selected bidder details are not entered in the register. This shall be updated and intimated to Audit.

©The Quotation Register for the year 2024 to 2025 vide Page No.15 is blanked page.This shall be updated and intimated to Audit.

### **2.Casual Leave Register**

Casual Leave Register is not updated. This shall be updated and intimated to Audit.

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## **III.The Registers not certified by the concerned authority**

Certificates duly signed by the controlling officer regarding machine numbered pages of the registers are needed to be written before beginning of register. This shall be updated and intimated to Audit.

1. Cash book for the period from 01/2018 to 06/2019,07/2019 to 03/2021,03/2021 to 09/2022
2. Cheque Memo Registers:-
  - a. A/c No:67087878170 from 01/2017 to 03/2019,04/2019 to 08/2022,09/2022 to 10/2024
  - b. A/c No:67149405127 up to 12/2024

- c. A/c No:67278399985 from 06/2015 to 05/2020
  - d. A/c No:37537632551 from 02/2018 to 06/2021
  - e. A/c No:41041090876 from 05/2023
  - f. A/c No:38468777449 from 05/2019 to 05/2022
3. Tender Register from 2019 to 2022 and 2024 to 2025
  4. Quotation Register from 2018 to 2019, 2019 to 2020, 2020 to 2022 and 2022 to 2023
  5. Incumbency Register of Vol.I
  6. Security deposit register
  7. Bank Guarantee Register from 01/12/2012
  8. Personal Cash Declaration Register for the year 2024&2025

### **Para VIII - Non renewal of Bank Guarantee.**

On verification of Bank Guarantee details it is seen that the validity of following BGs had expired and were not revalidated/released.

Sl.No	Agt No.	Contractor	Amount	Validity Date
1	SE/PHC/MPM/05/2015 dated,14/05/2015	Shahul Hameed.V	Rs. 1588339/-	27/02/2021
2	SE/PHC/MPM/08/2015 dated,03/08/2015	Shahul Hameed.V	Rs.305735/-	27/02/2021
3	SE/PHC/MPM/07/2015 dated,03/06/2015	Shahul Hameed.V	Rs.3040245/-	27/02/2021
4	SE/PHC/MPM/18/2015-16 dated,22/02/2016	Shahul Hameed.V	Rs.5746443/-	27/02/2021
5	SE/PHC/MPM/18/20-21 dated,10/02/2021	Abdul Majeed	Rs.28000/-	09/02/2023

As per Bank Guarantee Rules the bank is liable to pay the guarantee and only if a demand or a claim is lodged with the bank in writing on or before the expiry date of the bank guarantee. All rights under the guarantee shall be forfeited after the expiry of the validity, and the bank shall be relieved and discharged from all liability ,if no claim is made within the validity period.

Due to the non renewal of Bank Guarantee within the time limit stipulated by bank authorities, Kerala Water Authority stands at the risk of losing the Bank Guarantee amount if the contractor leaves the work in midway.Present Status of each work and whether the guarantee period of the work is over may also be reported. Action may be taken to renew the

Bank Guarantee and the details of renewal may be intimated to the audit.

**Para IX : Non Deduction Of SLI & GIS**

When the salary bill and other related documents were verified, it was found that GIS and SLI was not deducted 1.5%. As per Govt.Orders GO(P) No.156/2021/FIN Dated,26/11/2021& GO(P) No.159/2021/FIN Dated, 30/11/2021, 1.5% of the basic Pay and DA should be deducted as GIS and SLI, but it was understood that there are employees who have not deducted 1.5%.The details are as follows.

- I. Not deducted 1.5% of GIS(minimum)
1. Ajith.K G,Overseer Grade-III
  2. Babu.M S,AEE
  3. Binu Joseph,UDC
- II. Not deducted 1.5% of SLI
1. Ashraf.K, Assistant Engineer

This should be resolved and reported to Audit Wing.

**Para X - Belated /Non settlement of Temporary advance**

As per Article 99 of KFC Vol.I and related GO(P) No. 417/11/Fin dated, 04/10/2011, the 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 if default, interest @ 18% per annum Shall be charged. In cases were temporary advance is not fully utilized, but the adjustment bills are submitted in time, interest @ 18% per annum will be changed on the unutilized portion of the advance from the date of drawal 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 setting pervious advance taken.

Ajmal Kalady, Assistant Engineer

Date	Cheque No	Amount	Settlement details
20/10/2020	086951	25000	Not settled

Faisal.S A, Assistant Engineer

Date	Cheque No	Amount	Settlement details
23/01/2021	321492	8000	Not settled
27/11/2019	990319	7500	09/2020

30/12/2019	Nil	8600	09/2020
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Jayakumar.K T, Assistant Engineer

Date	Cheque No	Amount	Settlement details
05/04/2019	897941	12420	10/2019

Sreejesh.P, Assistant Engineer

Date	Cheque No	Amount	Settlement details
01/11/2019	990303	5000	Not settled
07/09/2020	207027	25000	03/2021
30/12/2020	207091	25000	08/2022

Rasheed Ali.P K, Assistant Engineer

Date	Cheque No	Amount	Settlement details
09/03/2020	099165	5000	10/2020
19/01/2021	207101	40000	08/2021

Abdul Hameed.M, Assistant Engineer

Date	Cheque No	Amount	Settlement details
03/02/2022	401568	8800	08/2022

1. Applicable penal interest as per Rules may be recovered in case of belated settlement of Temporary Advance and remitted to NOA and intimated. Strict action may be taken against the responsible persons who have not settled the Temporary Advance and to recover the amount with applicable penal interest till date for the amount not settled.

### **Para XI : Incorrect recording of JJM Volunteers wages**

On verification of the payment of HR wages under the head 3359 for the FY 2022-23 and 2023-24 it is noticed that JJM volunteers wages are seen booked under the head 3359 (HR 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. Hence urgent necessary action may be taken to correct the all entries of JJM volunteer's wages, in consultation with the Accounts wing of Head office. All the payments made for JJM volunteers has to be booked as a capital expenditure under JJM.

HR wages

FY: 2022-23 : 4273194

FY : 2023-24 : 5995192

Out of the above noted amount only expenditure incurred through March software and amount allotted from head office, only be booked as HR wages (3359). The all expenditure incurred for JJM volunteer wages has to be booked as capital expenditure ie head of account 2813. Similar payments in the previous years may also be verified and corrected.

This may be rectified and fact intimated to audit.

**Para XII : Non-Remittance 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 12.5% in the case of Quasi Government Organization and 22.5% in the case of private parties, to be collected as centage charges. But on verification of the deposit register and trial balance it is observed that there is no centage charges are being booked under the of head 6515. The centage charges have to be booked in the respective head of account and to be remitted to the non operative account. The non compliance of direction from the Managing Director is brought to your notice, the Centage charges entered in the deposit register from the year 2019-2020 to 2021-2022 is furnished below.

Name of Division	Financial Year	Deposited by	Centage charge recorded in the deposit register.	
			Amount	Page No.
Project Division Malappuram	2020-2021	LSGDs/ Other Departments	2,93,619/-	Page No.3,1,7,13
"	2021-2022	LSGDs/ Other Departments	5,28,440/-	Page No.15,29,31,8,11
Total			8,22,059/-	

Volume 1 of the Deposit Register has not been submitted for audit. The total amount of Centage charges for the previous periods also may be calculated, initiate corrective measures and intimated to audit.

**Para XIII : Deduction of bank charges in Non Operative Account & Operative Account**

On verification of the Trial Balance, it is noticed that the bank has been deducting charges for various reasons. On random verification of

2023-2025 Cash Book an amount of **Rs.885/-** has been deducted towards bank charges (Head of Account 3461). The details are as follows

SL NO	YEAR	AMOUNT
1	06/2023	177
2	09/2023	354
3	01/2025	354
TOTAL		885/-

Action may be taken up with the bank to reverse the bank charges deducted without the knowledge of this office. The previous periods also may be verified and similar instances if any happens in other operative accounts may also be verified and regularize.

**Para XIV : Submission of CC bills -Violation of NIT Condition**

Name of Work : JJM-WSS to Cheekode and adjoining Villages-Supply laying Distribution for Pallikkal Grama Panchayath Zone-II with FHTS including construction of 1.0LL sump cum pumphouse,5.5LLOHSR-Supply and erection of clear water pump set and allied works.

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Source of file : DB4/8964/2022-2023/Pallikkal-PH-II

Agreement No. SE/PHC/MPM/26/2022-2023.Dated,06/09/2022

Contractor : Sri.K.Sundaran

The above work was awarded to the Sri.K.Sundaran,Contractor vide Order No.SE/PHC/MPM/DB4/17701/22-23.Dated,30/08/2022 for an APAC of Rs.22,63,26,170/-with direction to complete the work within 10 months ie on 29/06/2023. But on verification of the work file it is understood that the time of completion is extended up to 29/11/2024 due to the delay in getting road cutting permission from PWD. Further time extension is not seen applied by the contractor.

It is noticed that CC I<sup>st</sup> and II<sup>nd</sup> Part Bills are prepared for the value of Rs.1,51,31,505/-,Rs.1,74,47,386/- respectively. This is against the NIT

condition 8.16.2 & 8.16.7 ie these bills were submitted less the value of 10% of the PAC and still the work has not been completed. Hence the following points may be reported to Audit.

1. The reason for violating the NIT condition may be explained.
2. Present status of the road cutting permission.
3. Percentage of work completed so far.
4. Application for further time extension submitted or not by contractor.

**Para XV : Inordinate delay in commissioning the scheme-  
Deprival of drinking water to Public**

Name of Work: WSS to Cheekode and adjoining Villages Muthuvallur Grama Panchayath providing balance distribution with FHTC including PWD/LSGD road restoration in Muthuvallur GP pipe line works

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Source of file: DB2/PRO/4194/JJM/2023

- (1) A.S.No.GO(RT)No.134/2022/WRD.Dated,23/02/2022
- (2) T.S.No.4104/2023-2024. Dated,25/06/2023 of the CE,SR. Kozhikkode
- (3) Tender No.SE/PHC/MPM/49/2023-2024 Dated 12-06-2023
- (4) TPAC: Rs.4,47,56,449.56/-
- (5) APAC: Rs.4,85,62,776/-(8.5% above)
- (6) Work Order No.SE/PHC/MPM/40/23-24 Dated 10-08-2023
- (7) Agreement No.SE/PHC/MPM/40/2023-2024.Dated,23/08/2023
- (8) No.SE/PHC/MPM/DB4/4194/JJM/2023-2024. Dated,23/04/2024,  
31/07/2024,25/10/2024&12/03/2025 regarding the time extension order.
- (9) Contractor: M/S. V P Constructions

The subject work was awarded to the Contractor M/S.V P Constructions VI/502,Eranihikode.P O,Edavanna,Malappuram vide ref.6<sup>th</sup> cited above. The contractor has executed the agreement vide ref.7<sup>th</sup> cited.

As per the work order conditions, the work should be completed by the contractor on or before 24/02/2024(ie.within 6-months from the date of handing over the site ).The contractor could not complete the work within the stipulated time. The time of completion of the work has already been extended four times up to 24/05/2024, 30/08/2024,30/11/2024 and then up to 31/03/2025 without applying LD Clause.

Three part bills (CC I<sup>st</sup>,CCIIInd and IIIrd ) have been processed during this period. This work has not been completed till the date. Since this work was not completed within the agreement period, the public has not received the desired results from this project. No further time extension is not seen applied by the contractor. Under the above circumstances the following points may be clarified.

1. Whether any time extension granted beyond 31.03.2025
2. Present status of the work
3. If completed, the date of completion and copy of FA12 to be produced.
4. If this work has not been completed to date, please provide a clear reason for this.

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**Para XVI : Extension of time beyond limit**

Name of Work : KIIFB-WRD-10-05-Special investment package-WSS to Tanur Municipality and a joining Cheriyamundam,Ponmundam,Niramaruthur,Tanalur Grama Panchayath in Malappuram Dist-Phase-I-Package5-Construction of 56LL capacity OHSR at Kunnumpuram in Tanur Municipality

Source of file : DB3/PRO-KIIFB/TANUR-P5/2021

Work Order No .SE/PHC/MPM/KIIFB/DB4/5709/2022-23.Dated,08/12/2022

Agreement No .SE/PHC/MPM/49/22-23. Dated,22/12/2022

As per PWD Manual 2014 the extension time of completion can be granted at a time shall not exceeded 25% of the original time or 6 months whichever is less. The maximum extension that can be granted by Agreement Authority for a work shall be limited to half of the original time of completion.

As per the work order conditions, the work should be completed by the contractor on or before 07/03/2024(ie. within 15-months from the date of handing over the site).The contractor could not complete the work within the stipulated time. The time of completion of the work has already been extended two times up to 22/10/2024 and then to 07/06/2025 without applying LD Clause. Further extension application submitted by the

contractor for a period of six months up to 07/12/2025.

The audit observed that the granting the above time extension is beyond the delegation of power of agreement authority.

1. So far, Rs. 83788586 has been spent on this work. Since this work was not completed within the agreement period, the public has not received the desired results from this project.
2. Whether ratification should be obtained from the higher authority regarding the additional time extension.
3. Present status of the work with total expenditure.

### **Para XVII : Unfruitful Expenditure/Extension of time beyond limit**

Name of Work:JJM- 2021-WSS to Munnipur Thenhipalam, Chelembra and Vallikunnu Panchayath- Package I A- Construction of 12m dia Intake well cum Pump House,Leading channel,Retaining wall, Transformer room,33 MLD capacity Water Treatment Plant with 16 LL capacity Sump cum Pump House,25 LL OHSR at WTP compound, Supply and Laying 700mm Raw Water Pumping main including road restoration.

Source of file:DB4/PROJ/5707/2022

1. A.S.No.GO(RT)No.489/2021/WRD.Dated,18/09/2021 of the WRD, TvpM.
2. T.S.No.5707/2022-2023. Dated,02/06/2022 of the CE,SR. Kozhikkode
3. Tender No.SE/PHC/MPM/21/2022-2023 Dated 06-07-2022.
4. TPAC: Rs.62,79,31,164/-
5. APAC: Rs.68,63,28,762/-(9.30% above)
6. Work Order No.SE/PHC/MPM/DB4/5707/JJM/22-23 Dated 23-08-2022
7. Agreement No.SE/PHC/MPM/24/2022-2023.Dated,05/09/2022
8. Proceedings No.SE/PHC/MPM/DB3/5707/JJM/2022-2023 of the SE, PHC, Malappuram. Dated 23-02-2024,25-10-2024 and 25-02-20245.
9. Contractor:M/S. Koya and Company Construction Ltd,12-2-831/38,72 MIGH,Mehdipatnam, Hyderabad.

The subject work was awarded to the Contractor M/S Contractor: M/S. Koya and Company Construction Ltd,12-2-831/38,72 MIGH,Mehdipatnam, Hyderabad. vide ref.6<sup>th</sup> cited above. The contractor has executed the agreement vide ref.7<sup>th</sup> cited. As per the work order conditions, the work should be completed by the contractor on or before 23/02/2024 (ie. within 18-months from the date of date of work

order).The contractor could not complete the work within the stipulated time. The time of completion of the work has already been extended three times up to 30/06/2024, 31/12/2024, and then up to 30/06/2025 without applying LD Clause, vide reference 8<sup>th</sup> cited. As per PWD Manual 2014 the extension time of completion can be granted at a time shall not exceeded 25% of the original time or 6 months whichever is less. The maximum extension that can be granted by Agreement Authority for a work shall be limited to half of the original time of completion.

Eight part bills (CC I<sup>st</sup> to CC 8<sup>th</sup> ) have been processed during this period. As per these bills so far expended to Rs.69,43,18,702/- for this work, it is seen as unfruitful expenditure. This work has not been completed till the date. No further time extension is not seen applied by the contractor. As per letter number dated 15/07/2024, the Registrar of Calicut University has informed that the pipeline laid on the university land without permission should be removed. Under the above circumstances the following points may be clarified.

1. Whether any time extension granted beyond 30/06/2025
2. The dispute between KWA and University resolved or not.
3. Present status of the work with total expenditure.
4. If completed, the date of completion and copy of FA12 to be produced.
5. If this work has not been completed to date, please provide a clear reason for this.
6. Whether ratification should be obtained from the higher authority regarding the additional time extension.

**Para XVIII : Non deduction of charges towards Trial Running & Commissioning and maintenance**

Name of Work : KIIFB 2017-2018-WSS to Ramanchadi, Aligarh in Malappuram Dist-Package II- Laying distribution main

Source of file:DB3/KIIFB/ALIGHAR/1894/C/17

- (1) Work Order No.SE/PHC/MPM/DB1/1899/2019.Dated,13/03/2020
- (2) Agreement No.SE/PHC/MPM/02/2020.Dated,03/04/2020

The subject work was awarded to the Contractor Zubair.V, Cheruparambil House, Kodur.P.O, Mangattupulam, Malappuram on 03/04/2020 and the work has been short closed on 14/06/2024, due to the non getting permission from NHAI for laying pipe line along NH=966 from Jubilee road junction to Govt. Hospital for a length of 4.5KM.

On scrutiny of the file,it is noticed that after short closing the work the balance pipe lines was taken by the department for arranging the above balance work as a separate package and final bill given to the contractor on

the basis of the Hon'ble Kerala High Court Judgment. As per the tender condition Part II of NIT(Sub para 8.16 c and d) did not effected the following deductions up to final bill ie.1% of maintenance charge and 5% of trial run and commissioning charge. And also the MAS of final bill not attached in the concerned file. In the above circumstances the following details shall intimate to audit.

1. Balance work arranged or not.
2. The reason for non deduction of 1% of maintenance charge and 5% of trial run and commissioning charge.
3. Produce the copy of MAS.

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**Para XIX : Inordinate delay in commissioning the scheme-Deprival of drinking water to Public**

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Name of Work:JJM-Providing house hold tap connections and pipe line works in Irimbilyam Panchayath Phase-2.

Source of file:DB3/PRO/MPM/JJM/IRIMBILIYAM/PHASE-2

- (1) A.S.No.GO(RT)No.134/2022/WRD.Dated,23/02/2022
- (2) T.S.No.9471/2022-23.Dated,07/07/2022 of the CE,SR. Kozhikkode
- (3) Work Order No.SE/PHC/MPM/DB4/9471/2022-23 Dated 27-10-2022
- (4) Agreement No.SE/PHC/MPM/43/2022-2023.Dated,16/11/2022
- (5) No. SE/PHC/MPM/DB4/9471/2022-23. Dated,23/06/2023, 03/10/2023,21/02/2024&03/06/2024 regarding the time extension order

The subject work was awarded to the Contractor M/S.Basic.N.Needs Kottakkal vide ref.3<sup>rd</sup> cited above. The contractor has executed the agreement vide ref.4<sup>th</sup> cited. As per the work order conditions, the work should be completed by the contractor on or before 26/04/2023(ie.within 6-months from the date of work order ).The contractor could not complete the work within the stipulated time. The time of completion of the work has already been extended four times up to 31/07/2023, 30/12/2023,31/03/2024 and then up to 30/06/2024 without applying LD Clause.

Five part bills (CC I<sup>st</sup> to CC 5<sup>th</sup>) have been processed during this period for an amount of Rs.3,01,19,185/-. This work has not been completed till

the date. Since this work was not completed within the agreement period, the public has not received the desired results from this project. No documents showing time extension granted after 30/06/2024 are found in the file. Under the above circumstances the following points may be clarified.

1. Whether any time extension granted beyond 30.06.2024
2. Present status of the work with total expenditure.
3. If completed, the date of completion and copy of FA12 to be produced.
4. If this work has not been completed to date, please provide a clear reason for this.

**Para XX : Tardy Progress of the work**

Name of Work:JJM-WSS to Tanur municipality and adjoining 4 Grama Panchayath-Phase II Supplying and Laying Distribution Networks and providing FHTCS in Ponmundam Panchayath in Malappuram Dist.

Source of file:MPM/PROJ/DB3/JJm/Ponmundam

1. A.S.No.GO(RT)No.489/2021/WRD.Dated,18/09/2021
2. T.S.No.14920/2021-22.Dated,07/12/2021 of CE(NR) KKD
3. Work Order No.SE/PHC/MPM/DB4/5739/2021.Dated,09/02/2022
4. Agreement No.SE/PHC/MPM/22/2021-22.Dated,05/03/2022
5. Proceedings of Time extension, No.  
SE/PHC/MPM/DB2/5739/JJM/2021-2022. Dated,08/12/2022 and  
31/05/2023

The subject work was awarded to the Contractor N.T.Kuriakose, Puthencruze, Eranakulam vide ref.3<sup>rd</sup> cited above. The contractor has executed the agreement vide ref.4<sup>th</sup> cited. As per the work order conditions, the work should be completed by the contractor on or before 08/11/2022(ie.within 9-months from the date of work order ).The contractor could not complete the work within the stipulated time. The time of completion of the work has already been extended two times up to 31/05/2023 and then up to 31/12/2023 without applying LD Clause. The Executive Engineer Project Division Malappuram was submitted application for further time extension up to 30/05/2025 to Superintending Engineer on 13/12/2024. No documents showing time extension granted after 31/12/2023 are found in the file. Besides the contractor again requested to time extension up to 30/03/2026 due to non permission of road cutting from PWD.

Three part bills (CC I<sup>st</sup> to CC 3rd) have been processed during this period for an amount of Rs.8,09,94,407/-. This work has not been completed after 41 months. Since this work was not completed within the agreement period, the public has not received the desired results from this project. Under the above circumstances the following points may be clarified.

1. Whether any time extension granted beyond 31.12.2023,
2. Present status of the work
3. Provide a clear reason why this work has not yet been completed.

**Para XXI : Tardy Progress of the work**

Name of Work: JJM-WSS to Tanur municipality and adjoining 4 Grama Panchayath-Phase II Supplying and Laying Distribution Network for High Level Zone and FHTC's in Tanalur Panchayath in Malappuram Dist.

Source of file: DB3/PRO/MPM/JJM-TANALUR/DHLZ/2021-22

1. A.S.No.GO(RT)No.489/2021/WRD.Dated,18/09/2021
2. T.S.No.14919/2021-22.Dated,18/05/2022 of CE(NR) KKD
3. Work Order No.SE/PHC/MPM/DB4/38812/2021.Dated,15/02/2022
4. Agreement No.SE/PHC/MPM/20/2021-22.Dated,24/02/2022
5. Proceedings of Time extension, No.  
SE/PHC/MPM/DB2/38812/JJM/2021-2022.  
Dated,06/12/2022,26/05/2023,09/02/2024 and 21/12/2024

The subject work was awarded to the Contractor M/S. MIDLAND Engineering vide ref.3<sup>rd</sup> cited above. The contractor was executed the agreement vide ref.4<sup>th</sup> cited. As per the work order conditions, the work should be completed by the contractor on or before 14/12/2022(ie.within 10-months from the date of work order).The contractor could not complete the work within the stipulated time. The time of completion of the work has already been extended four times up to 31/05/2023,31/12/2023,31/05/2024 and then up to 31/12/2024 without applying LD Clause. The Executive Engineer Project Division Malappuram was submitted application for further time extension up to 30/06/2025 to Superintending Engineer on 01/01/2025. No documents showing time extension granted after 31/12/2024 are found in the file.

Eight part bills (CC I<sup>st</sup> to VIIIth) have been processed during this period for an amount of Rs.13,81,17,230/-. This work has not been completed

after 40 months. Since this work was not completed within the agreement period, the public has not received the desired results from this project. Under the above circumstances the following points may be clarified.

1. Whether any time extension granted beyond 31.12.2024
2. Present status of the work with total expenditure.
3. Provide a clear reason why this work has not yet been completed .

### **PART-III**

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

Sl.No	Year	Pending Paras
1	2017-2018	1
2	2021-2022	5
3	2022-2023	11
4	2023-2024	14

Urgent necessary action shall be taken for resolving the pending paras.

### **PART-IV**

#### **Best Practices**

No Comments

### **Part V**

#### **Acknowledgement**

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

LALISH KUMAR K G  
INTERNAL AUDITOR