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## KERALA WATER AUTHORITY

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

File No. KWA-JB/761/2026-DA1(AUDIT)

Dated: 07-02-2026

UIN:IAR/09/2025-26

### **KERALAWATERAUTHORITY** Internal Audit Wing - Internal Audit Report **W S Division Thalipparamba.**

#### **Team Members**

1. Sri.Sunil Augustine, Internal Auditor.
2. Sri.Sivakumar S V, Junior Superintendent
3. Sri. Deepak Nair P, Head Clerk.

#### **Part-1**

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

An Internal Audit of the Kerala Water Authority offices under Water Supply Division, Thalipparamba was conducted during the period 12/01/2026 to 24/01/2026, covering the transactions for the period from 01/04/2017 to 31/03/2025.

The Water Supply Division, Thalipparamba, functions under the jurisdiction of Kerala Water Authority and is responsible for the operation, maintenance, revenue realization, and administrative control of water supply schemes within its territorial limits.

The organizational structure of the Division is as follows:

#### **1. Water Supply Division, Thalipparamba**

The Division comprises three Sub Divisions, as detailed below:

**a). WS Sub Division, Thalipparamba**

This Sub Division is responsible for execution, operation, maintenance, and revenue functions of water supply schemes within its jurisdiction and consists of the following Sections:

1. **WS Section, Thalipparamba**
2. **WS Section, Kalliassery**

**b). WS Sub Division, Payyannur**

This Sub Division supervises water supply schemes and related revenue and maintenance activities in the **Payyannur** area and consists of the following Sections:

1. **WS Section, Pilathara**
2. **WS Section, Payyannur**

**c). HW Sub Division, Irikkur**

This Sub Division handles head works–related operations and allied technical functions in the **Irikkur** region. It consists of the following Sections:

1. **WS Section, Irikkur**
2. **Electrical Section, Irikkur**
3. **Head Works Section, Irikkur**

The above offices are engaged in the implementation of water supply schemes, distribution management, maintenance of infrastructure, meter reading and billing support, and revenue-related functions under Kerala Water Authority.

The audit was conducted to examine financial transactions, establishment matters, revenue realization, statutory compliance, and internal control systems of the Division and its subordinate offices for the period under review.

**B.Officers in charge**

Attached as **Appendix A**

**C.Financial Analysis**

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<b>Year</b>	<b>2022-23(Ik)</b>	<b>2023-24(Ik)</b>	<b>2024-25(Ik)</b>
Estt Expenditure	888.76	839.24	897.50
Contingencies	38.21	53.43	44.14
Capital Exp	3785.21	4434.31	4076.46
Maintenance Expenditure	91.2	163.44	240.80

#### **D.Objective and Scope of Audit**

- The audit aimed to examine:
- Effectiveness of internal control mechanisms
- Compliance with KWA Act, KPWA Code, KFC, Government Orders and Circulars
- Financial propriety and contract management.
- Proper accounting of receipts and expenditure

##### **The audit covered:**

- Works and agreements
- Cash book, bank accounts and deposits
- Bills, Vouchers and registers
- Establishment records
- Centage charge and interest
- Advances and liabilities

Part II A

Nil

Part IIB

#### **Para I Non-Credit of Lapsed Security Deposits to Revenue – Rs.34.78 Lakhs**

As per the provisions of Paragraph 15.4.1(iii) of the Kerala Public Works Account (KPWA) Code, any balance amount remaining unclaimed for more than three complete financial years must be credited to the Government Revenue as lapsed deposits. However, a verification of the Security Deposit and Earnest Money Deposit (EMD) Registers at the Water Supply (WS) Division, Thaliparamba, WS Subdivision, Thaliparamba WS Subdivision, Payyannur revealed that various security instruments—including

Fixed Deposit Receipts (FDRs), National Savings Certificates (NSC), Kisan Vikas Patra (KVP), and Post Office Time Deposits—were not credited to the revenue account despite the expiry of the stipulated three-year period. This failure to monitor and process unclaimed deposits has resulted in a direct loss of revenue to the Government amounting to **₹34.78 lakhs**.

The audit further observed that although the validity periods of these security documents had long expired, the controlling officers initiated no administrative action to renew, release, or forfeit the instruments. The presence of time-barred and unclaimed documents in the divisional records indicates a significant breakdown in internal controls and a lack of oversight regarding the custody of valuable securities. Such inaction not only keeps government funds outside the consolidated fund but also complicates the eventual recovery or realization of these funds from the issuing financial institutions once the primary documents have lapsed or reached maturity without encashment.

To rectify this irregularity, the Division must immediately identify all deposits pending beyond three years and ensure that the sum of **₹34.78 lakhs** is transferred to the relevant Revenue Head of Account under intimation to Audit. Moving forward, the Divisional Officer should conduct periodical physical verifications of the security registers at regular intervals to ensure that deposits are either returned to contractors upon successful completion of obligations or credited to the State exchequer in a timely manner as mandated by the KPWA Code. Responsibility should also be fixed for the previous failure to adhere to these statutory requirements, which led to the prolonged retention of these unclaimed funds.

<b>Security Deposits</b>				
SL.No.	Name of contractor	Name of instrument	Bank/ Treasury/Others	Amount
1	Dinalkumar	35BB940380 Dtd.Nil	NSC	500
2	Jithesh KV	TD No.67365103623 Dtd. 16.6.16	SBT	8500
3	Manoj P	TD.No.404221416000 Dtd.27.05.2016	Kerala Gramin bank	6600

4	D Raghu	TD.No.870068 Dtd.19.05.2016	NSC	3000
5	D Raghu	TDNo 685367 Dtd.-19.05.2016	NSC	11000
6	D Raghu	TD No3 Nos Dtd,19.05.2016	NSC	7000
7	Jithesh KV	TD No:67355167690 Dtd,Nil	SBT	7000
8	Jithesh KV	No:67365107601 DTD,Nil	SBT	8500
9	D Raghu	TD No: 2 Nos Dtd,Nil	NSC	15000
10	K Venu	TD No. 2 Nos Dtd,27.05.2016	NSC	7000
11	Shyju V	No.3324670270 Dtd 07.7.16	NSC	8200
12	NV Surendran	No.797289 Dtd,15.07.2015	UBI	36000
13	Midhuna EK	4 nos	NSC	9000
14	Prajith PV	No.181693 Dtd,Nil	NSC	8600
15	M Laxman	No.15056 Dtd,Nil	NSC	7000
16	D Raghu	No.181797 Dtd,Nil	NSC	5000
	M/s Mini			

17	Enterprises	No.9218 Dtd,Nil	NSC	9800
18	Shoy P Joseph	No.38DD 35 Dtd.28.09.16	NSC	95000
19	Prajith PV	No.67389619282 Dtd,21/01/2017	SBT	6400
20	Prajith PV	No.67389619396 Dtd,21/01/2017	SBT	5000
21	Jithesh KV	No.67389889066 Dtd,nil	SBT	6000
22	Sunilkumar PV	No.67392538760 Dtd,17.02.2017	Bank of India	4000
23	Safik TP	No.67396343824 Dtd,21.03.2017	SBT	8500
24	Raghu D	No.642103030001365 Dtd,02.05.2017	UBI	8000
25	Raghu D	No.642103233000 Dtd,2.05.2017	UBI	24000
26	Raghu D	No.642103030001364 Dtd, 2.05.2017	UBI	8500
27	Raghu D	No.7990165000 Dtd,16.12/2016	Treasury	11000
28	Raghu D	No.019659 Dtd,22.03.2017	Treasury	6700
29	Raghu D	No.019660 Dtd,22.03.2017	Treasury	7500
30	Shyju K	No.20350331000264	Vijaya Bank	9000

		Dtd,7.06.2017		
31	K Rajendran	No.36921416508 Dtd,2.06.2017	SBI	2900
32	Mohanan V	No.303103769 Dtd,18.05.2017	UBI	2700
33	Sunilkumar PV	No.36898432679 Dtd,22.05.2017	SBI	5000
34	Sunilkumar PV	No.36898425764 dtd:22.05.2017	SBI	4000
35	Sunilkumar PV	TD No.36898414491 Dtd,22.5.17	SBI	6000
36	M/s Midhuna Elect Service	No6722030300000459 Dtd,27.04.2017	UBI	5000
37	M/s Midhuna Elect Service	No6722030300000460 Dtd,27.04.2017	UBI	7500
38	O Raghu	No.642103030001387 Dtd,18.05.2017	UBI	28500
39	O Raghu	No.64210303000614 Dtd,18.05.2017	UBI	37800
40	Sunilkumar PV	No.36898491983 Dtd,28.09.2017	Canara bank	9500
41	O Raghu	No.64210303001455 Dtd,10.07.2017	UBI	32500
42	O Raghu	No.6421030300621 Dtd,10.07.2017	UBI	43000
43	Baburaj	No.40422201700229 Dtd,14.12.2017	KG Bank	38000
		No.37271491278		

44	Safik TP	Dtd,07.11.2017	SBI	3000
45	Sunilkumar PV	No.37587908306 dtd13.3.18	SBI	3000
46	Venu K	10455 dtd:17.10.17	Kasaragod Dist Co op society	2750
47	Prajith PV	No.2 Nos dtd 05.05.2018	Syndicate Bank	5500
48	O Raghu	No.642103030001689 dtd:7.06.2018	UBI	20000
49	Baburaj	No. 40422800233 dt. 29.09.2018	KG Bank	3000
50	Baburaj	No. 40422800232 dt. 29.09.2018	KG Bank	3500
51	Sunilkumar PV	No.38270677561 dtd.19.2.18	SBI	4500
52	PK Ravi	No.534316 dtd: 26.02.2019	UBI	14000
53	PK Ravi	No.534315 dtd: 26.02.2019	UBI	18000
54	PK Ravi	No.534328 dtd: 2.03.2019	UBI	43000
55	O Raghu	No.3834450738 dtd:25.03.2019	SBI	77000
56	Renjith Babu MK	No.38483813447 dtd:28.05.2019	SBI	13000
57	Prajith PV	No.423640 dtd: 27.05.2019	Syndicate Bank	6000
58	Prajith PV	No.42364010 dtd: 27.05.2019	Syndicate Bank	5000
59	PK Ravi	No.3401030 dtd: 4.06.2019	UBI	13000

60	PK Ravi	No.340103030 dtd: 4.06.2019	UBI	12000
61	Safik TP	No.38316799898 Dtd,11.03.2019	SBI	3500
62	O Raghu	2 nos	SBI	187000
63	Satheeshkumar T	No.799010 DTD:1.6.19	Treasury	76000
64	O Raghu	2 nos	SBI	177000
65	Raghu N	No.799010DTD:4.11.19	SBI	63000
66	Raghu N	2 Nos DTD.21.11.2019	Treasury	190000
67	Prakasan P	No.2 Nos dtd: 14.11.19	Treasury	29000
68	Sunilkumar PV	2 Nos DTD: 24.02.20	Treasury	29000
69	Sunilkumar PV	No.551549 dtd24.2.20	Treasury	
70	Sunilkumar PV	No.551549 dtd3.3.20	Treasury	5000
71	Prajith PV	No.964693 dtd: 11.03.20	Treasury	8400
72	Prajith PV	No.49749 dtd: 18.05.20	Treasury	14900
73	Prajith PV	No.134250 dtd: 18.06.20	Treasury	18500
74	Prajith PV	No.133329 dtd: 04.09.20	Treasury	136300
75	Prajith PV	No.1165368 dtd22.09.20	Treasury	21600
76	Sri. Riju M T	No.274815 dtd:18.11.20	Treasury	46500
77	Sri Safik TP	No.0426 dtd 01.06.20	Co op bank	3000
78	Prajith PV	No.55405 dtd22.02.21	Treasury	13000

79	Sri Baburaj P K	No.514716 dtd:18.5.21	Treasury	224500
80	Sri. Riju M T	No.515786 dtd:21.05.21	Treasury	214000
81	Sri.Rajesh E K	No.525081 dtd: 07.6.21	Treasury	143000
82	Sri.Rajesh E K	No.525054 dtd: 07.6.21	Treasury	143000
83	Sri.Dhaneesh C	No.525514 dtd: 08.06.21	Treasury	223000
84	Sri Baburaj P K	No.525791 dtd: 08.06.21	Treasury	183400
85	Sri Baburaj P K	2nos 08.06.21	Federal Bank	221200
86	Sri.Sony Augustine	No.484765 dtd:	Treasury	6600
87	Sri. Girijan K R	No.502376 dtd: 20.4.21	Treasury	11600
88	Sri Baburaj P K	No.514718 dtd: 18.05.21	Treasury	24800
89	Sri Baburaj P K	No.525801 dtd: 08.06.21	Treasury	
90	Sri Shiju K	No.784850 dtd: 22.11.22	Treasury	13300
	<b>Total</b>			<b>3256050</b>

**WS Subdivision Thalipparamba**

<b>Security Deposits</b>				
SL.No.	Name of contractor	Name of instrument	Bank/ Treasury/Others	Amount
1	Jayan KV	JL 0492599 Dtd.30.01.2021	Treasury	25000

2	Jayan KV	JL 0668379 Dtd.20.11.2021	Treasury	21000
3	Safik TP	TD.No.20021208128 Dtd.30.09.2021	NSC	7500
4	Safik TP	TD.No.20015326352 Dtd.27.07.2021	NSC	4600
5	Safik TP	TD.No.20015325251 Dtd.1.07.2021	NSC	2500
6	Nishanth P	TD.No.20011769601 Dtd.14.05.2021	NSC	25000
7	Abilash P	TD No: 20020946949 Dtd,28.09.2021	NSC	5000
8	Abilash P	TD No: 20009163757 Dtd,27.03.2021	NSC	5000
9	Sunilkumar PV	TD No: 39751700306 Dtd,22.10.2020	NSC	5000
10	Renjith Babu MK	TD No. 402431022281 Dtd,23.06.2021	NSC	5000
11	257502484 (customer ID)	No.6722030300001397 Dtd 1.11.2021	Union Bank	1000
12	M/s Midhuna Electricals	No.6722030300000391 Dtd, 17.1.2017	UBI	7600
13	O Raghu	67210323000616 dt 2.06.2017	UBI	3800
14	M/s Midhuna Electricals	No.3031321 Dtd, 24.3.2021	UBI	1700
15	M/s Midhuna	No.1398	UBI	5250

	Electricals	Dtd, 8.11.2021		
16	O Raghu	67210323001426 dt 15.06.2017	UBI	7500
17	M/s Raja Engg Works	No.11008 Dtd,22.03.2019	KDC Co op society	4000
18	M/s Midhuna Electricals	No.11004 Dtd.22.03.2019	KDC Co op society	8000
19	M/s Raja Engg Works	No.9623 Dtd,01.03.2016	KDC Co op society	3250
20	M/s Midhuna Electricals	No.9624 Dtd.01.03.2016	KDC Co op society	3150
21	M/s Midhuna Electricals	No.7485 Dtd.04.03.2016	KDC Co op society	6000
22	Rajendran K	35 BB647366 dated 4.05.2011	NSC	1758
23	Rajendran K	98 EE 307249 dated 4.05.2011	NSC	1758
	<b>Total</b>			<b>160366</b>

### WS Subdivision Payyannur

Security Deposits				
SL.No.	Name of contractor	Name of instrument	Bank/ Treasury/Others	Amount
1	Prajith PV	7735 Dtd.Nil	Kasaragod Dist Co op society	2900
2	M/s Universal machine Services	TD No.68666100 Dtd. nil	NSC	Nil
3	Prajith PV	TD.No.747915 Dtd.Nil	Syndicate Bank	13100

4	Prajith PV	TD.No.747916 Dtd.Nil	Syndicate Bank	7800
5	Prajith PV	TD.No.747930 Dtd.Nil	Syndicate Bank	8500
6	Prajith PV	TD.No.747931 Dtd.Nil	Syndicate Bank	5700
7	Abhilash P	TD No:Nil Dtd,1.02.2021	No details	5500
8	Riju MT	No:JL0493686 DTD,Nil	Treasury	No details
9	Renjith Babu MK	TD No: 46263551369 Dtd,Nil	SBI	8000
10	Renjith Babu MK	TD No: 46263551201 Dtd,Nil	SBI	8000
11	M/s Demco Dynamic	No.430400 Dtd Nil	PNB	3000
	<b>Total</b>			<b>62000</b>

Audit observes the following

- It is also noticed that FDs from **Kasaragod District contractors Co-op Society** is also taken for security which is highly irregular.
- **Security Deposit (SD) Register, a mandatory record, was not maintained at the WS Subdivision Thalipparamba** . The absence of this register constitutes a serious lapse in internal controls, as it hinders the accurate tracking, monitoring, and timely refund/forfeiture of security deposits. Subdivision must ensure the immediate maintenance

of this register to prevent financial irregularities and ensure compliance with statutory requirements.

**II Belated / Non settlement of Temporary advance(Irikkur Subdivision )**

According to **Article 99 of the Kerala Financial Code (KFC) Vol. I and G.O.(P) No. 419/11/Fin dated 04/10/2011**, temporary advances sanctioned for specific contingent expenditures must be adjusted with detailed bills and vouchers within **three months**. Failure to comply necessitates the levy of **18% interest per annum** on the outstanding amount.

During the audit, it was observed that several officers failed to settle their temporary advances within the prescribed timeframe. These lapses not only result in the accumulation of huge outstanding liabilities but also lead to an avoidable loss to the government exchequer by way of interest.

**Sri Rajith C, Assistant Engineer**

Date	Cheque No	Amount	Settlement details
08/07/2019	571565	25000/-	Settled vide CBV No.12H of 12/2019. Belated settlement
05/08/2019	571575	15000/-	Settled vide CBV No.31H of 02/2020. Belated settlement

**Sri.Jithinlal, Assistant Engineer**

Date	Cheque No	Amount	Settlement details
26/04/2019	709758	20355/-	Settled vide CBV No.25H of 1/2020. Belated settlement
08/07/2019	571564	10000/-	Settled vide CBV No.13H of 12/2019. Belated settlement

**Sri.Arjun Govind, Assistant Engineer**

Date	Cheque No	Amount	Settlement details
30/08/2019	571583	15000/-	Settled vide CBV No.21H of 1/2020. Belated settlement

In this context the audit observes the following

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

### **III Non-Compliance with Centage Charge Remittance and Accounting Procedures**

In accordance with Managing Director Order No. KWA/JB/P2/663/17 dated 24/09/2018, centage charges for deposit works are fixed at 13.78% or at applicable rates for LSGDs and Quasi-Government Organizations, and 22.5% for private parties. These charges are a vital revenue stream for the Kerala Water Authority (KWA), intended to cover administrative and departmental overheads. Financial protocols dictate that these charges must be specifically booked under the Head of Account **6511** and remitted to the non-operative account to be recognized as actual revenue.

However, a verification of the Deposit Register and Trial Balance reveals that no centage charges have been booked under the designated head. While the primary deposit amounts were transmitted to the Head Office immediately upon receipt, the centage portion was neither apportioned nor intimated to the FM & CAO. This procedural lapse has resulted in the non-recognition of revenue in the KWA's financial statements. Since these funds could have been utilized for the Authority's operational requirements, this failure represents a significant financial loss.

The details of the centage charges to be remitted for the period from 2022-2023 to 2024-2025 are summarized below:

<b>Financial Year</b>	<b>Deposited by</b>	<b>Deposited Amount (Rs)</b>	<b>Centage Charge Due @ 13.78% (Rs)</b>
2022-2023	LSGDs / Others	1,50,33,860	20,71,666
2023-2024	LSGDs / Others	50,00,000	6,89,000
2024-2025	LSGDs / Others	1,15,05,240	15,85,422
<b>Total</b>		<b>3,15,39,100</b>	<b>43,46,088</b>

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The non-compliance with the Managing Director's directives is hereby brought to your notice for immediate rectification. The office is directed to calculate the centage charges for the previous periods as well, initiate corrective measures to book these amounts under Head of Account **6511**, and ensure their remittance to the non-operative account. A detailed explanation and a report on the corrective actions taken must be furnished to the audit team to settle this objection. If remitted the details may be furnished

#### **IV Establishment Service Books**

##### **i)WS Division Thalipparamba**

###### **SojimoI V K (U D Clerk)**

On verification of the Service Book, the incumbent has availed 65 days E/L during 27/09/2023 to 30/11/2023 . In the Earned Leave calculation, these 65 days was not deducted. This shall be rectified and intimated to Audit.

##### **ii)WS Subdivision Payyannur**

###### **a)Non-deduction of Dies Non from Earned Leave Account**

During the course of audit, it is observed that the following incumbents of this office had participated in strike on the dates noted against their names and the said period was treated as *Dies Non*. However, on verification of the Service Books and Earned Leave (EL) Accounts, it is seen that the *Dies Non* period has not been deducted from the Earned Leave account, which constitutes a serious procedural lapse.

<b>slnO</b>	<b>Name &amp; Designation</b>	<b>Unauthorized absence date</b>	<b>No. of days</b>
<b>1</b>	Vishnu O C , Sr Gr Typist	22/01/2025	1
<b>2</b>	Ramani K V , UDC	28/3/2022 & 29/03/2022	2
<b>3</b>	Anil kumar N V , Head Operator	28/3/2022 & 29/03/2022	2
<b>4</b>	Biju K , Operator	28/3/2022 , 29/03/2022 & 09/07/2025	3
<b>5</b>	Mahesh M R ,UDC	28/3/2022 & 29/03/2022	2
<b>6</b>	Pushpangan V V, DMan	28/3/2022 & 29/03/2022	2

	Gr II		
7	Rajeevan M V , Operator	02/09/2025	1
8	Sumesh , Dman Gr I	28/3/2022 & 29/03/2022	2
9	Khadheeja P V , Office Attendant	09/07/2025	1
10	Rajesh K , operator	28/3/2022 & 29/03/2022	2

As per Rule 56 Part I, Kerala Financial Code (KFC), no pay and allowances shall be admissible for the period treated as *Dies Non*, and such period shall not count for leave, increment or any other service benefits.

Further, as per Government of Kerala orders on participation in strike, the period of strike treated as *Dies Non* shall be excluded from service benefits and corresponding entries must be correctly recorded in the Service Book and leave accounts, including Earned Leave.

Failure to deduct *Dies Non* from Earned Leave account results in unauthorized grant of service benefits, which is irregular and against extant rules.

The irregularity shall be rectified forthwith by effecting necessary corrections in the Service Books and Earned Leave Accounts of the above incumbents and compliance report with documentary evidence shall be furnished to Audit.

#### **b) Commuted Leave not deducted from Earned Leave Account**

During the course of audit, it is observed that the following incumbents of this office had availed Commuted Leave on the dates noted below. However, on verification of the Service Books, Earned Leave (EL) Accounts and SPARK records, it is seen that the corresponding deduction of Earned Leave has not been effected and the entries have not been updated in SPARK, which is irregular.

<b>slno</b>	<b>Name &amp; Designation</b>	<b>Commuted Leave taken</b>	<b>No. of days</b>
1	Anil Kumar N V , Head Operator	05/10/2009 to 09/10/2009, 19/12/2011 to 23/12/2011, 16/07/2018 to	20 days

		25/07/2018	
<b>2</b>	Biju K , Operator	03/04/2017	to 40 days
		12/04/2017,07/04/2025	to
		10/04/2025,22/04/2025	to
		29/04/2025, 01/11/2025	to
		15/11/2025	

As per Government of Kerala orders on maintenance of Service Books and implementation of SPARK, all leave transactions shall be promptly and accurately recorded in both the Service Book and SPARK system, failing which it results in irregular sanction of leave benefits and excess drawal of service advantages.

As per Rule 3, Kerala Financial Code (KFC) Part I, every drawing and disbursing officer is personally responsible for ensuring that claims are regulated strictly in accordance with the relevant rules and orders in force. Non-deduction of Earned Leave for Commuted Leave availed constitutes lapse in maintenance of leave accounts.

It is further noticed that the leave account of Smt. Remya Krishnan has not been fully verified. Her leave account from the beginning of service shall be verified in detail and correctness ensured, and the result reported to Audit.

The irregularity shall be rectified immediately by effecting necessary deductions in the Earned Leave accounts, updating SPARK records, and furnishing a detailed compliance report with documentary evidence to Audit.

### **c)Irregular Increment Sanctioned**

It is noticed during audit scrutiny that Sri. Pushpangan V. V. was promoted as Draughtsman Grade II with effect from 17.06.2019. However, the probation of the incumbent in the cadre of Draughtsman Grade II has not been declared so far.

In spite of the above, annual increment has been sanctioned and drawn, which appears to be irregular, as declaration of probation is a pre-condition for sanctioning increment in the promoted post.

As per **Rule 28(b)(i)** of Part I, Kerala Service Rules (KSR), increment shall be drawn only after satisfactory completion of probation, unless otherwise specifically ordered by Government. Further, **Rule 27 of KSR Part I** stipulates that increments shall not be admissible to an employee who has not fulfilled the prescribed conditions attached to the post.

The irregular drawal of increment has resulted in excess payment of salary, which attracts the provisions of **Rule 3 of the Kerala Financial Code (KFC) Volume I**, which mandates that every officer responsible for expenditure shall ensure that public money is spent only in accordance with the rules and orders in force. Moreover, as per Rule 20 of KFC Volume I, it is the duty of the controlling officer to exercise proper financial control and prevent irregular payments.

Hence, the sanction of increment without declaration of probation is irregular, and the excess salary drawn on account of such irregular increment is liable to be quantified and recovered from the incumbent, as per Government rules.

The detailed calculation of excess payment, status of probation declaration, and action taken/proposed for recovery shall be intimated to Audit for verification.

**d) Non-deduction of Paternity Leave from Earned Leave Account**

During the course of audit, it is observed that Paternity Leave availed by certain employees has not been properly accounted for by effecting deduction from the Earned Leave (EL) account, which is irregular.

As per Government Orders and Leave Rules applicable to State Government employees, Paternity Leave is a special leave admissible for a prescribed period and should not be debited to Earned Leave. However, the leave availed should be properly sanctioned, recorded in the Service Book, and reflected correctly in the leave account, failing which it results in incorrect maintenance of leave records.

Further, Rule 110, Kerala Financial Code (KFC) Volume I stipulates that all service benefits, including leave, shall be regulated strictly in accordance with the rules in force and that proper records shall be maintained to ensure financial and administrative discipline.

The details noticed are as follows:

<b>s/No</b>	<b>Name &amp; Designation</b>	<b>Paternity leave taken</b>	<b>days</b>
<b>1</b>	Rajeevan M V , Operator	12/1/2015 to 21/1/2015	10
<b>2</b>	Jemson Jacob , operator	16/07/2018 to 25/07/2018	9

In the above cases, necessary adjustments in the Earned

Leave account have not been verified/recorded, and the correctness of leave sanction and accounting could not be ensured during audit.

Non-maintenance of proper leave accounts and failure to effect necessary entries in the leave records violates Government Leave Rules and provisions of KFC, and may lead to excess leave benefits being extended to the officials concerned. The irregularity shall be rectified forthwith by effecting necessary corrections in the Service Books and Earned Leave Accounts of the above incumbents and compliance report with documentary evidence shall be furnished to Audit.

### **iii)WS Subdivision Irikkur**

#### **a)Commuted Leave not deducted from Earned Leave Account**

During the course of audit, it is observed that the following incumbents of this office had availed Commuted Leave on the dates noted below. However, on verification of the Service Books, Earned Leave (EL) Accounts and SPARK records, it is seen that the corresponding deduction of Earned Leave has not been effected and the entries have not been updated in SPARK, which is irregular.

<b>slno</b>	<b>Name &amp; Designation</b>	<b>Commuted Leave taken</b>	<b>No. of days</b>
<b>1</b>	Suresh K K , Head Operator	11/12/2023 to 17/12/2023, 02/05/2024 to 10/05/2024	7 days
<b>2</b>	Biju Ambiloath , Operator	04/04/2022 to 08/04/2022	5 days
<b>3</b>	Latha P K, Dman Gr I	03/01/2024 to 12/01/2024 , 10/02/2025 to 15/02/2025 , 11/08/2025 to 23/08/2025	29 days

As per Government of Kerala orders on maintenance of Service Books and implementation of SPARK, all leave transactions shall be promptly and accurately recorded in both the Service Book and SPARK system, failing which it results in irregular sanction of leave benefits and excess drawal of service advantages.

As per Rule 3, Kerala Financial Code (KFC) Part I, every drawing and disbursing officer is personally responsible for ensuring that claims are regulated strictly in accordance with the relevant rules and orders in force. Non-deduction of Commuted leave from the calculation of Earned Leave

Account constitutes lapse in maintenance of leave accounts.

The irregularity shall be rectified immediately by effecting necessary deductions in the Earned Leave accounts, updating SPARK records, and furnishing a detailed compliance report with documentary evidence to Audit.

**b)Prolonged Non-regularisation of Unauthorised Absence and Suspension – Serious Violation of KSR and KFC-action required**

On verification of the Service Book (Page No. 40), it is noticed that Sri. Stalin J, Plumbing Inspector was on unauthorised absence from 05.05.2023 to 09.06.2023. Consequent on the unauthorised absence, the incumbent was placed under suspension as per Order No. 16439/E6A(EST)/2023/KWA dated 25.05.2023 of the Chief Engineer (HRD & GL), Thiruvananthapuram, with effect from 25.05.2023 to 25.03.2024.

Further scrutiny reveals that the suspension was revoked and the incumbent rejoined duty on 26.03.2024, as per Order No. 16439/E6A(EST)/2023/KWA dated 05.03.2024 of the Chief Engineer (HRD & GL). However, it is observed that the period of unauthorised absence prior to suspension as well as the entire suspension period has not been regularised till date, nor has any final order regarding the treatment of the said period been recorded in the Service Book. As per Rule 18, Part I, Kerala Service Rules, absence from duty without proper sanction constitutes unauthorised absence and cannot be treated as duty unless specifically regularised by competent authority. Further, Rule 56A, Part I, KSR stipulates that the period of suspension shall be treated either as duty or otherwise only after passing a specific order by the competent authority after conclusion of proceedings.

Further, Rule 92, Part III, KSR mandates that pay and allowances during suspension shall be regulated strictly in accordance with final orders, and any payment made without such regulation shall be treated as irregular. Non-regularisation of the period has direct implications on pay fixation, increment, leave account, qualifying service for pension and other terminal benefits.

The prolonged inaction in regularising the unauthorised absence and suspension period, even after the incumbent re-joined duty, reflects poor personnel management and weak internal controls, which may result in irregular drawl of pay and allowances and consequential loss to the Authority.

The Audit therefore directs that **immediate liaison action shall be taken with Head office to make regularize the unauthorised absence and**

## **suspension period**

### **V GIS & SLI short/Non recovery**

On verification of the salary bill and other related documents ,it is noticed that mandatory GIS and SLI were not deducted from some employees. As per 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 subscription in GIS and SLI, but it is understood that there are employees who have not deducted 1.5%.The details are as follows.

#### **Non deduction of GIS & SLI**

- 1.Nisha P V, OA
- 2.Vijayan K M , PTS
- 3.Ramani K V , UDC
- 4.Pushpangan V V, Dman Gr 2
- 5.Uthaman P, Head Clerk
- 6.Shijil P, worker

#### **Short Recovery of GIS & SLI**

Details attached as **Appendix B**

This should be resolved and reported to Audit Wing

### **VI Non-Remittance of Accrued Interest to Head Office (Code: 7131)**

During the audit of the Trial Balance and Cash Book, of Division and Subdivisions it was observed that interest accrued in various accounts under Head of Account Code **7131** has not been credited to the Head Office account as required by financial regulations. This failure to transfer accrued interest results in an inaccurate financial position at the Division /Subdivision level and a shortfall in the Head Office's consolidated accounts.

#### **WS Division Thalipparamba**

<b>SI No</b>	<b>Financial Year (FY)</b>	<b>Amount (Rs)</b>
1	2023-2024	3,98,344
2	2024-2025	2,44,273

3	2025-2026 (up to 09/2025)	1,00,971
<b>Total</b>		<b>7,43,588</b>

### WS Subdivision Payyannur

SI No	Financial Year (FY)	Amount (Rs)
1	2023-2024	37,232
2	2024-2025	22,322
3	2025-2026 (up to 12/2025)	20,648
<b>Total</b>		<b>80,202</b>

### WS Subdivision Thalipparamba

SI No	Financial Year (FY)	Amount (Rs)
1	2023-2024	20,566
2	2024-2025	22,298
3	2025-2026 (up to 12/2025)	31,277
<b>Total</b>		<b>74,141</b>

In addition to the aforementioned corrections, any accrued interest **prior to April 2023** must be calculated and remitted without delay. Total amount comes to **9 lakhs**. In view of the above, urgent necessary action must be taken to transfer the total outstanding amount to the Head Office account immediately. Once the transfer is executed, the fact must be formally intimated to the Audit with supporting documentation. Furthermore,

it is directed to ensure no other omissions exist and to implement corrective measures to prevent future recurrence. In the event that any of these amounts have already been remitted, the specific details and reference numbers must be furnished to the audit team for reconciliation and clearance of this objection.

## **VII Bank Reconciliation statement .**

### **WS Subdivision Payyannur**

#### **Non Operative Account(No. 67333677704)**

Upon scrutiny of the Bank Reconciliation Statements for the Non-Operative Account for the month of December 2025, it was observed that an amount of **Rs. 20,619/-** remains recorded as "amount deposited but not credited by bank, as per List A." This outstanding entry indicates a discrepancy between the institution's books and the actual bank balance that has persisted without resolution. Such long-pending deposits pose a risk of financial misstatement and potential loss if not addressed promptly. Immediate action must be taken to verify this transaction in close liaison with the bank to ensure the funds are properly credited and accounted for in the books of accounts. A detailed report regarding the status of this credit and the subsequent adjustment must be submitted for audit verification without delay.

### **WS Subdivision Thalipparamba**

#### **Operative Account(No. 57043440495)**

On scrutiny of bank reconciliation statements of Operative Account, for the month of 12/2025, it is noticed the following :-

An amount of **Rs. 24095/-** seen as amount credited but not recorded in Cashbook .Some of the entries were of 2020 Immediate action shall be taken to rectify this discrepancy

## **VIII Non reimbursement of stipend(25%)to Apprentice trainees from Govt of India .**

The failure to claim the eligible reimbursement of **₹4,77,273** for the period from January 2017 to February 2022 represents a significant administrative lapse in leveraging the **National Apprenticeship Promotion Scheme (NAPS)** benefits. While it is noted that NAPS 2.0 discontinued the reimbursement model in favour of Direct Benefit Transfer (DBT) starting

March 2022, the claims for the preceding five years remain a valid receivable from the Government of India based on the 25% stipend subsidy rule (capped at ₹1,500 per month). To rectify this, the organization must immediately reconcile the stipend disbursement data with the **Skill India Digital** portal records and submit all pending claims for the legacy period. If the portal restricts retrospective entries, a formal representation supported by apprenticeship contracts should be submitted to the **Regional Directorate of Skill Development and Entrepreneurship (RDSDE)** to recover these funds and formally resolve the audit objection.

### Summary of Unclaimed Reimbursements

<b>Year</b>	<b>Stipend Disbursed</b>	<b>Reimbursement Portion (25%)</b>	<b>Status</b>
2017	Rs.66,613	Rs.16,653	Pending Claim
2018	Rs.1,04,977	Rs.26,244	Pending Claim
2019	Rs.1,55,375	Rs.38,844	Pending Claim
2020	Rs.2,85,780	Rs.71,455	Pending Claim
2021	Rs.10,02,307	Rs.2,50,577	Pending Claim
2022 (Jan-Feb)	Rs.2,94,000	Rs.73,500	Pending Claim
<b>Total</b>	<b>Rs.19,09,052</b>	<b>Rs.4,77,273</b>	

### **IX Idle Office Space Kept Unutilised Due to Pending Dispute Relating**

### **to JICA Files**

During the Audit Inspection, it is observed that a portion of the office building is kept unused for a prolonged period. On enquiry, it is stated that the said space is being utilised for keeping files related to **JICA**, and that a dispute connected with the matter is still prevailing. the prolonged non-utilization of office space is viewed as a **breach of financial propriety** and a failure in **efficient asset management**. Audit identifies this as a "dead investment" where the organization incurs maintenance, utility, for a space that yields no administrative utility. As the space remains unutilised for office purposes for a considerable time, all files, correspondence, orders, and factual details connected with the JICA matter and the dispute leading to non-utilisation of the space are to be produced before Audit for detailed scrutiny.

### **X.Non-Accountal and Deterioration of Generator Procured under JBIC Assisted Project**

During the Audit, a generator was discovered in an abandoned condition, yet no primary records or entries in the Stock Register could be produced to verify its procurement or ownership. Although it is replied that the equipment might have been included under the JBIC Assisted Kerala Water Supply Project for Pattuvam and adjoining villages, this claim remains unsubstantiated in the absence of formal transfer-entry documents or capitalization records. The failure to account for such a high-value asset represents a serious lapse in internal controls and a violation of standard financial rules regarding the custody of Government property. By allowing the generator to remain unrecorded and exposed to the elements without a designated custodian, the Division has risked significant loss through physical deterioration and potential theft.

**Generator Details (as per nameplate)****Brand:** Genlite**Manufacturer:** Genlite Engineering Pvt. Ltd., Chennai**Genset Model:** KG62.5WS2**Capacity / Rating:****Prime:** 63 kVA**Standby:** 70 kVA**Fuel Type:** Diesel**Noise Level:** 75 dB(A) at 1 metre (silent DG set)**Certificate No.:** KG82.5WS2 / 2009 / 2570 dated 21-07-2009**Manufacturing Date:** 30-09-2010**Engine Make:** Kirloskar(KOEL)**Application:** Commercial / Institutional

Consequently It is imperative that the Division immediately identifies the asset through the JBIC project records, formalizes its entry into the Register of Fixed Assets, and takes urgent steps to secure the equipment to prevent further depreciation or potential pilferage of parts. If found unserviceable the same may be auctioned and make good the loss sustained to KWA

**XI Non-Recovery of Cost of Balance Materials from the Final Bill.**

Name of work :JJM-Malappattam GP-WSS to Irikkur and adjoining villages –

Phase II-laying distribution system and providing FHTCs W/O No. KWA/PHC/TVM/D1-3654/2019 dated 15/11/2019 of SE PH Circle,Tvpm

Agt No. 31/20-21/SE/PHC/KNR dated 12/10/2020

Contractor: Prajith PV(PoA) Kannan.

During the scrutiny of the Final Bill and the **Material Account Statement(MAS)** for the subject work, it was observed that substantial quantities of materials issued to the contractor remained unutilized upon completion of the work. According to the standard provisions of the **Kerala Public Works Account Code**, the cost of any balance materials not returned by the contractor should be recovered at the stipulated departmental rates before the final settlement of the bill. However, a verification of the MAS statement reveals that the following material remain outstanding with the contractor, but no recovery has been effected in the final bill

Item	Balance	Rate	Amount
25mm Air valve	14 nos	966.75	<b>13535/-</b>

The failure to recover the cost of these balance materials has resulted in an overpayment to the contractor and a corresponding loss to the Authority. It is requested that the reasons for this omission be explained and the total recoverable amount be calculated and realized immediately. Furthermore, please provide the recovery statement and the details of the remittance/adjustment made in this regard for further audit verification.

## **XII NON-IMPLEMENTATION / PARTIAL IMPLEMENTATION OF e-OFFICE SYSTEM – VIOLATION OF KWA ORDERS AND GOVERNMENT DIRECTIONS**

During the course of audit, it was noticed on verification of records and functioning of the offices under this Division that the e-Office system has not been implemented in letter and spirit, as mandated by Kerala Water Authority and Government orders.

Some offices under this Division are not using the e-Office system at all, and files are still being processed manually. In certain offices, implementation is only partial and , instead of being comprehensive. A B Sections have implemented e-Office only to an extent of about 60%.D B Sections are hardly using e-Office, with implementation below 20%, and most files continue to be handled outside the e-Office platform. Thus, uniform and mandatory adoption of e-Office across all sections and offices

under the Division has not been ensured.

### **Relevant Orders / Circulars**

1. Order No. KWA-JB/1/2023-E1 dated 27-03-2023  
Kerala Water Authority ordered implementation of e-Office in Head Office and subordinate offices, with instructions to ensure paperless file processing and online movement of files.
2. Circular No. 12662/PA to MD/2021/KWA dated 10-01-2022  
Issued in pursuance of Government decision to declare Kerala as a Total Digitally Governed State.

The non-implementation / partial implementation of e-Office as observed above is in clear violation of the orders and circulars issued by Kerala Water Authority and Government of Kerala.

Selective or section-wise use of e-Office defeats the very objective of digital governance, transparency, accountability, and traceability of files. Continued manual processing of files also exposes the system to avoidable delays, procedural lapses, and audit risks.

The **Executive Engineer / Head of Office concerned** is requested to:

1. Explain the reasons for:
  - Non-implementation of e-Office in certain offices.
  - Very low usage of e-Office in D B Sections.
2. Ensure immediate and complete implementation of e-Office in:
  - All offices under the Division.
  - All sections without exception..
3. Compliance shall be reported to Audit **without delay**.

### **XII .IRREGULAR SANCTION AND PAYMENT OF NIGHT SHIFT ALLOWANCE – NON-COMPLIANCE OF PAY REVISION 2019 AND ANOMALY ORDER – EXCESS PAYMENT**

During scrutiny of the pay fixation statements and salary bills of employees who performed night shift duties, it was noticed that Night Shift Allowance (NSA) has been sanctioned and disbursed in excess of the rates admissible under the Kerala Water Authority Pay Revision 2019 and its subsequent anomaly/erratum order, resulting in irregular and excess payment of allowances.

As per G.O.(P) No.23/2022/WRD dated 25-10-2022, implementing the 11th

Pay Revision of Kerala Water Authority with effect from 01-07-2019, Night Shift Allowance admissible to employees working on night shifts was fixed at ₹80 per month.

Subsequently, vide G.O.(P) No.31/2025/WRD dated 06-11-2025 (Anomaly / Erratum Order), the Night Shift Allowance was revised to ₹80 per day, rectifying the anomaly in the original order.

However, the above anomaly order explicitly stipulates that , any arrears arising due to pay revision and its corrections shall be treated as NOTIONAL up to the month of issue of the order.

This clearly implies that no actual monetary benefit is admissible retrospectively, and financial benefit shall be allowed only prospectively from the date of issue of the anomaly order.

Audit scrutiny revealed that excess Night Shift Allowance was drawn by certain employees by allowing retrospective financial benefit, contrary to the above explicit Government Orders, resulting in irregular and excess disbursement of public funds.

This irregular payment is in violation of:

1. G.O.(P) No.23/2022/WRD dated 25-10-2022 – Pay Revision Order of KWA.
2. G.O.(P) No.31/2025/WRD dated 06-11-2025 – Anomaly / Erratum Order.
3. Rule 3, Kerala Financial Code (KFC) Volume I,
4. Rule 92, KFC Volume I

The irregular sanction and payment of enhanced Night Shift Allowance **with** retrospective financial effect, despite explicit instructions restricting arrears to notional benefit only, indicates procedural lapse, financial irregularity, and weak internal control mechanism. The excess Night Shift Allowance paid, by granting retrospective monetary benefit contrary to Government Orders, may be worked out, verified and recovered from the concerned employees under proper sanction and intimated to audit.

### **XIII. Irregular Expenditure on Printing Charges.**

During the verification of the Cashbook and Trial Balance of WS Subdivision, Thalipparamba for the period 2023-25, it was observed that an amount of **Rs. 8,46,049/-** was claimed towards printing charges. This expenditure is found to be highly irregular as the amounts involved are significantly beyond the financial limits prescribed under the Delegation of Powers for a Subdivision office.

The audit further observed that no sanction or formal ratification was obtained from the competent higher authority to regularize these claims. The recurrence of this practice in other units, specifically the WS Subdivisions of Payyannur and Irikkur, suggests a systemic disregard for financial protocols. In view of these discrepancies, the office is required to furnish specific remarks justifying the bypass of the Delegation of Powers and must take immediate steps to obtain ex-post-facto ratification from the higher office. Additionally, the department must conduct a comprehensive verification of all printing-related payments made prior to the audit period in all mentioned subdivisions to ensure total compliance with financial rules.

The details of WS Subdivision, Thalipparamba are as follows:

2023-24	2,83,309
2024-25	3,56,352
2025-26 (up to 12/2025)	2,06,388
<b>Total</b>	<b>8,46,049</b>

#### **XIV Verification of trial balance (March 2025)**

Upon review of the Trial Balance as of March 2025, the following inconsistencies and accounting errors have been identified. These entries require immediate rectification to ensure the integrity of the financial statements, particularly regarding the reconciliation of contractor advances and the timely remittance of employee-related statutory deductions.

<b>SI No.</b>	<b>Code</b>	<b>Description</b>	<b>Debit Balance</b>	<b>Credit Balance</b>	<b>Remarks</b>
1	1532	Imprest	7,085		Due to non-settlement.
2	1661	Advance to Contractors		1,163,087	Over-settlement of advances relative to expenditure.
3	1669	Advance to Contractors (Bank Loan Scheme)	11,822,590		Due to non-settlement.

4	2821	House Rent Deductions		14,818	Overstatement of current liabilities due to non-remittance of rent recovered.
5	2829	Other Statutory Recoveries		1,794,300	Overstatement of current liabilities due to non-remittance of amounts recovered.

### **XV. Local Audit Reports- Serious Non-Compliance and Pendency of Audit Observations – Immediate Rectification Directed**

The Internal Audit team's comprehensive review of the Local Audit reports reveals an alarming state of non-compliance within the WS Division, Thaliparamba , where 16 Audit Paras remain pending for disposal.. This prolonged delay is particularly concerning as several pending observations involve significant financial commitments. The failure to resolve these matters reflects a fundamental lapse in financial discipline and exposes the organization to substantial audit risks and potential fiscal irregularities.

In view of the above, it is hereby directed to review the entire list of outstanding observations and submit revised, comprehensive replies for all 16 pending paras. All submissions must be strictly substantiated with relevant vouchers, certificates, and supporting documents as per the statutory requirements. These replies must be presented in the proper format and forwarded to **RAO on or before 31.01.2026**. Failure to comply with this timeline will be viewed as a deliberate dereliction of duty and may result in the matter being escalated for further disciplinary action.

The year wise details are as follows

<b>W.S. DN , THALIPARAMBU</b>				
<b>SI NO</b>	<b>YEAR</b>	<b>SI Number of pending paras</b>		<b>Total number of Pending Paras</b>
		<b>In Part II A</b>	<b>In Part II B</b>	
1	15-16		1,7	2

2	17-18		6,7,9	3
3	18-21		4,6,7,9,	4
4	21-22		1,6	2
5	23-24	1	1,2,3,4	5
<b>TOTAL</b>				<b>16</b>

## **Revenue**

### **XVI. Faulty Water Meters – Non-Replacement of Live Not-Working Meters and Non-Maintenance of Disconnection / Reconnection Register**

During scrutiny of the Abacus consumer database, it is observed that a total of 79 Live water meters are recorded as "Not Working" and have not been replaced so far. Due to the non-functioning of meters, exact billing based on actual consumption is not possible, resulting in short assessment of water charges and consequent revenue loss to Kerala Water Authority.

Section-wise details of live not-working meters are furnished below:

Sl. No.	Section Name	No. of Live Not-Working Meters
1	Kalliassery Section	79

Further, it is noticed that the Disconnection and Reconnection Register is not maintained, which is highly irregular and against the prescribed accounting and operational controls. In the absence of proper registers, monitoring of defective meters, follow-up action, and accountability could not be ensured.

The prolonged non-replacement of faulty meters indicates inadequate monitoring and delayed remedial action, adversely affecting revenue realisation and internal control mechanisms.

Audit therefore requires the following details to be furnished for scrutiny:

1. Status of replacement of faulty water meters, section-wise and consumer-wise.
2. Reasons for non-replacement of the above live not-working meters for a prolonged period.
3. Updated Disconnection and Reconnection Register, duly authenticated.
4. Action plan with timeline for replacement of all pending faulty meters.

5. Fixing of responsibility, if any, for delay in replacement and non-maintenance of mandatory registers.

The matter requires urgent attention, and compliance particulars shall be submitted to Audit without further delay.

### **XVII. Non-maintenance of Meter Reading Check Report and Lapse in Statutory Duties of Meter Inspector**

As per Para XIV (1 & 2) – Reading: Duties and Responsibilities of Meter Inspector, Kerala Water Authority Employees' Regulations, 1999, it is stipulated that:

- The Meter Inspector shall conduct periodical inspection of water meters and submit reports regarding proper maintenance and correctness of meter readings.
- The Meter Inspector shall maintain a record of working areas of meter readers under his control and conduct a minimum check of 5% of the readings taken by meter readers, submitting a weekly progress report to the office.

During audit scrutiny, the following irregularities were noticed:

1. The Meter Inspector, W.S. Sub Division, Thalipparamba, has not conducted the mandatory 5% check reading of meter readings taken by the Meter Readers, as prescribed under the Regulations.
2. No Meter Reading Check Report / Weekly Progress Report is seen maintained or submitted to the office for audit verification.
3. It is further noticed that the Meter Inspector is not effectively involving or supervising the Kalliassery Section under this office.
4. Due to lack of supervision and cross-verification, irregularities in meter readings, billing accuracy, and revenue realisation are observed in the Kalliassery Section.
5. Absence of check readings defeats the system of internal control and increases the risk of erroneous billing, revenue leakage, consumer complaints, and manipulation of readings.
6. Non-maintenance of statutory records and non-compliance with prescribed duties constitute a serious lapse in regulatory responsibility.

### **Audit Observations**

1. No documentary evidence is available to prove periodical inspection of water meters.
2. Weak supervisory control over meter reading activities may have contributed to faulty meters remaining unnoticed, abnormal consumption patterns, and loss of revenue to KWA.
3. Failure to comply with Para XIV of the Regulations indicates administrative negligence.

**XVIII.Failure to Allocate Security Deposit of Defaulted Special / Casual Connections Resulting in Delay in Realisation of Water Charge Arrears**

As per Order No. **KWA/HO/RMC/R1/1054/2020 dated 30-01-2021** of the Accounts Member, Kerala Water Authority, specific directions were issued to intensify the realization of water charges relating to Special / Casual connections. As part of the said order, all controlling officers were directed to allocate the security deposit amount of defaulted Special/Casual consumers towards their pending water charge arrears, after following due procedure.

However, during audit verification, it is noticed that the above directions have not been complied with, and the security deposits of defaulting Special/Casual consumers have not been adjusted against outstanding water charges, even though substantial arrears are pending for long periods. This indicates a lethargic attitude in revenue realization, resulting in avoidable financial loss to the Authority.

The details of defaulting Special/Casual connections are given below:

<b>SL No.</b>	<b>Consumer No.</b>	<b>Last pay date</b>	<b>Amount</b>	<b>Status</b>
1	TP2/2/S	19/4/2025	2728	Live
2	TPA/18/S	27/06/2025	2013	Live
3	KM4/16/S	16/11/2025	2191	Live
4	KM4/12/S	18/12/2023	7493	DISCONNECTED
5	KM4/22/S	26/11/2024	4219	Live
6	PIM/17/S	21/03/2025	2834	DISCONNECTED
7	TPA/61/S	01/08/2025	2008	Live

Despite prolonged default and availability of security deposits, no action has been taken to appropriate the deposit amounts towards arrears, either

in live or disconnected cases.

As per Rule 10, Rule 12 and Rule 15 of the Kerala Financial Code (KFC), Volume I, all amounts due to Government / Public Authorities shall be promptly assessed, realized, and credited, and failure to take timely action for recovery of dues shall be treated as serious financial irregularity. Further, Rule 37 of KFC stipulates that officers responsible for collection of revenue shall ensure effective control and timely recovery of all dues, failing which responsibility is liable to be fixed.

The continued non-allocation of security deposits, even after issuance of orders from Head Office, constitutes non-compliance of instructions, weak internal control, and poor revenue management.

**Audit therefore directs that:**

1. Immediate verification shall be conducted to identify all similar cases of Special / Casual connections having pending arrears.
2. Prior notice shall be issued to the defaulting consumers, wherever required, as per rules.
3. The security deposit shall be forthwith allocated towards pending water charge arrears in accordance with the Accounts Member's order dated 30-01-2021.
4. Action taken details, along with updated arrear position, shall be intimated to Audit without delay.

**XIX.Pendency in Etapp Assignments and Systemic Failure of Internal Control Measures**

An audit verification of the Etapp software reveals a significant and systemic failure in task management and service delivery within the Thalipparamba Division. Specifically, work orders assigned to the staff of the WS Section Kalyassery remain incomplete despite a lapse of more than two years, indicating a chronic delay. This pattern of non-performance is not isolated to a single unit but is prevalent across other sections of the Division, suggesting a breakdown in internal supervisory controls and a lack of accountability. Such prolonged pendency constitutes a clear dereliction of duty and necessitates the initiation of strict disciplinary action against the responsible officers under the relevant Service Rules. The details are as follows.

Annl No	Date	Name	ID	Assigned	Service
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App No	Date	Name	IP	Assigned Officer	Service
KWA/CS-949907	14.10.2025	Fasna KP	4261139249	Stalin	Meter Point Shifting
KWA/CS-935958	25.09.2025	Fathima KP	4261122588	Stalin	Temporary DC
KWA/CS-915507	25.08.2025	Bhaskaran S	4261124473	Stalin	DC&RC
KWA/CS-902563	08.08.2025	Sreekumar	4261202751	Stalin	DC&RC
KWA/CS-846074	28.05.2025	Faseela Nazir	4261135025	Shiju	Reconnection
KWA/CS-826019	30.04.2025	Pushpaja	4232102753	Stalin	Meter Point Shifting
KWA/CS-783143	01.03.2025	Fayisa P	4261140513	Vishak	Temp DC
KWA/CS-672485	14.11.2024	Ibrahim K	4232108486	Shiju T	Temp DC
KWA/CS-633848	29.09.2024	Kadeeja N	4261138507	Manju	Temp DC
KWA/CS-540142	14.05.2024	Sainaba KV	4261140531	Manju	Temp DC
KWA/CS-514408	30.03.2024	Zubair	4261125249	Manju	Temp DC
KWA/CS-407168	22.01.2024	Dhanila K	4261127593	Manju	Temp DC
KWA/CS-344427	14.11.2023	Suhara	4261122174	Manju	Permanent DC

Similar cases in other sections shall also be verified and corrective steps shall be taken

### Part III

#### BestPractices

NIL

## Part IV

### Acknowledgement

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

### INTERNAL AUDITOR

#### Appendix A.

#### **INCUMBENCY DETAILS OF EE, TA, DAO OF TALIPARAMBA WS DIVISION OFFICE**

Incumbency details for the period 01-04-2017 to 31-03-2025

#### **Incumbency Details of Executive Engineer, WS Division Taliparamba**

Name of Officer	Designation	From	To	Remarks
P Gopalan	EE	01.04.2017	03.06.2017	
Remeshan Koilodan	AEE	04.06.2017	27.06.2017	Additional Charge
Manoharan K P	EE	28.06.2017	31.07.2019	Retired
Rathnakumar V K	EE	01.08.2019	20.08.2019	Additional Charge
Suraja Nair	EE	21.08.2019	05.07.2022	
Sreevalsan P K	AEE	06.07.2022	25.07.2022	Additional Charge
Deepa P P	EE	25.07.2022	Continuing	

**Incumbency Details of Technical Assistant, WS Division  
Taliparamba**

Name of Officer	Designation	From	To	Remarks
Noufal T V	TA	01.04.2017	04.08.2018	
Prakashan A V	TA	07.08.2018	01.06.2019	
Noufal T V	TA	01.06.2019	20.06.2019	
Babu K V	TA	21.06.2019	30.07.2019	
Noufal T V	TA	30.07.2019	17.08.2019	
Sreevalsan P K	TA	17.08.2019	10.03.2022	
Bastin John	TA	31.03.2022	20.07.2022	
Subin P S	AEE	20.07.2022	23.07.2022	
Sheeba M	TA	23.07.2022	24.02.2024	
Sheeba M	TA	24.02.2024	07.03.2024	Additional Charge
Sri. Praneesh P	Technical Assistant	07.03.2024	18.08.2025	
Pavanan K V	AEE	19.08.2025	26.09.2025	Additional Charge
Sujith K	Technical Assistant	26.09.2025	Continuing	

**Incumbency Details of DAO, WS Division Taliparamba**

Name of Officer	Designation	From	To	Remarks
Kunhiraman K V	DAO	01.04.2017	26.08.2019	
Vinodkumar M K	DAO	26.08.2019	28.05.2020	
Graseena A K	DAO	19.06.2020	09.08.2021	
Rajashekharan Pilla	DAO	11.08.2021	31.12.2021	
Murali T	DAO	17.01.2022	30.06.2022	Onwards absent from 02.07.2022
Murali T	DAO	07.02.2023	30.04.2023	Absent
Bindhu K N	JS	01.05.2023	18.07.2023	Additional Charge

Murali T	DAO	19.07.2023	27.09.2023	
Bindhu K N	JS	28.09.2023	07.08.2024	Additional Charge
Abdul Gafoor N V	JS	07.08.2024	13.10.2024	Additional Charge
Shaiju Verma K	JS	14.10.2024	02.02.2025	Additional Charge
Sachin Nayar	HC	03.02.2025	09.03.2025	Additional Charge
Shaiju Verma K	JS	10.03.2025	27.03.2025	Additional Charge
Bilby Mathew	UDC	28.03.2025	08.04.2025	Additional Charge
Chelsa Sebastian	DAO (Trainee)	09.04.2025	06.10.2025	Trainee
Suneesh P	JS	22.04.2025	Continuing	Additional Charge

### Appendix B.

#### SLI & GIS Details – WS Division Thalipparamba

Sl no	Name of Employee	Designation	SLI recovered	short recovery of SLI	GIS recovered	Short recovery of GIS	Office name
1	Deepa P P	Executive Engineer	2100	139	1500	739	DN
2	Sujith K	AEE	1200	71	1100	171	DN
3	DILNA P T	DMAN GR1	800	0	700	68	DN
4	SUNEESH P ANNERI	J S	1000	101	800	301	DN
5	SAJITHA P	OA	1000	0	400	7	DN
6	SHIJI R P	RO	500	1005	1000	505	DN
7	SOJIMOL V K	UDC	1100	0	700	146	DN
8	PAVANAN K V	AEE	500	803	1000	303	SUB DN T HALIP
9	RAJESH K	HC	1000	0	900	100	SUB DN T HALIP
10	SUNIL KUMAR P P	DMAN GR 1	1200	0	800	110	SUB DN T HALIP
11	NISHA P V	OA	0	131	0	131	SUB DN T HALIP
1	GANESHAN	OA	300	449	800	0	SUB DN T

2	T						HALIP
1	VIJAYAN K	PTS	0	335	0	335	SUB DN T
3	M						HALIP
1	PRAVEEN V	AE	1000	182	1000	182	SUB DN T
4	V						HALIP
1	SREEJA K M	DMAN GR 2	500	162	800	0	SUB DN T
5							HALIP
1	SREEJITH K	O A	300	488	800	0	SUB DN T
6	K						HALIP
1	Sanjay T P	METER INS	1000	0	800	177	SUB DN T
7		PECTOR					HALIP
1	Sudhan K P	METER REA	600	246	800	46	SUB DN T
8		DER					HALIP
1	Kishan M P	OPERATOR	1300	0	800	46	SUB DN T
9							HALIP
2	Hemanth M	OPERATOR	500	82	800	0	SUB DN T
0	ukundan V						HALIP
	V						
2	Sheeba M	AEE	1500	0	1000	434	PAYYANUR
1							
2	Manoj P	HC	1000	0	900	100	PAYYANUR
2							
2	Priya T V	UDC	900	10	800	110	PAYYANUR
3							
2	Mahesh M R	UDC	1000	0	700	146	PAYYANUR
4							
2	Rajesh R K	UDC	1100	0	900	125	PAYYANUR
5	V						
2	Ramani K V	UDC	0	662	0	662	PAYYANUR
6							
2	Vishnu O C	SR GR TYPI	1000	0	800	154	PAYYANUR
7		ST					
2	Prasanth M	DMAN GR1	500	213	800	0	PAYYANUR
8	V						
2	Pushpangan	DMAN DR 2	0	749	0	749	PAYYANUR
9	V V						
3	Khadeeja P	OA	300	250	500	50	PAYYANUR
0	V						

3 1	Nitheesh P	WATCHMAN	300	250	500	50	PAYYANUR
3 2	Rajeevan P	HEAD OPERATOR	1000	0	800	67	PAYYANUR
3 3	Prasobh P	AE	900	54	800	154	PAYYANUR
3 4	Shaijuraj P R	PLUMBING INSPECTOR	900	0	800	27	PAYYANUR
3 5	Anilkumar N V	HEAD OPERATOR	950	27	900	77	PAYYANUR
3 6	Sujith K	HEAD OPERATOR	1000	0	700	146	PAYYANUR
3 7	Rajeevan M V	OPERATOR	1000	0	700	146	PAYYANUR
3 8	Rajesh K	OPERATOR	800	7	700	107	PAYYANUR
3 9	Biju K	OPERATOR	800	46	700	146	PAYYANUR
4 0	Kunhabdulla M P	OPERATOR	300	546	700	146	PAYYANUR
4 1	Sunil kumar P V	OPERATOR	1000	0	700	146	PAYYANUR
4 2	Aneesh N V	OPERATOR	1000	0	700	88	PAYYANUR
4 3	Ramya Kris hnan P V	OPERATOR	600	0	500	82	PAYYANUR
4 4	Ravikumar M	METER READER	1000	0	800	154	PAYYANUR
4 5	Sheeja P	OA	500	0	400	57	PAYYANUR
4 6	shaji P V	AEE	1100	82	1000	182	IRIKKUR
4 7	Uthaman P	HC	0	1000	0	1000	IRIKKUR
4 8	JEENA M	OA	1000	0	400	69	IRIKKUR
4	SOORAJ K P	PLUMBING	300	468	800	0	IRIKKUR

9		INSPECTOR					
5 0	MADHU K K	DMAN DR 1	1150	0	800	110	IRIKKUR
5 1	Abhilash P. K	HEAD OPERATOR	1000	0	800	46	IRIKKUR
5 2	Jemson Jac ob	HEAD OPERATOR	1000	0	800	46	IRIKKUR
5 3	Joseph T K	HEAD OPERATOR	1000	0	800	46	IRIKKUR
5 4	E M Jayara man	HEAD OPERATOR	800	46	800	46	IRIKKUR
5 5	Sunil Kumar T S	HEAD OPERATOR	700	146	800	46	IRIKKUR
5 6	Shijil.P	WORKER	0	197	0	197	IRIKKUR



