Website: www.kwa.kerala.gov.in
Mobile/ Whatsapp: +919495998258

Tel. 0471-2738300
Consumer Helpline Number
1916 [24X7] [Toll Free]
1916cckwa@gmail.com

KERALA WATER AUTHORITY

Jalabhavan
Thiruvananthapuram – 695033
Kerala - India

File No. KWA-JB/8111/2026-DA3(AUDIT) Dated: 03-11-2026

INTERNAL AUDIT REPORT OF CHIEF ENGINEER(SR) THIRUVANANTHAPURAM

UIN : IAR/04/2026-2027
Period of Audit: 23/09/2026 to 30/09/2026
Period Covered: 01/04/2019 to 31/03/2026

Audit Team

Sri. Shaji A, Internal Auditor
Smt. Rehana V Kamal, Divisional Accounts Officer
Smt. Indulekha S, Divisional Accounts Officer
Sri. Deepak Nair P, Head Clerk

PART -I

A. Introduction

The Chief Engineer is the head of Southern Region of Kerala Water Authority. Under the jurisdiction of Chief Engineer(SR), there are four Circle Offices viz. Thiruvananthapuram, Kollam, Kottayam, Pathanamthitta and respective Divisions, and JNNURM PIU, Thiruananthapuram. The jurisdiction of Chief Engineer(SR) includes the districts Thiruvananthapuram, Kollam, Kottayam, Pathanamthitta and some regions of Alappuzha.

The main functions of this office are:

1. Processing of estimates, revised estimates, tenders and quotation received from various Circles under its jurisdiction and direction and administration.
2. Sanctioning of estimates, revised estimates, tenders and quotation on the basis of powers delegated by higher authorities.
3. Issuing of AS & TS of works on the basis of powers delegated by Higher authorities.
4. Processing of various proposals coming under various heads like State Plan/NRDWP/ARUT/DRW/KIIFB etc. and KWA own funds.
5. Attending od complaints received from various offices/consumers/public relating to water supply and sewerage.

6. All establishment matters related to Southern Region.

B. Officers Incharge
Chief Engineers

Sl No	Name	From	To
1	T S Sudheer	13-03-2019	17-06-2019
2	G Sreekumar	17-06-2019	01-06-2020
3	Suresh Chandran	01-06-2020	11-06-2020
4	Sethu Kumar S	11-06-2020	20-01-2021
5	Prakash Idiculla	21-01-2021	16-02-2021
6	Sethu Kumar S	17-02-2021	25-03-2021
7	Prakash Idiculla	26-03-2021	14-04-2021
8	Sethu Kumar S	15-04-2021	22-06-2021
9	Prakash Idiculla	23-06-2021	27-06-2021
10	Sethu Kumar S	28-06-2021	02-08-2021
11	Prakash Idiculla	02-08-2021	31-12-2022
12	Jayaprakash.C	01-01-2023	06-02-2023
13	Leenakumary S	06-02-2023	31-05-2023
14	Lekshmi.M (I/c)	01-06-2023	11-08-2023
15	Narayanan Namboothiri	11-08-2023	12-07-2024
16	Lekshmi.M	12-07-2024	22-07-2024
17	Narayanan Namboothiri	22-07-2024	16-01-2025
18	Lekshmi.M (I/c)	17-01-2025	26-05-2025
19	Suraja Nair	26-05-2025	till the date

Seperate list attached

C.**Financial Analysis**

Year	2023-24	2024-25	2025-26
Estt.Expenditure	31789809	29109169	31940403
Contingencies	254498	546947	359085
CapitalExp.	NIL	NIL	NIL
Maintenance Expenditure	100192	100944	477772

PART II

A. Significant Audit findings

Nil

(B) Other Incidental Audit Findings

I: Short deduction of GIS & SLI

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/FINDated,26/11/2021 & GO(P)No.159/2021/FIN Dated, 30/11/2021, **1.5%** of the Basic Pay should be deducted as subscription in GIS and SLI, but it is understood that there are employees who have not deducted 1.5%.

The Deputy Chief Engineer (SR) replied that, out of the pointed out employees of that office, except for Smt. Manju Rani M, AEE, all others are above 50 years of age and enhancing their subscription is not applicable. The recovery in respect of Smt. Manju Rani M, AEE will be made from the upcoming salary bill. The action taken in this regard shall be reported to the Audit Wing.

II. Keeping Idle/Dormant Treasury Account – TPA No. 84

On scrutiny of the Cash Book, it was noticed that TPA No. 84 maintained at Sub Treasury, Vellayambalam continues to show a balance of ₹3,36,279/- as on 31/08/2026. On verification of the Cash Book for 09/2016, the same balance is seen continuously carried forward, indicating that the amount has remained idle and unsettled for a prolonged period. The office shall clarify the purpose for which the Treasury account was maintained, the nature/source of the balance, and the reasons for retaining the amount without utilization or settlement for such a long period.

It shall also be clarified whether the said Treasury account is still required for any specific KWA/Government purpose and whether there is any valid sanction/authority for its continued operation. If the account is no longer required, the office shall furnish the reasons for non-closure of the account and non-transfer of the balance to the appropriate SB/operative account, particularly in view of the directions issued by Head Office regarding closure of dormant Treasury accounts

The office shall also furnish the Treasury account statement/passbook and details of transactions, if any duly reconciled with the Cash Book. If the account is no longer required, necessary action shall be taken to close/settle the account and transfer the balance of ₹3,36,279/- to the appropriate KWA account under proper authorisation, and the documentary evidence of such action shall be produced to Audit. If continuation of the account is considered necessary, specific justification and competent authority's sanction for its continuation shall be furnished.

III: Bank Reconciliation Statement - Long Pending Unreconciled Amount of Rs.87,215/- – Amount Deposited but not Credited by Bank

On scrutiny of the Bank Reconciliation Statement relating to Operative Account No. 67001089572 for the month of 05/2026, it was noticed that an amount of ₹87,215/- has been continuously carried forward long before 02/04/2020 under “Amount deposited but not credited by Bank” as per List ‘A’. The item has thus remained outstanding and unreconciled for more than six years. No satisfactory explanation, supporting records or evidence regarding the nature and present status of the transaction was produced to Audit.

In this connection, the office shall furnish the details of the original cheque/deposit, including cheque number, date of issue/deposit, name of the payee/depositor, amount, date of presentation to the bank, bank acknowledgement/deposit slip, relevant Cash Book entry, Bank Book entry and corresponding entry in the Bank Statement. The office shall also clarify whether the cheque/instrument was actually presented to the bank and, if so, the reasons for non-credit of the amount. The present status of the instrument shall be verified with the bank and documentary evidence such as bank statement, return memo, credit confirmation or other relevant bank correspondence shall be produced to Audit.

As per the applicable treasury procedure, a cheque remaining unpaid for twelve months from the date of issue is required to be cancelled and the amount written back, while RBI instructions provide that cheques should not be paid when presented beyond three months from the date of the instrument. Hence, the continued inclusion of an item

dating from 02/04/2020 in the BRS without reconciliation or appropriate accounting action requires specific justification

IV: Parking of Funds.

On verification of the Cheque memo register/Cash book as on 15/09/2026, it was noticed that an amount of ₹16,35,230.75 is lying in Bank Account No. 67001089572 (Establishment Account). The retention of such a substantial amount without establishing any immediate requirement or corresponding expenditure liability indicates unnecessary parking of funds and is contrary to the financial discipline and instructions regarding proper management of KWA funds. The continued retention of the amount results in blocking of funds at the office level and is irregular. The office is therefore requested to furnish a specific explanation for retaining the above amount, along with details of its source, purpose and any expenditure committed against the balance, supported by relevant records. If the amount is not required for any authorised and immediate expenditure, the surplus amount shall be remitted to the Head Office Account immediately, and the remittance particulars furnished to Audit. The office may also state the measures taken to avoid recurrence of such unnecessary parking of funds

V. Bank Charges on Non-Operative Account

On random verification of the bank statement of the Non-Operative Account of CE (SR), Thiruvananthapuram, for the audit period from 01/04/2019 to 31/03/2026, it was noticed that MAB (CHGSBCH) charges were levied by the bank for non-maintenance of the prescribed minimum balance. However, the bank statement was produced to Audit only for the period from 13/01/2026 to 23/09/2026, and hence verification could be conducted only for the said period. During the verification, the following charges were noticed:

Sl no	Date	Description	Amount
1	02/03/2026	MAB CHGSBCH	1480
2	21/01/2026	MAB CHGSBCH	10
3	13/01/2026	MAB CHGSBCH	486
4	02/03/2026	MAB CHGSBCH	1480

The levy of the above MAB charges amounting to ₹3,456/- indicates inadequate monitoring and proper maintenance of the Non-Operative Account, resulting in avoidable expenditure to KWA. The reasons for incurring the above charges may be furnished to Audit, and necessary action may be taken with the concerned bank for reversal/refund of the charges, with the action taken reported to Audit. Since the bank statement for the remaining period was not produced, the complete bank statement for the entire audit period may be produced for detailed verification to ascertain whether similar charges were incurred during the unverified period. Necessary arrangements may also be made for proper monitoring and maintenance of the account to prevent recurrence of such avoidable bank charges. If the charges are found to have occurred due to negligence or failure in proper monitoring and maintenance of the account, responsibility may be fixed on the officials concerned as per rules.

VI. Non-Reconciliation of Non-Operative Account

On verification of the Non-Operative Account No. 57027182523, it is noticed that the Bank Reconciliation of the account has not been carried out, and the Non-Operative Account Control Register is also not properly maintained. As per the KWA Accounts Manual, the prescribed Control Register in Form CB-14 is to be maintained for recording deposits and transfers relating to Non-Operative Accounts.

Further, an amount of ₹580/- collected as balance of imprest vide CB2 Receipt No. 07105 dated 30/03/2026 has been remitted to the Operative Account, which requires verification and appropriate correction. Due to the non-reconciliation of the Non-Operative Account, the correct balance of the account could not be ascertained. Hence, the account may be reconciled immediately, the Control Register properly updated, the above irregular transaction rectified, and the corrected position intimated to Audit. KWA audit reports also specifically treat non-reconciliation of Non-Operative Accounts and failure to maintain the related control records as financial irregularities.

VII. Non-Remittance of Accrued Interest to Head Office (Code: 7131)

During the audit of the Trial Balance and Cash Book, 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. The records indicates that remittances were not updated and finalized, leaving a significant gap in the transfer of funds for the period from 2019- 2026. This failure to transfer accrued interest results in an inaccurate financial position at this office and a shortfall in the Head Office's consolidated accounts.

The total amount pending remittance for the period starting April 2019tomarch 2026 is calculated at ₹89408/-. The specific breakdown of these outstanding figures across the relevant financial years is provided in the following table:

SI No	**Financial Year (FY)**	**Amount (₹)**
1	23-24	35331
2	24-25	16486
3	25-26	37591
Total		***89408.00***

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.

VIII. Non-Monitoring of Non-Operative Bank Account No. 67091653558

On verification of the Cash Book and bank records, it was observed that transactions in Bank Non-Operative Account No. **67091653558**, were recorded in the Cash Book only up to 23.07.2020. Thereafter, no further transactions were recorded in the Cash Book, and no periodic Bank Reconciliation Statements were prepared in respect of the account. The account was thus not monitored by the Division, resulting in the account remaining unattended for a prolonged period.

Due to the non-monitoring of the account, bank charges towards non-maintenance of the prescribed minimum balance and account-keeping charges continued to be debited by the bank. On verification of the bank statement from 01.01.2020 onwards, it was observed that an amount of Rs10,176/- was debited towards such bank charges. Subsequently, the balance in the account was fully depleted and the account was ultimately closed by the bank.

The Division shall immediately contact the concerned bank and ascertain the status of the account, and take necessary action for reopening the account, and to take necessary steps for the reversal of the bank charges of Rs.10,176/- debited towards non-maintenance of minimum balance and account-keeping charges. The Division shall also verify the bank statements for the period prior to 01.01.2020 and, if any similar bank charges have been debited during that period, take necessary action with the bank for reversal of such charges also.

The action taken in this regard, along with documentary evidence and the updated bank statement, shall be furnished to Audit.

IX. Imprest Account – Non-Closure of Annual Account and improper maintenance of Imprest Register

On verification of the Imprest Account Register of the office, it was noticed that the Imprest Account has not been closed as on 31st March of each year from 2019 onwards, though the account is required to be closed annually and the balance reconciled and accounted for at the end of the financial year. Thus, the Imprest Account has been continuously carried forward without annual closure during the audit period. The office shall furnish the reasons for non-closure of the Imprest Account on 31st March every year from 2019 onwards and explain the circumstances under which the practice has been continued.

Further, the Imprest Register is not being maintained properly. In several cases, the CBV number relating to the settlement of imprest amounts has not been recorded in the register, and the balance in hand after settlement is also not being recorded. Consequently, the register does not provide a complete and reliable record of the imprest drawn, expenditure incurred, settlement made and balance remaining in hand. The office shall therefore verify the entire Imprest Register for the audit period, record the corresponding CBV numbers against each settlement, enter the balance in hand after every imprest transaction and reconcile the register with the Cash Book and relevant vouchers.

The office shall also furnish a year-wise statement of imprest drawn, expenditure settled, balance outstanding and amount remaining in hand as on 31st March for each year from 2019 onwards, duly reconciled with the Cash Book. The reasons for the continued non-closure of the Imprest Account and deficiencies in the maintenance of the Imprest

Register shall be specifically reported to Audit. The practice of carrying forward the Imprest Account without annual closure and maintaining the register without recording complete settlement particulars shall be discontinued forthwith and the register shall hereafter be maintained in proper form with all relevant transaction and settlement details.

X: Failure to update hired vehicle details in the VEELS portal and non-appointment of a Nodal Officer – Violation of Government Circulars.

Reference: Circular No.59/2020/Fin dated 22/10/2020 issued by Finance (IT Software) Department.

During the audit of the subdivision's records, it was observed that the mandatory directives issued by the Government regarding the Vehicle Management System (VEELS) have not been complied with. Despite explicit instructions to register all vehicle and driver details on the portal (www.veels.kerala.gov.in), the Subdivision has failed to update the data for hired vehicles and has not appointed a Nodal Officer to coordinate these activities. Specifically, the hired vehicles currently in use by the Office, have not been recorded in the VEELS software as required by the prevailing guidelines.

According to CircularNo.59/2020/Fin, every Head of Department or Office is required to appoint a Nodal Officer to coordinate VEELS-related activities, who must register and obtain a username and password to manage the portal. It is noticed that the following vehicles are hired in this Subdivision as follows:

Sl No.	Vehicle No.	Office	Purpose
1	KL 01 BJ 9892	CE(SR) TVM	Department

It is the responsibility of this Nodal Officer to ensure that information regarding all types of vehicles, including those on a hired or contract basis and all categories of drivers (permanent, temporary, or hired) are entered into the software. Furthermore, the circular mandates that from the 2020-21 financial year onwards, monthly usage details and all vehicle-related expenses must be accurately recorded in VEELS.

The audit further notes that the 'Vindex' generated by VEELS is now mandatory for submitting any vehicle-related activities and is strictly required for the processing of wages for contract or daily wage drivers. Hence the failure to update the portal with accurate information is a serious lapse. Although the deadline for completing these entries was 30/11/2020, the office remains in non-compliance. The Office is directed to immediately appoint a Nodal Officer, and submit an explanation for this non-compliance with Government directives.

XI: Non-maintenance of Mandatory Registers and Records – Serious Irregularity

On verification of the records produced before Audit, it was noticed that several important registers and records required for proper maintenance and verification of the accounts and administrative activities of the office were **not produced for Audit**. The details are as follows:

Sl. No.	Particulars of Records / Registers	Audit Observation
1	Audit Objection Register	Not Maintained properly

2	Non-Operative Control Register	Not produced for Audit
3	Register for recording special kind of Leaves	Not Maintained
4	Register for recording recoveries based on Audit Objection	Not Maintained
5	LTC register	Not Maintained
6	Stamp A/c register	Not Properly Maintained and corrections are noticed
7	Asset Register	Not produced for Audit
8	Mbook register	Corrections are noticed
9	Stationery register	Not maintained properly and balance not carried forward to the new register.
10	Trial Balance Register &Journal Register	Not Maintained

The non-production of the above records has seriously affected the scope of Audit and prevented verification of the correctness and completeness of the related financial, asset and administrative transactions. **Non-maintenance/non-production of such mandatory records is highly irregular and contrary to the principles of proper record maintenance and internal control.**

The reasons for non-maintenance/non-production of the above registers may be furnished to Audit. The concerned authority shall ensure that all prescribed registers and records are properly maintained, updated and produced for Audit verification without further delay.

XII: Irregularities in Leave Travel Concession (LTC) Claims

On verification of LTC records, it was noticed that Smt. Leenakumary S, CE (SR) (Retd.) was sanctioned LTC of ₹54,000/- on 18/04/2023 and subsequently an additional amount of ₹2,337/- was admitted, making the total payment ₹56,337/-, vide Order No. KWA-JB/1134/2023-E-20 dated 15/11/2023. On scrutiny, it was noticed that taxi charges/sightseeing and tour package expenses have been admitted in the claim, which are not admissible under the LTC guidelines. As per G.O.(P) No.5/2013/Fin dated 02/01/2013 and Circular No.10/2019/Fin dated 02/02/2019, reimbursement is restricted to the admissible fare for the authorised mode/class of travel and taxi/local sightseeing/tour package charges are not admissible. Accordingly, an excess payment of ₹16,337/- is noticed, which requires recovery unless otherwise supported by specific rules and competent sanction.

It was further noticed that the office has not maintained the prescribed LTC Claims and Advance Register. LTC was also sanctioned to Sri. Naushad A, SE (Retd.) on 08/06/2023 and Sri. Mohammed Sedeque P (Retd.) in 12/2022; however, the relevant LTC files and supporting documents were not produced to Audit. Hence, the correctness and admissibility of these payments could not be verified. The non-maintenance of the LTC Register and non-production of supporting records are irregular and contrary to the instructions contained in the above Government Orders/Circulars.

The office shall therefore produce the LTC Claims and Advance Register for the period from 2019 to 2026, duly updated and authenticated by the Controlling Officer, along with complete LTC files and supporting documents for all claims during the period. In the

case of Smt. Leenakumary S, a detailed calculation showing the admissible and non-admissible components and justification for the payment of ₹16,337/- shall be furnished. The excess amount shall be recovered, unless the admissibility is established with supporting documents and specific rules/orders. In respect of the other LTC claims, the relevant records shall be produced for verification; otherwise, the reasons for non-maintenance/non-production of records and action taken for regularization shall be reported to Audit.

References: G.O.(P) No.5/2013/Fin dated 02/01/2013; Circular No.10/2019/Fin dated 02/02/2019; Circular No.94/2019/Fin dated 03/12/2019.

XIII: Irregularities in maintenance and settlement of travelling Allowance (TA) Claims

On verification of the Cheque Memo Register, TA Register and Monthly Accounts, it was noticed on random verification that the TA claims of Sri. Tampy S, AEE, amounting to ₹19,740/- and ₹3,520/-, have not been entered in the TA Register. The non-recording of TA claims and settlement details in the prescribed register makes it difficult to verify the correctness and admissibility of the expenditure. The admissibility of TA shall be regulated as per the KSR Part II Travelling Allowance Rules and the Government orders prescribing the TA ceilings, including G.O.(P) No.137/2016/Fin dated 09/09/2016.

It was also noticed that Sri. Ratheeshkumar K.A, Driver Grade I, had TA claims for the period 08/2024 to 10/2024 entered in the TA Register with the attestation of the Administrative Officer; however, the corresponding TA bills and supporting documents were not produced to Audit. The admissibility of the claims could therefore not be verified. The TA claims of drivers are also subject to the ceilings prescribed in G.O.(P) No.78/2018/Fin dated 18/08/2018.

Further, an amount of ₹8,540/- was drawn by the incumbent as TA on 22/08/2023 vide Cheque No.309883, but the month/period to which the TA claim relates is not specified and the amount has not been entered in the TA Register. Thus, the TA Register produced for audit is incomplete and is not maintained in a manner enabling verification of TA drawn, settled and outstanding claims. Proper maintenance of such records is necessary for financial control and verification of expenditure under the KSR Travelling Allowance Rules and KFC provisions relating to maintenance and verification of accounts.

The office shall therefore update and reconcile the TA Register with the Cheque Memo Register and Monthly Accounts, and produce all the above-mentioned TA bills with supporting documents for Audit verification. The month/period and purpose of the ₹8,540/- claim shall also be furnished. The reasons for non-entry of the above TA claims and incomplete maintenance of the TA Register shall be reported, and the TA Register shall thereafter be maintained with complete entries and proper attestation of the competent officer.

References: G.O.(P) No.137/2016/Fin dated 09/09/2016; G.O.(P) No.78/2018/Fin dated 18/08/2018; KSR Part II – Travelling Allowance Rules.

XIV: Service Matters

1.1. Irregularities in Attendance and Biometric Records

During verification of the Attendance Register, Biometric Punching Details and Cash Declaration Register of this office for the period from June 2026 to August 2026,

discrepancies were noticed in the attendance/punching particulars of staff.

The para will be dropped only on production of the following records for the subsequent three months: (i) Biometric Punching Statement, (ii) Attendance Register, and (iii) Cash Declaration Register, duly reconciled with each other and authenticated by the Head of Office, along with details of leave sanctioned/regularized and a certificate regarding the correctness of attendance. The above records shall be submitted to Audit without fail for verification. Any discrepancy noticed shall be properly explained and rectified under intimation to Audit.

1.2. Irregularities in Pay Revision Arrear Bills / Terminal Earned Leave Surrender

During verification of the Pay Revision Arrear Bills and connected records, it was noticed that amounts towards Terminal Surrender of Earned Leave were included and drawn in the arrear bills, but the correctness of the leave surrender and the amount calculated thereon could not be established from the records produced to Audit.

The following cases require verification:

Sl no	Name	Passed date	Amount
1	Grace John, EE(rtd)	22/08/2024	181111/-
2	AjaikumarK , DYCE (rtd)	30/03/2024	161538/-
3	MajeevanS , AEE (rtd)	30/03/2024	113260/-
4	Girilal V, HC (rtd)	30/03/2024	65707/-
5	C K Ouseph , Vehicle Inspector (rtd)	30/03/2024	103924/-

Hence, the reasons for including and drawing the above Terminal Earned Leave Surrender amounts through the Pay Revision Arrear Bills may be furnished. The office shall produce the relevant documents, calculation statements and arrear bills for verification. The correctness of the pay/allowances adopted for calculation may also be specifically reported. Any excess or irregular payment, if noticed, shall be recovered and credited to the appropriate head of account.

2. Discrepancies in Leave Account and Service Book

2.1 Smt. Bindhu O, D'man Grade I – Non-deduction of Commuted Leave from E/L Account

On verification of the Service Book and Leave Account of Smt. Bindhu O, D'man I, it is noticed that the following periods of commuted leave availed by the incumbent have not been seen duly deducted from the Earned Leave (E/L) Account:

Sl. No.	Period of Commuted Leave	No. of Days
1	31/07/2023 to 11/08/2023	12 days

The above entries may be verified with reference to the leave sanction proceedings and Leave Account, and necessary corrections may be made in the Service Book/Leave Account under proper attestation. The action taken in the matter may be intimated to Audit.

2.2 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 Smt. Bindhu O, D'man Grade Iof this office the leave at the rate of 1/11 has not been re-casted yet.

2.3 Non-Accounting of Maternity Leave in Leave Account

On verification of the Service Book and Leave Account of Smt. Sruthi Lakshmi S.J., DMan Gr. II, it is noticed that Maternity Leave for 180 days from 01/01/2024 to 28/06/2024 has been availed. However, the said period is not seen duly accounted for/deducted in the Earned Leave Account. The reason for the non-accounting of the leave may be furnished to Audit and the Earned Leave Account may be verified and corrected with reference to the Service Book and leave sanction order.

2.4 Earned Leave Not Recast at the Rate of 1/11 Days

As per G.O.(P) No.75/2007/Fin dated 27/02/2007, read with Rule 86A, Part I KSR, an employee who has completed three years of continuous service is eligible to have the Earned Leave for the first year recast at the rate of 1/11 of the period spent on duty. On verification of the Service Book of Smt. Sruthi Lakshmi S.J., DManGr.II, it is noticed that the eligible Earned Leave has not yet been recast at the rate of 1/11. Hence, the Earned Leave Account may be recast from 29/09/2022 onwards, as admissible, and the revised leave balance may be recorded in the Service Book and intimated to Audit.

2.5 Irregular Deduction of Half Pay Leave (HPL)

On verification of the Service Book and HPL Account of Smt. Sruthi Lakshmi S.J., DMan Gr. II, it is noticed that 60 days of Commuted Leave availed from 29/09/2022 to 28/09/2025 has not been correctly accounted for in the HPL Account. Further, the LWA availed from 01/07/2024 to 27/08/2024 is also not seen duly deducted/adjusted in the HPL Account, wherever applicable for calculation of HPL. Hence, the HPL Account may be reconciled and corrected with reference to the Service Book and leave sanction orders, and the reason for the irregular accounting may be furnished to Audit.

2.6 Irregular Sanction of Special Casual Leave

On verification of the Service Book of Smt. Syamalayamma S, Fair Copy Superintendent, it is noticed that Special Casual Leave for 20 days and 25 days, including holidays, was sanctioned for the years 2025 and 2026 respectively, vide Proceedings No. KWA/CESR/TVPM/605/2026/E2 SOUTH dated 02/01/2026 and 30/05/2026. The sanction of Special Casual Leave in excess of the admissible limit of 15 days in a calendar year is irregular. Hence, the proceedings may be reviewed and rectified, and necessary corrections may be made in the Service Book and the corrected position intimated to Audit.

2.7 Non-Deduction of Commuted Leave from HPL Account

On verification of the Service Book and HPL Account of Smt. Remya S.R., UDC, it is noticed that Commuted Leave for 2 days from 02/09/2025 to 03/09/2025 was availed. As per Rule 84, Part I, KSR, when Commuted Leave is granted, twice the period of such leave shall be debited against the Half Pay Leave due. However, the corresponding debit of 4 days (2 × 2 days) is not seen recorded in the HPL Account. Hence, the HPL Account may be recast by debiting 4 days, necessary correction may be made in the Service Book/HPL Account, and the corrected position may be intimated to Audit.

XV: Non-production of Prescriptions in Medical Reimbursement Claims

A. During verification of medical reimbursement claims, it was noticed that prescriptions supporting the medicines claimed by the employees were not produced. As per Rule 9 of the Kerala Government Servants' Medical Attendance Rules, 1960, such claims shall be supported by the prescribed vouchers and Essentiality Certificate duly issued/countersigned by the competent medical authority. The reasons for admitting the claims without the prescribed supporting documents may therefore be furnished.

The details of the claims in which prescriptions were not produced are given below:

Sl no	Name	Bill date	Amount
1	Ratheesh kumar ,Driver Gr I	17/05/2024	818/-
2	Prabha I S Nair , JS	02/05/2024	1909/-
3	Prabha I S Nair , JS	18/07/2024	2228/-
4	Ratheeshkumar, Driver Gr I	08/10/2024	184/-
5	Ratheeshkumar, Driver Gr I	23/09/2024	502/-
6	Ratheeshkumar, Driver Gr I	10/09/2024	390/-
7	Ratheeshkumar, Driver Gr I	12/09/2024	636/-
8	Revathy R, LD Typist	20/02/2025	5197/-
9	Sudhi Raji ,OA	21/01/2025	6510/-
10	Sudhi Raji ,OA	05/12/2024	850/-
11	Remya S R , UDC	24/04/2025	2330/-
12	Harikrishnan P B, UDC	05/06/2025	17621/-

B. During verification of the medical reimbursement claims of this office, it was noticed that the Medical Reimbursement Application and the Undertaking submitted in respect of the following bills of Smt. Sini S. S., LDC, were not signed by the incumbent. The absence of the claimant's signature prevents verification of the authenticity of the claim and confirmation that the expenditure was actually incurred by the incumbent.

The details of the bills are as follows:

Sl no	Bill details	Amount
1	10/07/2024(son)	1902/-
2	10/07/2024(self)	588/-
3	10/07/2024(son)	689/-
4	10/07/2024(self)	3980/-
5	10/07/2024(self)	338/-
6	10/07/2024(son)	367/-

Hence, the reasons for admitting and reimbursing the above medical claims without the supporting prescriptions/medical documents may be explained. The office shall also produce the original prescriptions, Essentiality Certificates, medical reimbursement applications and connected vouchers for verification by Audit. In cases where the prescribed supporting documents are not available or the expenditure is found inadmissible under the Medical Attendance Rules, the amount irregularly reimbursed shall be recovered and credited to the appropriate head of account.

XVI: Revenue Target and Collection Performance

Sl no	Name of Division	Target for the year 2026-2027	Cumulative Collection as on 31/07/2026	% collection for FY against FY Target
1	P H Dn Kaduthuruthy	13.13	3.98	30.34 %
2	P H Dn TVM South	87.86	23.72	27.00 %
3	P H DnPathanamthitta	26.27	6.09	23.19 %
4	P H DnTiruvalla	34.11	7.43	21.79 %
5	W S DnNeyyatinkara	37.29	8.00	21.46 %
6	Head Works Aruvikkara	32.13	6.88	21.41 %
7	P H DnKottayam	55.18	11.55	20.93 %
8	P H DnKottarakara	29.26	5.45	18.62 %
9	W SDnAttingal	40.01	7.12	17.80 %
10	P H DnTVM North	202.25	35.86	17.73 %
11	P H DnKollam	92.97	13.58	14.61 %

On verification of the Revenue Target and Collection statement for the financial year 2026–27 in respect of the offices under the control of Chief Engineer (Southern Region), Thiruvananthapuram, it is observed that considerable variation exists in the revenue collection performance of the Divisions. Against the annual revenue target of ₹650.46 crore for the 11 Divisions listed below, the cumulative collection as on 31/07/2026 is only ₹129.66 crore, representing an overall collection of approximately 19.93% of the annual target. While P.H. Division, Kaduthuruthy (30.34%) has recorded comparatively higher collection performance, several Divisions, particularly P.H. Division, Kollam (14.61%), P.H. Division, TVM North (17.73%) and W.S. Division, Attingal (17.80%), have recorded comparatively lower progress. KWA's Revenue Monitoring Cell is specifically responsible for fixing and monitoring revenue targets and preparing collection/DCB statements, with the stated objective of achieving effective revenue collection.

The reasons for the comparatively low collection performance may therefore be examined and reported to Audit. The concerned Executive Engineers/Assistant Executive Engineers shall take time-bound action for improving current demand collection, identification and recovery of arrears, strict monitoring of major defaulters, timely billing and meter reading, replacement of faulty meters and initiation/follow-up of Revenue Recovery and disconnection proceedings wherever warranted. KWA's published reports also identify arrear recovery, disconnection drives and faulty-meter replacement as measures used for improving revenue performance. The Division-wise collection shall be reviewed every month against the prescribed target, and necessary corrective measures shall be taken so that the annual revenue target for 2026–27 is achieved within the stipulated financial year. The action taken and the progress achieved may be reported to Audit.

XVII: **Jal Jeevan Mission – Delay in completion and commissioning of works**

On scrutiny of the progress details of works under the Jal Jeevan Mission (JJM) furnished to Audit, it was noticed that several works continue to be shown as "Ongoing" even after the expiry of the stipulated/extended/latest expected dates of completion. As per the progress statement, 84 JJM works under Thiruvananthapuram, Kollam, Pathanamthitta and Kottayam districts had crossed their latest expected dates of completion as on 08/10/2026. The aggregate APAC of these works is Rs.668.72 crore, against which expenditure of Rs.355.48 crore has been reported, while the reported value of work done is Rs.311.15 crore. The prolonged delay in completion and commissioning raises the possibility of substantial public funds remaining blocked and expenditure incurred on completed/partially completed components remaining idle or unproductive until the interconnected components are completed and the scheme is commissioned and put to beneficial use.

The district-wise position is as follows:

District	**No. of delayed works**	**APAC (Rs Cr.)**	**Expenditure (Rs Cr.)**	**Value of Work Done (Rs Cr.)**
Thiruvananthapuram	33	210.45	147.50	116.46
Kollam	24	120.74	79.78	74.71
Pathanamthitta	3	7.19	6.46	5.39
Kottayam	24	330.33	121.73	114.60
Total	**84**	**668.72**	**355.48**	**311.15**

As an illustration, the progress statement shows that the Thenmala Package-II work, for renovation of the existing non-functional scheme at Mambazhathara and construction of an open well scheme at Nagamala, had an original completion date of 17/12/2022, with subsequent extension up to 31/01/2024, whereas the latest expected completion date was 30/06/2026. The work is still reported at only 40% physical progress, with an APAC of Rs.108.50 lakh and expenditure of Rs.41.26 lakh. Similarly, the 6.00 LL OHSR and allied works at Punnakulam, Kottukal Panchayat, and the 15 LL OHSR and transmission main at Kunnumpuram, Kulathoor Panchayat, with APACs of Rs.475.77 lakh and ₹760.20 lakh respectively, were expected to be completed by 30/06/2026, but are still reported as ongoing with 0% physical progress. The JJM Jalanidhi WSS to Chavara WSS – Phase I has achieved only 40% progress against an APAC of Rs.412.00 lakh, with expenditure of Rs.63.49 lakh. In contrast, the Vilakkudy Panchayat – Last Mile Connectivity and Road Restoration work has achieved 90% physical progress, with expenditure of Rs.151.10 lakh against an APAC of Rs.154.00 lakh, but is yet to be completed. These cases indicate the need to examine whether the expenditure incurred has resulted in the intended JJM benefit and whether the completed components have been put to beneficial use.

The details of the above illustrative cases are given below:

Sl. No.	**District**	**Name of Work**	**APAC (Rs. lakh)**	**Expenditure (Rs. lakh)**	**Progress**	**Original/ Agreed Completion**	**Latest Expected Completion**	**Status as on 08/10/2026**
1	TVM	6.00 LL OHSR, 2.5 LL Sump and allied works at Punnakulam, Kottukal	475.77	0.00	0%	11/10/2024	30/06/2026	Not completed
2	TVM	15 LL OHSR and transmission main at Kunnumpuram, Kulathoor	760.20	0.00	0%	30/06/2025	30/06/2026	Not completed
3	Kollam	JJM Jalanidhi WSS to Ch	412.0	63.49	40%	30/05/202	30/06/202	Not

		avara WSS – Phase I	0			5	6	completed
4	Kollam	JJM Thenmala – Renovation of Mambazhathara scheme and Nagamala open well scheme – Package II	108.50	41.26	40%	17/12/2022	30/06/2026	Not completed
5	Kollam	JJM Vilakkudy Panchayat – Last Mile Connectivity and Road Restoration	154.00	151.10	90%	23/02/2024	30/06/2026	Not completed

Details required from the Chief Engineer (SR)

The Chief Engineer (SR) shall verify the above position and furnish a consolidated work-wise statement of all similar JJM cases, including the works not specifically illustrated above, where the stipulated/extended/latest expected date of completion has expired. Since the basic progress data are already available with Audit, the information need not be reproduced merely as a repetition of the data furnished to Audit. Instead, the Chief Engineer shall furnish the updated and verified position, together with the reasons for the delay and the action taken/proposed.

The statement shall, wherever applicable, indicate the name of the work and scheme code, location, agreement/work order details, original and revised completion dates, latest expected date of completion, present physical and financial progress, expenditure incurred, status of major components, FHTCs targeted and achieved, and present status of commissioning and water supply. It shall specifically indicate whether the scheme has been trial-run and commissioned, the date of commissioning, if any, and the number of beneficiaries actually receiving water.

For each delayed work, the Chief Engineer shall state the specific reasons for non-completion/non-commissioning, the agency responsible, details of extensions granted, notices issued and penalty/Liquidated Damages recovered or proposed, wherever applicable. The present status and a firm time-bound programme for completion and commissioning shall also be furnished.

Particular attention shall be given to cases where substantial expenditure has already been incurred but the scheme or its interconnected components have not been commissioned. In such cases, the Chief Engineer shall identify and quantify the expenditure incurred on completed components remaining idle/non-functional and state whether any portion of the expenditure has remained unproductive or become unfruitful due to the delay. The status of the targeted FHTCs shall also be reported, including whether they have become functional and whether the intended water supply benefit is actually being received by the beneficiaries.

The reply shall be supported by relevant records wherever required, including Agreement/Work Order, Extension of Time proceedings, latest progress report, Measurement Book/bill details, photographs, FHTC/IMIS records, trial-run/commissioning records and correspondence relating to delay. The Chief Engineer shall also furnish details of the remedial measures taken and the firm date proposed for completion and commissioning.

The Chief Engineer shall specifically report any other JJM works having similar deficiencies, including delay in completion, delay in commissioning, substantial expenditure without corresponding functional benefit, idle/non-functional completed components or possible unproductive/unfruitful expenditure, even if such cases are not included in the illustrative examples given above.

Part III

Local Audit Reports-Pending Paras

IA team has reviewed the pending Paras in Local Audit reports. There are 4 pending Paras under Chief Engineer (SR), Thiruvananthapuram for want of disposal

Sl No	Year	Part	Para No
1	2015 - 2016	Part II B	I
2	2016 - 2017	Part II B	I
3	2024 - 2025	Part II B	I
4	2024 - 2025	Part II B	II
Total			4

PartIV

Best Practice

NIL

PartV

Acknowledgement

Internal Audit Wing acknowledges the co-operation extended by the auditee institution.

Digitally signed by
A Shaji
Date: 03-11-2026
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SHAJI A
INTERNAL AUDITOR