

3541

MOST IMMEDIATE

NO. IA/II/025/AAC

O/o PCDA(WC)

Chandigarh

Dated:- 16/04/2018

To

All The LAO's/ALAO's

All The AO's GE

O I/c 'E' Sn, Store Audit Sn, Store Contract Sn, ATORs, 'M' Section and Pay Sn. (Local)

✓ O I/c IT&S Section for uploading the same in the PCDA(WC) web site.(Local)

Sub: Annual Audit Certificate for the year 2017-18.

Ref: Para 540 to 550 of Defence Audit Code as amended and Para 672 to 682 of O.M. Part-II, Volume-I.U

The Annual Audit Certificate 2017-18 is required to be rendered to Hqrs office. **therefore, the AAC for the year 2017-18 from your office should reach this office, complete in all respects, on or before 03/06/2018 positively. It may please be ensured that there are no discrepancies in any of the statements/Annexure items, the AAC must be error free.**

- 2) Kindly ensure that the detailed instructions for preparation of the AAC and items to be included in various Annexure/Statements in support thereof, as per provisions of Defence Audit Code, O.M. Part -II, Volume-I, are complied with while rendering their AAC. Any incomplete item/information/data included in AAC would result in back references, which is not desirable. Therefore, timely rendition of AAC complete in all respects must be ensured.
- 3) The following points are highlighted as guidelines for preparation of Annual Audit Certificate
 - a) While preparing Annexures-III and IV of the AAC, it may please be kept in view that irregularities already included and projected, through the MFAI report should not be included. Irregularities which have already been included in the earlier year, need not be proposed again in the AAC.
 - b) No item of irregularity, whose financial value is less than Rs. 5 Lakh, should normally be projected for inclusion in the AAC. Any irregularity below this value may be projected only because of its serious nature. In this connection, a reference is also invited to para 523 OF Defence Audit Code.
 - c) While including items in Annexures- I, II, III and IV of AAC, it is observed that at times the details furnished are vague and sketchy. It is, therefore, necessary that the narration furnished for these items should be self-contained and clearly bring out the irregularity, i.e. size, period involved, financial effect, action taken to regularize, present position etc.
 - d) The items projected for inclusion in Annexures I to IV should be included in **appropriate annexures** depending on the nature of irregularity involved and highlighted.
 - e) As per the existing instructions on the subject, it is necessary to ensure, **that the correctness of the data in respect of the items included in the AAC must be got accepted by the Administrative authorities before they are included in the AAC.** It is, therefore, requested to clearly indicate whether this has been done or not.
 - f) The prescribed formats of the Annexures/Statements should be used for rendition of AAC. All columns of these formats are to be completed and no columns should be left

blank. In cases of "Nil" report the same should be mention in clear terms as "Nil" instead of leaving the columns blank. **Annexures and Statements should be typed or computer-printed and submitted on uniform size paper. No hand written material will be accepted.**

- g) The figures/break-up details of the statistical data contained in the supporting statements should add upto the overall summarized position. Page total on each page of the statements should be given. This should especially be checked and reconciled before rendering the AAC.
 - h) While furnishing the details of outstanding claims against carrying agencies in the **statement 7-A, break-up details of these claims against Railway, Shipping companies, Airways etc., should also be given.**
 - i) For the items shown as outstanding in each of the statement, **a detailed note indicating the action to get the items cleared specifically for each item should be attached. If a case on an item is taken up with any authority, the communication number and date, and level at which the matter was taken up and the details of follow-up reminders should also be indicate in the note along with the response of the executive authorities.**
 - j) As the Annual Audit Certificate should normally include items that are detected during the period covered by the AAC, inclusion of any old item should be supported by reason for non-inclusion in the earlier years and justification for inclusion now.
 - k) All the Annexures / Statements in support of the AAC 2017-18 showing the position as on 30.06.2018 may please be sent **complete in all respects, along with AAC.**
- 4) The year-wise and contract-wise break-up of the outstanding amount separately for PSUs and Private Parties may also be provided, thoroughly checked. This should exactly tally with amount of outstanding Advances shown. Each page must indicate the page total and Grand total at the end. The summary of the outstanding Advances against PSUs and Private Parties should also be given on the top sheet showing the oldest date.

The details of the Outstanding Advances against PSUs and Private Parties for more than five years is also required to be rendered separately on the same format, which should be crystal clear and un-ambiguous.

The figures and facts submitted in the Annual Audit Certificate must be thoroughly checked/rechecked before submission of the AAC.

- 5) It is requested to ensure uniform procedure while reflecting the outstanding in statements 4-ABC & 16-ABC of the AAC. Only the remaining para of the voucher with its value, where credits for stores could not be verified, will be reflected as outstanding and not the whole voucher.
- 6) It is stressed that the factual position of the statements no.s, 3 (Non linking of vouchers with Consignor's Issue Vouchers), 4-ABC & 16-ABC (Non-verification of credit of Stores in Consignee's Ledger and 6-A (Outstanding Rent and Allied Charges) may be furnished after rechecking., There should be no difference in the figures reported in the statement no. 6-A and Statement "f" para 18 of Annual Review of Works Expenditure.
- 7) It is requested to submit the **details of the Outstanding Defence dues from Foreign Governments on account of Casual services** rendered on payment upto 31st March 2018 and outstanding as on 30th June 2018, if any, separately country-wise may be submitted for inclusion in the CGDA's Annual Audit Certificate for the year 2017-18 in the following format

Sl. No.	Particulars	Total amount for the claims preferred upto 31 st March' 2018 and outstanding as on 30 th June 2018 (Amount in Rs)	No. of items exceeding Rs. 1 Lakh	Value of items exceeding Rs. 1 Lakh
1	2	3	4	5

This should be marked clearly with the heading "Outstanding Defence dues from Foreign Governments On account of Casual Services rendered". This is different from statement no. 5-A which is required to be rendered as usual. The Defence dues outstanding from various countries on account of Casual Services rendered may not be added in any statement and has to be shown separately.

8) The consolidated position of the non-verification of credits and non-linking of invoices into Consignees' Ledger furnished, Statement 4 and Statement 16 required to furnish the details of these cases (Statement no. 4 ABC (Indigenous Stores) and statement no. 16 ABC (Foreign Stores) "Non-verification of Credits in Consignee's Ledger) in the following manner:


- | | | | |
|-------|---|----|---|
| (iii) | Statements No. 4 A and 16 A i.e. Indigenous Stores and Foreign Stores respectively
(Vouchers having value less than 5000/-) | -- | Number of Vouchers |
| (vi) | Statements no. 4B and 16-A i.e. Indigenous Stores and Foreign Stores respectively.
voucher
(Vouchers having value of Rs. 5000/- and Above but less than or equal to Rs 15000/- In each case) | -- | Number of vouchers
Amounts of each
therein (in Rupees) and
grand total |
| (vii) | Statements No. 4C and 16 C i.e. Indigenous Stores and Foreign Stores respectively.
voucher
(Vouchers having value of Rs. 15000/- and Above in each case) | -- | Number of Vouchers
Amounts of each
their (in Rupees) and
grand total. |

9) In regard to the follow-up progress reports showing the up to date position. Progress may please be submitted complete in all respects in single copy together with a comparative statement showing the position as on 30/09/2018, 31.12.2018 and 31.03.2019 as per the time schedule prescribed in Para 550 of Defence Audit Code.

10) A special report may please be rendered along with your Annual Audit Certificate for the year 2017-18, showing the action taken by your office in the last one year for reductions in the outstanding reflected in the AAC for the year 2016-17.

11) Please acknowledge receipt.

This issues with the approval of Add. CDA.


GO (IA)