

Post  
No. IA/I/Reorientation/Vol-II  
Office of the CDA, Guwahati  
Uayan Vihar , Narangi  
Guwahati-781171  
Date: 30/06/2014


To

1. All LAOs
2. Admn Section.
3. SA Section

Subject: Minutes of the 2<sup>nd</sup> LAOs Conference held on 23<sup>rd</sup> June, 2014 at M.O Ghy.  
\*\*\*\*\*

Minutes of meeting of the Conference is forwarded herewith for compliance and necessary action please.


Please acknowledge receipt.

  
(M.K. Touthang)  
Asstt. CDA (IA)

Copy to:-

✓ O/ic  
EDP Cell  
(Local)

: For uploading to the website of CDA Ghy.

  
(M.K. Touthang)  
Asstt. CDA (IA)

## **MINUTES OF THE 2<sup>nd</sup> LAOs CONFERENCE FOR THE YEAR 2014 HELD ON 23-06-2014 AT MAIN OFFICE GUWAHATI**

The 2<sup>nd</sup> LAOs conference for the year 2014 was held on 23-06-2014 in the Main Office, CDA Guwahati under the chairmanship of Sri PRAMOD KUMAR, IDAS, Controller.

### **The following officers were present in the conference:-**

1. Sri M.K. TOUTHANG, IDAS, ACDA
2. Sri R.M. DAS, SAO of MO GUWAHATI
3. Sri B.B. DAM, SAO of LAO JORHAT
4. Sri P.DEY, SAO of LAO SILCHAR
5. Sri M. HUSSAIN, SAO of LAO NARANGI
6. Sri K.L. SHARMA, SAO of LAO GUWAHATI
7. Sri BISWAS, SAO of LAO 222 ABOD
8. Sri C. Rajagopalan, AO of LAO SHILLONG
9. Sri R.K. Singh, AO of LAO TEZPUR
10. Sri M. Bora, AAO of MO GUWAHATI

### **Some of the Agenda points set for the conference were as follows:-**

- 1.) Issue of at least five MFAI/IAR/Financial Advice in a quarter.
- 2.) LAO's Entry / Exit conference during review & submission of report regarding audit objection raised by LAO on his own capacity.
- 3.) Copies of Sanctions issued by CFA lower than GOI MOD should be regularly audited.
- 4.) Status of Record for recovery of audit fees from Cantt. Board.
- 5.) Recognize all major points pending at Unit/Command/Army Hqrs level to incorporate in next MFAI/IAR report.
- 6.) Status of Audit Programme & submission of LACR monthly basis along with copies of Local Audit Objections.
- 7.) Status of LTAR/LTAN and updation/preparation of data base.
- 8.) It is found that some audit points from LTAR have potential to become MFAI/IAR, LAOs are expected to explore in this field.
- 9.) Status of credit verification for the last five years- detailed reports.

## **WELCOME SPEECH OF CDA:-**

At the outset, CDA welcomes all the delegates. He emphasized the internal audit is expected to be more effective in the implementation of rules, procedures & regulations enumerated in various manuals, codes & regulations. Controller also mentioned that internal audit practice is moving away from the traditional role of mere assurance audit which takes the form of transaction and compliance audit.

Focus is now on providing a cost-effective and useful service. Audits are becoming more useful because they are oriented to identifying problems, working with management to solve them, providing overall ratings on adequacy of controls and finding new and better ways to do things. It is a continuous process.

However, he expressed his concern that sufficient no. of MFAI case/Financial advice by LAOs has not been raised and advised them to devote more efforts on intelligent audit and raise more and more MFAI to enrich the present MFAI report and more FA as well.

## **BRIEF DISCUSSION:-**

### **A. SHORTAGE OF MANPOWER**

Almost, all the delegates point out regarding acute shortage of manpower in LAOs. CDA expressed his inability to provide any extra staff inter-alia mentioning that Main Office is also in acute shortage of staff. He advised to adopt computers in most of official work to save manpower. He also assures that manpower will be provided in case of going any new recruitment, if administratively feasible.

**[ Action: Admin Section]**

### **B. TRAINING OF STAFF**

It is pointed out by most of the LAOs that due to lack of training to staff, the implementation of computerized work is badly effecting. It is also pointed out by some LAOs that due to shortage of computer the computerized work is badly effecting.

**[Action: EDP Section]**

### **C. PI/BOOK DEBIT VOUCHERS**

Clearance of PI vouchers is very poor & there is a huge amount of PI vouchers outstanding against some LAOs. Defaulters are advised to take up the matter with units & in case of any difficulty, it is advised to forward the relevant documents to IA section of MO to take up the matter demi-officially with higher authority for speedy clearance. Some LAOs have also pointed out that due to non receipt of acknowledgement and adjustment particulars like TE



and month of PI vouchers from S.A. section of MO they are unable to update concerned record.

**[Action: LAOs/IA section/ SA section]**

#### **D. OUTSTANDING LOCAL AUDIT OBJECTION**

It is seen that some LAOs have huge long outstanding objection. Concerned LAOs has discussed their problems towards its settlement and decision has been taken in the conference that LAOs will take personal initiative to liaise with units/formations and thus progress achieved will reflect the progress in the next AAC follow-up report.

**[ Action: All LAOs]**

#### **E. OUTSTANDING TEST AUDIT OBJECTION**

There are numbers of outstanding Test Audit objections with oldest date 2000-2001. Matter has been discussed with concern and LAOs have been advised to liaise with units to obtain reply alongwith relevants documents and forward the same to IA section for onward transmission to DADS EC Patna for consideration/settlement. Also discussed some LTAR points which has possibility to become IAR/MFAI and points are-

##### **LTAR Possibly to be IAR**

- Avoidable payment of escalation of Rs.2.5 Crores beyond original date of completion due of disputed site of work
- Receipt & issues of life expired batteries
- Loss of Rs.1.46 lakh on payment issue of milk
- Non Function X Ray machine of Rs. 5.35 lakhs
- Medical equipment of Rs 1.24 lakhs awaiting installation
- Non recovery of rent and allied charges from Private parties
- Conclusion of contract of CHT at higher rates
- Splitting of Supply Orders
- Execution of two Special repair works in a building within a short period
- Irregular sanction of Special works by HQrs 101 Area pin.

**[ All LAOs/ IA section ]**

**Concluding the conference, Astt. Controller consolidated and listed the following action required to adopt in the field of audit to enlighten the performance of CDA Guwahati:-**

- a) Each LAO will submit at least 05 MFAI/IAR/Financial Advice case in each quarter.


- b) Computer should be used in wide range to minimize the manpower and to devote residual manpower in efficiency audit.
- c) Old trivial audit objections should be reviewed regularly and liaise with unit concerned and with Stn. Hqrs for early settlement and reflection in AAC.
- d) Each LAO will organize monthly conference amongst the staffs to discuss how to carry out efficient audit and to raise important issue for inclusion in MFAI.
- e) To prepare database regarding internal audit objection & test audit objection.
- f) To focus on Key Risk Areas as per direction of controller after internal review.

- 1.) Purchase of unauthorized items out of ACG, ASG, TTIEG etc grant by unit authorities.
- 2.) Splitting of inherent power of higher CFA.
- 3.) Fraud, overpayment by units, loss to state due to inefficient/poor planning irregular procedures, recovery of dues/revenue, blockage of government funds and non/poor utilization of stores.

- g) All LAOs are instructed to give importance on following key focus areas:-

**Key Focus Area (As per direction of HQ Office)**

- (1) Revenue Audit –Loss of revenue in shopping complexes,
- (2) Defence land audit
- (3) Re-appropriation cases for funds and buildings etc
- (4) Transfer of Public money into Regimental fund
- (5) Non commissioning of costly equipment/infrastructure
- (6) Effective utilization of grants in Army units
- (7) Fraudulent CEA/LTC claims
- (8) Non Revision of Rent and allied charges
- (9) Contracting practices prevalent at Military Farms
- (10) All points of 32nd and 33rd IAR – Similar cases

  
(M.K.Touthang)  
IDAS, ACDA