Regd.
No. E/II/161/AAC
O/O PCDA (WC)
Chandigarh
Date: 28.05.2021

To,

ALL AOGEs / AAO BSOs

Sub: AAC report for the year 2020-21.


Report regarding AAC-2020-21 for QE 06/2021 (Statement 6A, B, C, D, E, F&G and statement 8A&8B) may please be forwarded to this office by 04-06-2021 for necessary action at this end. The report may please be sent through e-mail/Zimbra. Delay in submission will be viewed seriously by the higher authorities.

Please Accord Top Priority.

Copy to:-
The Officer I/C, IT&S (Local)

Please upload the above Circular on PCDA (WC) Web Site.

 AO (E)
MOST IMMEDIATE

NO. IA/II/25/AAC
0/o PCDA(WC)
Chandigarh
Dated: 07.05.2021

To

All the LAO’s/ALAO’s, All the AO’s GE
O I/c - ‘E’ Sec. Store Audit Sec. Store Contract Sn, AT’Rs, ‘M’ Section and Pay Sec. (local)
O I/c - EDP Section for uploading the same in the PCDA (WC) web site (Local)

Sub: Annual Audit Certificate for the year 2020-2021


The annual Audit Certificate 2020-2021 is required to be rendered to Hqrs office. Therefore, AAC for the year 2020-2021 from your office should reach this office complete in all respects, on or before 07/06/2021 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/statement 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 AAC, it may please be kept in view that 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 lakhs, should normally be projected for inclusion in the AAC. If any irregularity below this value is projected because of its serious nature proper justification for projecting such items should be furnished. In this connection, a reference is also invited to para 397 of Defence Audit Code (2020 Edition).
c) While including items in Annexures- I, II, III, IV of your 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 regularise, present

position etc.

d) The items projected for inclusion in Annexures I to IV should be included in

appropriate annexure 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 authorised 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 the columns of these formats are to be completed and no columns should be left

blank. In cases of “nil” instead of leaving the columns blank, All Annexures and

Statements should be typed in prescribed format, 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 up to the overall summarised position. Page total on each page of

statements may invariably be given. This should especially be got checked and reconciled

before rendering the AAC.

h) While furnishing the details of outstanding claims against carrying agencies in

statement 7-A, breakup 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, the level at which the matter was taken up and the details of

follow up reminders should also indicate in the note along with the response of

the executive authorities.

j) As the AAC 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 2020-2021 showing the position

is on 30.06.2021 may please be sent complete in all respects along with AAC.

I) The year wise and contract wise break up of the outstanding amount separately for

SUs and Private Parties may also be provided, thoroughly checked. This should exactly

ally 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 Partied should be given on the top sheet showing the oldest date.

The detail 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 unambiguous.

**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 reflection the outstanding in statements 4-ABC & 16-AbC of the AAC. Only the remaining part 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 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 “I” 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 up to 31st march 2021 and outstanding as on 30th June 2021, if any separately country-wise, for inclusion in the CGDA’s AAC for the year 2020-2021 in the following format.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Total amount for the claims preferred up to 31st March 2021 and outstanding as on 30th June 2021 (Amount in Rs)</th>
<th>No. of items exceeding Rs. 1Lakh</th>
<th>Value of items exceeding Rs. 1Lakh</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

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:
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 30/09/2021, 31.12.2021 and 31.3.2022 and that of subsequent prescribed in Para 5150 of Defence Audit Code.

10) A special report may please be rendered along with your Annual Audit Certificate for the year 2020-21, showing the action taken by your office in the last one year for reductions in the outstanding reflected in the AAC for the year 2019-2020.

11) The competent Authority has directed that Arrear of audit for more than one year should be cleared in AAC 2020-2021.

12) It is also requested that report should be forwarded through E-mail (iasection.dad@hnb.nic.in) in Word/Excel file only.

13) Please acknowledge receipt.

Copy to:-

The Officer-in-Charge

IT & S (Local) : Please upload the same on PCDA (WC) Chandigarh Website in LAO Corner & What’s New Scroll Bar.