To

All the LAO's/ALAO's, All the AO's GE
O I/c 'E' Sec, Store Audit Sec. Store Contract Sec., ATORs, 'M' Sec. and Pay Sec. (local)
O I/c IT & System cell for uploading the same in the PCDA (WC) web site (Local)


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

The annual Audit Certificate 2015-2016 is required to be rendered to Hqrs office. Therefore, AAC for the year 2019-2020 from your office should reach this office, complete in all respects, on or before 03/06/2020 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 Annexure-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. Slakh, 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 incited to para 523 of Defence Audit Code.

c) While including items in Annexure- 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 regularize, present position etc,

d) The items projected for inclusion in Annexure 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 Annexure/ Statements should be used of 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. **Annexure 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 contain in the supporting statements should add up to the overall summarized 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 2019-2020 showing the position as on 30.06.2020 may please be sent **complete in all respects, along with AAC.**

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4) The year wise and contract wise breakup 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 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 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 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 up to 31st March 2020 and outstanding as on 30th June 2020, if any separately country-wise, for inclusion in the CGDA’s AAC for the year 2019-2020 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 2020 and outstanding as on 30th June 2020 (Amount in Rs)</th>
<th>No. of items exceeding Rs. 1Lakh</th>
<th>Value of items exceeding Rs. 1 Lakh</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:

(ii) Statements No. 4A and 16A i.e indigenous number of vouchers

Stores and foreign stores respectively

(Vouchers having value less than 5000/-)

(iv) Statements no. 4B and 16-A i.e. indigenous number of vouchers

And

Stores and foreign stores respectively Amounts of each therein (in Rupees
Voucher and grand total
(vouchers having value of Rs. 5000/- and
Above but less than or equal to Rs 15000/-
in each case)
(v) Statements No. 4C and 16C i.e. indigenous
And
Number of vouchers
Stores and foreign stores respectively
Amounts of each their
Voucher
their (in Rupees) and grand total
(vouchers having value of Rs 15000/-
And above in each case)

g) In regard to the follow-up progress reports showing the 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 30/09/2020, 31.12.2020 and 31.3.2021 and that of subsequent 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 2019-20, showing the action taken by your office in the last one year for reductions in the outstanding reflected in the AAC for the year 2018-2019.

11) Please acknowledge receipt.

Asstt. CDA