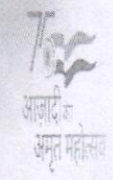
	कार्यालय रक्षा लेखा प्रधान नियंत्रक (सेना), करियप्पा मार्ग, लखनऊ छावनी -226002 Office of the Principal Controller of Defence Accounts (Army) Cariappa Road, Cantt., Lucknow, Pin Code - 226002 कार्यालय दूरभाष सं0-0522-2451547 कार्यालय फैक्स सं0-0522-2451993 Office Phone NO. 0522-2451547 Office Fax NO. 0522-2451993	
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Important Circular

No. IA/I/1263/Audit of Sanction
Dated: 06/02/2024

To. ✓

Officer-in-Charge
All Section (M.O.)
All LAOs/ALAOs/RAO
Area Account Office (CC)
Under PCDA (Army) Lucknow

Sub: Standard Operating Procedure on Audit of Sanctions

Ref: HQrs office letter No. AT/IX/Stores/Audit of Sanctions/e-3836 dated 18.01.2024

HQrs office vide their letter cited under reference has forwarded the comprehensive SOP on Audit of Sanctions and it has been directed to be adhered while carrying out audit of sanctions as highlighted in Para 23 of Defence Audit Code 1992 & Para 7.8.4(a) of DPM -2009. It is requested that guidelines contained in HQr office letter may be strictly complied with.

Encls: As Above

This issues with the approval of Jt. CDA.


Sr. A.O. (IA)

Copy to:

The Officer-in-Charge
OA Cell (Local)

for upload on website.

sd/-
Sr. A.O. (IA)

Standard Operating Procedure for Audit of Sanctions

1. As per para 23 of Defence Audit Code, 1992, "Sanctions and orders which are applicable to Defence Services issued by the Government of India and various Defence Organisations with the concurrence of the Ministry of Defence (Finance) are communicated by them direct to the PCDA/CDA. Such sanctions should indicate that the order/memorandum/letter issues with the concurrence of Ministry of Defence (Finance) vide their UO No. dated Similar sanctions and orders issued by authorities lower than the Government of India are communicated direct to the Controllers by the such authorities. The same may be ensured.
2. It may be ensured that ink-signed copy of the Supply Order/Contract Agreement/Accepted Tender (AT) Note is submitted by the Unit before submitting bills in terms of Para 7.8.4(a) of DPM, 2009.
3. It may be ensured that the sanction has been issued correctly as per format given in Revised Appendix 'K' (Annexure II) of Supplement 2010, to DPM, 2009.
4. The list of documents to be forwarded by executives for audit of sanctions is given at para 7.8.4(a) of DPM, 2009. It may be ensured that all these documents are received by the concerned audit authority as soon as the sanction is issued by the CFA.
5. To obviate the delay in audit of sanctions by the concerned audit authority for want of documents/sanctions to be received from executives, copies of draft sanction order/supply order vetted by IFA, alongwith copies of draft RFP vetted by IFA, CNC/PNC/TPC minutes, TEC report, AON and UO notes issued by IFA, may be obtained from the concerned IFA office and a pre-scrutiny of these documents may be carried out in PCDA/CDA offices. This pre-scrutiny of draft documents may be linked with those final documents received from executives before finalizing the audit of sanctions for the concerned proposal.
6. If there is any secret/confidential/classified nature of document required for audit of sanction, which cannot be shared by IFA without the prior consent of executive authority, the audit of such sanctions/documents may be carried out after receipt of such sanction/document from executive authority in PCDA/CDA office.
7. It may be ensured that the sanction issued by the CFA is in consonance with the advice rendered by the IFA. In cases where IFA advice has been overruled the sanction is issued as per Format/Methodology prescribed by MoF & DFPDS-2021.

8. Priority in Audit of Sanctions for under mentioned categories of cases may be given in order of their sequence:-
 - (a) Overruling by the CFA to IFA's advice.
 - (b) High value cases. A benchmark amount for audit may be decided by the PCDA/CDA for each code head.
 - (c) Cases approved by the CFA under its inherent delegated financial powers.
 - (d) Conditional concurrence accorded by the IFA.
9. It may be ensured that there may not be any splitting of delegated financial powers by issuance of respective sanctions. A root-cause analysis for such splitting of sanctions may be invariably done.
10. Documents submitted by executives for concurrence of IFA to any proposal, may be scrutinized and further be forwarded to paying authority for exercising various due checks during passing of bills.
11. Register of sanctions/contract may be maintained and watched properly by Audit Authority.
12. The PCsDA/CsDA may ensure audit of all sanctions within the delegated powers of SHQrs having financial implication, so that further audit observation/objection are minimized at the time of audit of Bills for payment.
13. Amendment/Corrigendum in contract/Supply order should be linked with the original.
14. It may be ensured that Rule 30 of GFR 2017 on Lapse of Sanctions has been complied with.
15. The Sanctions should mention cost of items inclusive of Taxes as applicable and whether it is further being modified from time to time as per Govt. orders.
16. Audit Progress Register may be maintained in PCDA/CDA offices to record cases of irregularities in rules/general orders/sanctions to defence expenditure/grants and appropriation. Data Analytic tools may be made use of to establish pattern/trend of audit objections to facilitate Risk Analysis and suggest methods for mitigation of Risks to the Auditee organizations.

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