
	<p>कार्यालय रक्षा लेखा प्रधान नियंत्रक (सेना), 1 करिअप्पा मार्ग, लखनऊ छावनी - 226002 Office of the Principal Controller of Defence Accounts (Army) 1 Cariappa Road, Lucknow Cantt. - 226002 E-mail: pcdaccialucknow.dad@gov.in</p>	
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No.IA/I/1263/Audit of Sanctions

Dated: 05.03.2024.

To



The Officers-in-Charge
All Sections (M.O.)
All LAOs/ALAOs/RAO
Area Account Office, Prayagraj/Kanpur
(under PCDA (A) Lucknow)

Sub: -Mandate of Local Audit Officers - regarding.

Ref: - HQ's Office, New Delhi letter No AT/VII/7279/Misc/Mandate of LAO
dated 27.02.2024 (copy enclosed)

HQrs Office has intimated vide letter cited under reference that it has come to their notice that certain LAOs are requisitioning for supply of document/information from the executive authorities beyond the scope of audit prescribed in ALAM and required in normal course of action for conduct of Audit as prescribed in ALAM. For instance, certain LAO's are insisting for documents for conduct of Audit of Sanction.

2. In this regard, HQrs office has insisted upon the Board Charter of duties and responsibility of LAO as enumerated in Part-I, Chapter-3 and Part-2 of Chapter-1 of ALAM.
3. It is also directed that the responsibility of Audit of Sanction is vested with the concerned PCDA/CDA only. HQ's office has issued a detailed SOP in this regard vide their letter dated 18.01.2024 (copy enclosed).
4. As above, all LAO are advised to conduct local audit only as prescribed in ALAM and restrain from conducting Audit of Sanctions, except under specific order from this office or from CGDA HQrs.

The above instructions should be strictly complied.

This issues with the approval of Jt.CDA.

Encl: As above.


Sr. Accounts Officer

Copy to:-

The Officer-in-charge
OA Cell (Local)

for upload on website.

Sd/-
Sr. Accounts Officer

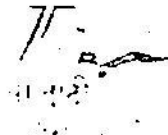


रक्षा लेखा महानियंत्रक

उलान बटार रोड, पालम, दिल्ली छावनी - 110010

CONTROLLER GENERAL OF DEFENCE ACCOUNTS

Ulan Batar Road, Palam, Delhi Cantt. - 110010



No. AT/VII/7279/Misc/Mandate of LAO

Date. 27/02/2024

To,

The PCDA/CDA

(As per standard list)

Subject: Mandate of Local Audit Officers-regarding.

The Duties and Responsibilities of Local Audit Officers have been mentioned in the Army Local Audit Manual (ALAM) Part-1, Chapter 3 and Part-2, Chapter-1.

2. It has come to the notice of this HQrs that certain LAOs are requisitioning for supply of document/information from the executive authorities beyond the scope of audit prescribed in ALAM and required in normal course of action for conduct of Audit as prescribed in ALAM. For instance, certain LAOs are insisting for documents for conduct of Audit of Sanction.


3. The Broad Charter of duties and responsibilities of LAO as per Part-1, Chapter-3 and Part-2 of Chapter-1 of ALAM are as under.

> The responsibility of the LAO is inseparable from that of his staff. LAO is expected to conduct and intelligent review of the audit work of his staff and to apply surprise test checks periodically. The LAO will in all cases investigate the reasons for the non-linking of vouchers selected for test linking by the local audit staff.

> LAO will examine all orders and sanctions affecting their work in order to ensure that they are correctly applied in audit.

> To ensure that no accounts are omitted in audit, a list of all accounts and registers required to be maintained by each unit will be prepared by LAO and sent to the PCDA/CDA for approval. Any addition or alterations to this list will be carried out under the orders of the PCDA/CDA.

> The accounts of public funds maintained by units and formations will be subjected to inspection by LAO, no inspection being made of the accounts of

	<p>कार्यालय, रक्षा लेखा महानियंत्रक उलान बटार रोड, पालम, दिल्ली छावनी -110010 Controller General of Defence Accounts Ulan Batar Road, Palam, Delhi Cantt - 110010 Ph no (011) 25665580.729 Fax- (011) 25674806. 25674821 e-mail cgdaaudit@dad@hub.nic.in</p>	
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No. AT/IX/Stores/Audit of Sanction/e-3836

Date: 18.01.2024

To,

All PCsDA/PIFAs/CsDA/IFAs

Sub: Standard Operating Procedure on Audit of Sanctions.

In accordance with guidelines issued vide HQrs letter No. AT-Coord/13376/Internal Audit & IAW-I/13376/Audit of sanction, dated 22.05.2012 & 14.03.2017 respectively, on audit of sanctions, Standard Operating Procedure (SOP) mentioned at Annexure 'A' to this letter, shall be adhered to while carrying out audit of sanctions as highlighted in Para 25 of Defence Audit Code 1992 & Para 7.8.4 (a) of DPM-2009.

2 This issues with the approval of CGDA.


- Sd -
Sr. Dy. CGDA (AT)

N.O.O.

Copy to

IFA Wing (Local)

- For information and necessary action please.


Sr. Dy. CGDA (AT)

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/Approved 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.

In order to ensure that all documents/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 SHQs 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.

regimental fund or of those relating to the interior economy for which CO are responsible, except under definite instructions from the PCDA/CDA.

➤ The LAO should keep himself in touch with the financial affairs of units and formation whose accounts he inspects.

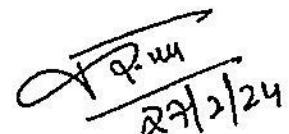
➤ Individual cases of serious irregularities detected in audit will be reported immediately to the PCDA/CDA in the manner laid down in Para 515, Defence Audit Code.

➤ LAO will bear in mind that, if during his visit, anything comes to his notice that might, if investigated, lead to the reduction of military expenditure, he will at once inform the PCDA/CDA and, if necessary, ask for orders.

➤ No audit or examination of the accounts or any enquiry into matters, which it is the duty of main office of the PCDA/CDA to deal with will be undertaken by the LAO unless specially instructed by the PCDA/CDA to do so.

4. The responsibility of Audit of Sanction is vested with the concerned PCDA/CDA only. This HQrs has issued a detailed SOP in this regard vide letter dated 18.01.2024 (copy enclosed). All LAOs under your jurisdiction may, therefore, be advised to conduct local audit only as prescribed in ALAM. The LAOs should also be restrained from conducting Audit of Sanctions, except under specific orders from the jurisdictional PCDA/CDA or from the CGDA HQrs.

This issues with approval of CGDA.


Sr.ACGDA (AT)