

INDIAN COUNCIL OF AGRICULTURAL RESEARCH (ICAR)



MINUTES OF THE REVIEW INTERACTIVE MEET OF AS&FA, DARE/ICAR WITH THE FINANCE HEADS OF 8 UNITS OF ICAR

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**MINUTES OF THE REVIEW INTERACTIVE MEET OF
AS&FA, DARE/ICAR WITH THE
FINANCE HEADS OF 8 UNITS OF ICAR**

VENUE: CR-II, KRISHI BHAVAN, NEW DELHI

DATE: APRIL 11TH, 2016

TIME: 1000 HRS

**INDIAN COUNCIL OF AGRICULTURAL RESEARCH
KRISHI BHAVAN: NEW DELHI**

F. No.: Fin. /22/26/2012- CDN (A&A)

Dated: 12th April 2016

Minutes of the Interactive Meet of Comptroller/Chief Finance & Accounts Officer with AS&FA, DARE/ICAR on 11th April 2016, 10.00 a.m. in the CR-II, Krishi Bhavan, New Delhi.

The Interactive meeting of the Comptroller/Chief Finance & Accounts Officer in the Chairmanship of the AS&FA, DARE/ICAR was convened on 11th April 2016, 10.00 a.m. onwards in the CR-II, Krishi Bhavan, New Delhi.

The following officers attended the Interactive Meeting:

1. Sri. S. K. Singh, AS&FA, DARE/ICAR .
2. Sri. Devendra Kumar, Director (Finance), ICAR Hqrs.
3. Dr. A. K. Vashisth, ADG (PIM), ICAR Hqrs.
4. Sri. Sanchal Bilgrami, Comptroller, IARI, New Delhi.
5. Sri. Radhe Sham, Comptroller, IVRI, Bareilly.
6. Sri. D. D. Verma, Comptroller, NAARM.
7. Sri. S. George, Comptroller, NDRI, Karnal.
8. Smt. Rashmi R. Rao, Deputy Director (Finance-I), ICAR, Hqrs.
9. Sri. O. P. Nagar, Deputy Director (Finance-II), ICAR, Hqrs.
10. Sri. S. K. Pathak, Deputy Director (Finance-III), ICAR Hqrs.
11. Sri. Pushpendra, Deputy Secretary (GAC)
12. Sri. A. V. Joseph, Chief Finance & Accounts Officer, CMFRI, Kochi.
13. Sri. Suresh Chandra, Chief Finance & Accounts Officer, CIFE, Mumbai.
14. Sri. S. R. Khuntia, Chief Finance & Accounts Officer, NRRI, Cuttack.
15. Sri. Mithilesh Kumar, Senior Finance & Accounts Officer, NDRI, Karnal.
16. Sri. Rajesh Sahay, Senior Finance & Accounts Officer, ICAR Hqrs.
17. Smt. Sunita Arya, Senior Finance & Accounts Officer, ICAR Hqrs.
18. Sri. K. K. Sharma, Finance & Accounts Officer, ICAR Hqrs.
19. Sri. Manish Wadhera, Finance & Accounts Officer, ICAR Hqrs.
20. Sri. S. K. Sharma, Finance & Accounts Officer, ICAR Hqrs.
21. Sri. Kunal Kalia, Finance & Accounts Officer, ICAR Hqrs.

At the outset the Director (Finance) welcomed AS&FA, DARE/ICAR and all officers of the 8 participating units at this Review Interactive Meet. He thereafter requested AS&FA, DARE/ICAR to deliver his opening remarks.

AGENDA: I: ISSUES IN FINANCIAL MANAGEMENT

AS&FA, DARE/ICAR drew the attention of officers towards the case of drawl of money fraudulently in one of the ICAR institute which, he concluded, is indicative of the fact that it is not a watertight system and there is scope for improvement of the system. This, he said, not only

reflects shortcomings in administrative checks but audit and financial checks as well. He stressed upon the need to take corrective measures so that such incident does not recur.

AS&FA, DARE/ICAR expressed his concern at the rush of expenditure in the last quarter of the financial year which, he said, is against the spirit of FRBM and instructions of MoF. He therefore suggested that since B.E. has been intimated and 1/6th of funds will be released shortly, the process for procurement should start in April itself so that there is no such rush at the last stage. This, he said, is possible through proper planning and by following the procurement procedures assiduously. Director of the institute must carry out monthly review of expenditure so that the expenditure are spread out evenly throughout the year. In this connection he also drew attention of officers towards the proceedings of IMC wherein there have a growing tendency to replace a listed equipment approved by the EFC with a non-listed item by getting it recommended by IMC. This, he said, was not in order as the decision of a higher body cannot be reviewed by a sub-ordinate body and therefore an order has been issued superseding previous orders on the subject. Further AS&FA, DARE/ICAR also referred about some of the other orders and instructions which were issued in recent times which, he said, was an attempt to streamline the system and make it accountable and transparent and also enforce the economy instructions of the MoF. In this connection he referred to circulars related to procurement of vehicles as replacement, procurement in case of single responsive bid and reiteration of circulars related to air travel and sitting fee to non-officials attending meetings of different bodies.

Lastly, AS&FA, DARE/ICAR also laid stress on the role and responsibility of Finance Officers who, he observed, must maintain objective relation as far as official dealings are concerned. He urged them to be polite in their behavior but they should also be firm in their decisions. He drew the attention of participants towards a recent case referred by the CVC wherein procurement made by a scientific organization was questioned by the CVC and the Director and the indenting scientist were held responsible for purchase related to a software as the rules and guidelines were not followed scrupulously. The CVC advised that the finance officers dealing with cases of procurement must be sensitized so that such lapses do not happen. It is therefore important that the Finance officer should not only have a complete understanding of Rules but should also develop the capability and intelligence to apply these Rules in letter and spirit with diligence while examining a case. It must be borne in mind that powers delegated to a sanctioning authority is not absolute but are subject to the observance of rules and guidelines on the matter. It is a myth that application of rules restricts research activities; rather rule expedite the process of procurement as the scope of discretion gets eliminated and decision is taken in an objective manner- he concluded.

AGENDA: II: POSITION OF OUTSTANDING AUDIT PARAS

The progress made in settlement of outstanding audit paras of the 8 participating units, since the last interactive meeting held on 29th September 2015, was reviewed. That no progress at all was

made by NDRI, Karnal (none settled out of 22) and CIFE, Mumbai (none settled out of 5) was viewed seriously. Even the progress made by ICAR Headquarters was considered unsatisfactory wherein only 2 paras were settled out of the 16 outstanding paras. Progress reported by other institutes was 77.27% by NRRI (17 settled out of 22), 55.55% by CMFRI (10 out of 18), 55.55% by NAARM (5 out of 9), 52.38% by IVRI (11 out of 21) and 47.82% by IARI (11 settled out of 23). This was considered satisfactory, though it was felt that there is further scope of settlement of remaining outstanding paras.

The Comptrollers/ Chief Finance & Accounts Officers explained in brief the content of remaining outstanding paras and also the effort made by the institute towards their settlement. On the basis of this discussion following action points emerged:

- (i) Comptroller, NDRI, Karnal informed that 19 out of the 22 audit paras have been accepted by the DGE (CE) for settlement on the basis of the reply submitted by the Institute and it is likely to receive this acceptance in a week's time. The Comptroller was directed to submit the progress made in settlement of these 19 audit paras in a week's time.
- (ii) Comptroller, NDRI, Karnal was also directed to submit a Status Report on the Model Dairy Plant at NDRI, Karnal in a week's time.
- (iii) The outstanding audit paras of ICAR Headquarters will be thoroughly reviewed by a three member Committee of Deputy Director (Finance-I), Deputy Director (Finance-II) and Deputy Secretary (GAC) who will submit a report to the AS&FA, DARE/ICAR in a week's time. The Committee will also examine the Asset Register prepared by the GAC and submit its report.
- (iv) All other institutes which has settled paras in addition to that reported in the meeting will inform the ICAR Headquarters of the progress made by these institutes, since then.
- (v) CF&AO, NRRI, Cuttack will visit CIARI, Port Blair and submit a report on the complaints received from the Director, CIARI, Port Blair recently.
- (vi) A review of the outstanding audit paras will be done after three months and all the institutes must make maximum efforts to settle as many paras as possible in the intervening period. Presently the number of paras outstanding after settlement of old paras and addition of new ones as per latest audit reports is 115.

AGENDA: III: POSITION OF OUTSTANDING ADVANCES AND ISSUES IN THEIR SETTLEMENT

The progress made in settlement of Outstanding Advances as reported in the last interactive meet and progress made thereafter was reviewed. Progress made by the 8 units were not found satisfactory, especially the progress made by ICAR Hqrs (0.87%), CIFE, Mumbai (5.59%), IARI, New Delhi (12.36%) and IVRI, Izzatnagar (18.06%) was quite poor and called for enhanced effort for their settlement. AS&FA, DARE/ICAR expressed his deep displeasure at poor progress made by these units.

After discussion it emerged that majority of advances are pending for adjustment with the CPWD and Comptrollers/Chief Finance & Accounts Officer informed about the effort made by institute in pursuing the matter with CPWD which however, has not led to desired result.

Following action points emerged after discussion:

- (i) AS&FA, DARE/ICAR directed that a D.O. letter be prepared by IU on behalf of AS&FA, DARE/ICAR addressed to the Director General, CPWD drawing his attention towards the lackadaisical attitude of their field offices in submitting expenditure statements in settlement of advances paid to the various offices of CPWD by various units of ICAR throughout the country and requesting his intervention for settlement of the advances paid to CPWD. The offices of CPWD where huge advances are pending settlement may be cited for action taken by DG, CPWD.
- (ii) Director, IARI may review the position of Outstanding Advances and furnish a Status Report on the position of Advances to the AS&FA, DARE/ICAR.
- (iii) A three member committee of Deputy Director (Finance-I), Deputy Director (Finance-II) and Deputy Secretary (GAC) will examine all pending advances pertaining to ICAR Hqrs. and report be submitted on the same to AS&FA, DARE/ICAR.
- (iv) AS&FA, DARE/ICAR also directed all Finance Heads to take necessary action for settlement of Advances including those against Departmental officers and a review of the position shall be carried out after three months.

AGENDA: IV: BANK RECONCILIATION RELATED ISSUES

The position of Bank Reconciliation Statement for the month ending February 2016 in respect to 6 units and of January 2016 for IARI, New Delhi and of October 2015 for IVRI, Izzatnagar was laid down in the meeting. Items lying pending for over three months was reviewed. AS&FA, DARE/ICAR noted that the progress was totally unsatisfactory and expressed his displeasure at

at huge amount lying pending in the Bank Reconciliation Statement of IARI, New Delhi, IVRI, Izzatnagar and CIFE, Mumbai.

C.F. &A.O., NRRI informed that the amount pending in the BR Statement pertains to the Letter of Credit which, he informed, has been settled in March 2016 and the items will be cleared in the March Statement of Bank Reconciliation.

C.F.&A.O., CIFE, Mumbai informed that the amount lying pending pertains to the Letter of Credit for which payment has been made to the firm but due to non-supply of certain part the final installation could not be carried out resulting in the amount lying unadjusted.

The following action point emerged after discussion:

- (i) Comptroller, IARI, New Delhi was directed by AS&FA, DARE/ICAR that the pending amount may be reviewed by him personally and progress made may be reported at an earliest.
- (ii) Director (Finance) will visit CIFE, Mumbai to examine the case pertaining to the pending Letter of Credit (L/C) case and submit the Status Report on the reason for its non-settlement and officers responsible for and lapses in delayed settlement of L/C.
- (iii) Deputy Director (F-II) will visit IVRI, Izzatnagar and submit a report on the progress made in settlement of amount shown pending in the Bank Reconciliation Statement and bottlenecks in their settlement.
- (iv) Deputy Director (F-III) expressed the need to submit the Bank Reconciliation Statement promptly. He also urged that the BR Statement for the month of March 2016 may invariably be attached with the Annual Account of the Institute for the year 2015-2016.

Concluding the discussion on Bank Reconciliation Statement pending items, the AS&FA, DARE/ICAR held that items pending in the Bank Reconciliation should be monitored personally by the Finance Officer who is responsible for settling all such pending items.

AGENDA: V: ISSUES IN IMPLEMENTATION OF FMS-MIS

No issue related to FMS-MIS was raised in the meeting.

AGENDA: VI: BUDGET, RELEASE OF FUNDS AND UTILIZATION OF FUNDS:

The utilization of funds under Non-Plan was seen to be satisfactory.

As regards the utilization of Plan funds each of the participating units informed of the possible surrenders under Plan and Plan Scheme during 2015-2016. After discussion, it emerged that there is a saving of Rs. 0.30 Lakhs under Plan Scheme at NRRI, Cuttack, Rs. 0.70 Lakhs in Plan Scheme at IARI, New Delhi, Rs. 0.70 Lakhs under Plan Schemes at IVRI, Izzatnagar, Rs. 0.23 Lakhs under Plan at CIFE, Mumbai and Rs. 40.00 Crores under Plan at ICAR Hqrs.

AS&FA, DARE/ICAR emphasized on the need for proper planning for complete utilization of Plan funds. ADG (PIM) informed that since 2016-2017 is the final year of the 12th Five year Plan, institutes are advised to discharge on pending liabilities rather than creating new liabilities.

Following action points emerged after discussion:

- (i) Director of ICAR institutes will carry out monthly review of expenditure so that the expenditure is spread out throughout the financial year evenly and there is no rush of expenditure in the last quarter of the financial year.
- (ii) Any change proposed in the equipment approved in the EFC of the Institute must be moved well in advance by the Director of Institutes through their respective SMD to get it approved by the EFC since IMC does not have the authority to review the decision of EFC which is a higher decision taking body.

AGENDA: VII: ISSUES RELATED TO PENSION AND RETIREMENT BENEFITS INCLUDING NEW PENSION SCHEME

Comptroller, NAARM informed that NAARM, Hyderabad is now a Pension Authorizing unit and therefore posting of a Finance & Accounts Officer should be considered at NAARM, since there is no other officer other than Comptroller himself to assist him. He was informed that an officer will be posted since results of Combined Examination of AO/FAO has been declared.

Comptroller, IVERI, Izzatnagar informed that amount shown pending in the Bank Reconciliation statement of the Institute is due to operation of a single account and IVRI, Izzatnagar being a pension authorizing unit, the amount remains pending till scrolls of all pension payment made by the bank from this account is received by the Institute. He was informed that pension authorizing unit have separate bank account for Pension disbursement which are reconciled separately and hence IVRI may take appropriate action for opening a separate Bank Account for disbursement of Pension.

C. F. &A.O., NRRI, Cuttack raised the issue of settlement of cases of employees retiring under NPS, particularly death cases. He was advised to refer the case with complete details to the ICAR Hqrs for examination.

AGENDA: VIII: INTERNAL FINANCE RELATED ISSUES: DIFFERENCE OF OPINION BETWEEN DIRECTOR OF INSTITUTE AND THE FINANCE HEAD

It was informed that information for the half-yearly period ending December 2015 was received from all the 8 units and in none of the case any difference has been reported.

1. AGENDA: IX: ANY OTHER ISSUE:

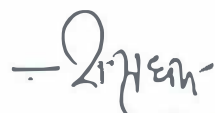
The following matters were discussed:

- (i) Deputy Director (Finance-III) informed of the status of the action taken on the issues flagged in the last Interactive meeting held on 29th September 2015. While instructions have been issued and orders have been reiterated as per discussion held in the last meeting, action on formulation of Guidelines for accounting of progeny of livestock and query from CMFRI, Cochin on Service tax for sponsored project is awaited. Deputy Director (F-III) also informed that similar issue related to Service Tax received from NDRI, Karnal has been referred to MoF for a clarification.
- (ii) Comptroller, IARI, New Delhi raised the issue of the need for a Manual for specifying the technical parameters and other requirements of equipment and software. AS&FA, DARE/ICAR observed that instructions on "Single Responsive Bid" has been issued. As regards check of whether a computer software is proprietary or not, assistance of an IT expert from NIC may be obtained by the institute as and when such a need arises. AS&FA, DARE/ICAR clarified that "proprietary" must not be misconstrued with "licence" as these are two different issues. Holding "Licence" to manufacture a particular equipment/software does not mean that the manufacturer holds "proprietary" rights to produce said equipment/software.
- (iii) Comptroller, NAARM informed that at NAARM office assistant/field assistant are filled up through "Walk-in-Interview". He was informed that instructions contained in the "Manual for Policy and Procedures for Outsourcing of Services" should be followed instead of "Walk-in-Interview" which is appropriate for selection of qualified job such as RA/SRF/JRF.
- (iv) Director (Finance) stressed upon the need for timely submission of Annual Account 2015-2016 by all units so that the job related to its consolidation is completed in time.
- (v) Deputy Director (F-III) informed that the powers for approving air travel by private airlines is now vested with the Financial Advisors of Ministry/Departments and accordingly a comprehensive Guidelines along with Check-List has been prepared to examine all such cases. AS&FA, DARE/ICAR clarified that cases of post-facto approval may be forwarded

only in cases of an emergent nature where seeking prior approval was not possible. However, in all such cases the Check-list must be filled scrupulously and must be ensured that information furnished are as per the guidelines.

In his concluding remarks AS&FA, DARE/ICAR stressed upon the need for observance of rules in letter and spirit. He also laid down the importance of prompt disposal of cases. He urged upon all participants that files may not be delayed and the Finance Officers must dispose of files giving his remarks as per rules. He also encouraged Finance Heads to seek advice from Council Headquarters in case of doubt and they may even refer matter directly to him in such an eventuality. Concluding the meeting the AS&FA, DARE/ICAR informed the Finance Heads of the participating units that a review of the updated position will be carried out after three months and all effort should be made in the intervening period for settlement of paras, advances and pending amount under Bank Reconciliation Statement.

The meeting ended with a vote of thanks to the chair.


12/04/2016
(R. Sahay)
Sr. F. &A.O.

Distribution:

1. Comptroller, IARI/IVRI/NDRI/NAARM.
2. Chief Finance & Accounts Officer, CIFE, Mumbai/CMFRI, Kochi/NRRI, Cuttack.
3. Deputy Director (Finance) I/II/III, ICAR Hqrs.
4. Sr. F. &A.O. I/II/III, ICAR Hqrs
5. F&A.O. I/II/III/IV/V/VI, ICAR Hqrs.
6. HOD/PI-FMS-MIS, IASRI, New Delhi.
7. PPS to AS&FA, DARE/ICAR.
8. PA to Director (Finance), ICAR.
9. ISO, DKMA, KAB-I, Pusa, New Delhi