

INDIAN COUNCIL OF AGRICULTURAL RESEARCH (ICAR)



**MINUTES OF THE
REVIEW INTERACTIVE MEET OF AS&FA, DARE/ICAR
WITH THE FINANCE HEADS OF ICAR INSTITUTES OF
NORTH ZONE**

VENUE: CPRI, SHIMLA

DATE: APRIL 18TH 2016

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

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

Dated the 21st April 2016

MINUTES OF THE REVIEW INTERACTIVE MEET OF THE AS&FA, DARE/ICAR WITH FINANCE OFFICERS OF ICAR INSTITUTES OF NORTH ZONE SCHEDULED FOR 18th APRIL 2016 AT CPRI, SHIMLA.

The Review Interactive meeting of the Finance Heads of ICAR units of North Zone with the AS&FA, DARE/ICAR was held as per schedule at CPRI, Shimla, on 18th April 2016. At the outset Director, CPRI welcomed the AS&FA, DARE/ICAR and other officers from ICAR Headquarters. He also welcomed all the participants. In his remark, he briefed about the institute, its mandate, its achievement and its future research thrust. The list of participant attending the Review Interactive Meeting is attached as Annexure: I. Thereafter the agenda item of the Review Meeting was taken up for discussion.

AGENDA: II: ACTION TAKEN NOTE ON NORTH ZONE INTERACTIVE MEET DATED: 08TH OCTOBER 2015.

The Action Taken on the North Zone Interactive Meeting was noted and adopted. The issue related to audit paras and advances was decided to be reviewed in this present meeting.

AGENDA: III: PROGRESS IN SETTLEMENT OF OUTSTANDING AUDIT PARAS AND PRESENT STATUS.

At the North Zone Interactive Meeting held on 8th October 2015, 265 audit paras were said to be outstanding in the participating units. The progress made in settlement of advances since the last meeting was reviewed by the AS&FA, DARE/ICAR.

Till compilation of information, 66 audit paras were reported settled by the various units. During the meeting additional 19 audit paras (NBAGR: 11, NBPGR: 7 & NCAP: 1) was reported settled by the Finance officers of these institutes. It was observed that the overall achievement in settlement of outstanding audit paras of external audit was merely 32.07 % (85 {66+19} out of 265). This was considered not satisfactory. 9 Institutes reported 100% achievement in settling outstanding audit paras. The institutes are IIMR, New Delhi, IIWBR, Karnal, IISR, Lucknow, VPKAS, Almora, PD-FMD, Mukteshwar, CPRI, Shimla, NBFGR, Lucknow and CAFRI, Jhansi. Sr. F. &A.O., NBPGR, informed that the 7 paras shown against the institute has been settled since then as confirmed by the C&AG through a letter received by the institute only recently. Thus NBPGR, New Delhi also achieved 100% success in settlement of audit paras. The AS&FA, DARE/ICAR appreciated these institutes which achieved 100% success and commended the effort made by its Finance Officers in settling audit paras.

Substantial progress was reported by a few other institutes such as DMR, Solan (90%), CISH, Lucknow (72.72%), DRMR, Bharatpur (70.58%), CIRG, Makhdoom (66.66%) and IISWC, Dehradun (54.54%). During meeting NBAGR, Karnal reported that 11 out of the 15 audit paras (73.33%) have been settled as per intimation received by the institute only recently.

However, performance of quite a number of institutes was found to be very poor as no progress at all was made since the last Interactive Meeting. 16 Institutes which reported NIL progress since the last Interactive Meeting were ATARI, Kanpur (19), ATARI- Ludhiana (16), CIRB, Hissar (16), CSSRI, Karnal (16), NRC-PB, New Delhi (16), NRC-E, Hissar (12), IASRI, New Delhi (11), CIPHET, Ludhiana (6), NCAP, New Delhi (4), DKMA, New Delhi (5), NCIPM, New Delhi (3), CARI, Izzatnagar(3), CIRC, Meerut (3), IIFSR, Modipuram (3), IIPR, Kanpur (2), and DCWFR, Bhimtal (2). Among these 16 institutes 137 audit paras are pending, which was viewed very seriously by the AS&FA, DARE/ICAR who called for personal intervention of the Director of the Institute and the Institute administration and Finance for settlement of these paras.

Following action point emerged from discussion:

- (i) Some of the units such as the NRCIPM, New Delhi, ATARI, Ludhiana, ATARI, Kanpur informed that external audit has not been conducted in these units since a long time, resulting in non-settlement of audit paras. They informed that though they have complied with audit observation and reply has also been sent, the para could not be settled in absence of audit which has not been conducted since a long time. It was decided that a letter may be written to the concerned office of C&AG requesting for early conduct of audit and verification of records for settlement of these long pending paras in which audit observation have already been complied with. The officers of these units were also advised to get the reply vetted by ICAR Hqrs so that the reply furnished is in order and addresses the concern of the audit as detailed in audit para.
- (ii) Some of the units such as DRMR, Bharatpur, CITH, Srinagar, DMR, Solan, CIRG, Izzatnagar, CIRG, Makhdoom, NRC-Equines, Hissar, CIRC, Meerut, CIRB, Hissar, CIPHET, Ludhiana, CSSRI, Karnal, IIFSR, Modipuram, DKMA, New Delhi, informed that reply to audit paras have been sent to the concerned branches of C&AG and their acceptance is awaited in some cases whereas in some other cases the C&AG has informed that the paras would be settled subject to verification of the supporting documents during next audit. The Officers of these units and of other units present in the meeting were advised that they may, if needed, get their reply vetted by ICAR Hqrs so that a proper reply is sent for settlement of audit paras.

- (iii) NRC-PB, New Delhi informed that details of 8 old paras are neither available with the unit or with the auditors. The matter was flagged during the last meeting also. It was advised that the institute may take up the matter with IARI of which NRC-PB was previously a unit or with the SMD and report compliance within a month.
- (iv) Poor progress made by IASRI, New Delhi, IIPR, Kanpur and NCAP, New Delhi in settlement of audit paras was viewed very seriously by AS&FA, DARE/ICAR who directed that a letter may be sent to Director of these units inviting the Director and the Finance Head of these institutes to discuss reasons for non-settlement of audit paras, effort made by institute in pursuing the matter with the C&AG for settlement of audit paras and review the outstanding audit paras and poor progress thereof.
- (v) Progress made by IGFRI, Jhansi (1 out of 4/ 25%) was viewed unsatisfactory and AS&FA, DARE/ICAR directed that an explanation may be called from the Finance Officer of the concerned Institute for poor progress.

AGENDA: IV: PROGRESS IN SETTLEMENT OF OUTSTANDING ADVANCES AND THEIR PRESENT STATUS.

The position of outstanding advances for the quarter ending June 2015 was discussed in the last Interactive Meeting held on 8th October, 2015. The position of settlement of advances reported by various units in their Quarterly Statement of Advances for the quarter ending December 2015 and progress made vis-à-vis the position reported in June 2015 was compiled for review during the present Review Interactive Meeting. A number of institutes reported that the position of advances reported for the quarter ending December 2015 has improved substantially since then and large number of advances has been settled in the intervening period and progress has been reported in the Quarterly Statement of Advances for the quarter ending March 2016. After discussion following action point emerged:

- (i) It was reported by a number of units that progress in settlement of advances pending with CPWD has been very poor despite their effort in pursuing the matter with the CPWD authorities locally and even at higher level. Long pending advances pending with CPWD, in some cases, even pertaining to completed works, has been reported by IIWBR, Karnal (since 2004-05), IGFRI, Jhansi (since 2008-09), IIPR, Kanpur since 2010-11), IISR, Lucknow (since 2002-03), NBPGR, New Delhi (up to 2006-07 and thereafter), DRMR, Bharatpur (since 2011-12), VPKAS, Almora (since 2007-08), DCWFR, Bhimtal (since 2005-06), NBFGR, Lucknow (since 2012-13), CISH, Lucknow (2003-04), CPRI, Shimla (since 2006-07), CARI, Izzatnagar (since 2010-11), CIRG, Makhdoom (since 2003-04), NRC Equines, Hissar (since 2012-13), CIRB, Hissar (since 2011-12), IASRI, New Delhi (since 2011-12), IISWC,

Dehradun (since 2004-05), CSSRI, Karnal (since 2011-12), CAFRI, Jhansi (since 2012-13). It was decided that the Director of the institute may forward the Status Report in respect to each advances pending with the CPWD in their institute, their reasons of non-settlement, effort made by the institute in pursuing the matter with the CPWD including the authorities of CPWD with whom the matter was pursued along with their response so that a comprehensive case may be prepared and the matter may be taken up with the highest authority of CPWD i.e. the Director General, CPWD drawing his personal intervention in settling such long pending issues. Such a status report may be furnished by the Directors of all the above mentioned units in 10 days time to Inspection Unit of ICAR Headquarters.

- (ii) With regard to the advance payment of Rs. 83.44 lakhs made by NRC-Equines, Hisar for construction of a BS Laboratory, AS&FA, DARE /ICAR directed that the Director of the institute may submit the detail of the case for examination at Council Headquarters by the Inspection Unit.
- (iii) With regard to an amount of Rs. 0.13 lakhs pending for settlement under T/A at CIPHET, Ludhiana, since 2014-15, the Director of the institute may furnish the records related to the case, along with reasons for non-settlement of this particular advance, to Council Headquarters for examination by the Inspection Unit.
- (iv) With regard to an amount of Rs. 41.07 lakhs to be refunded by CPWD, Finance Officer of NBFGR, Lucknow was directed to forward the facts of the case to Council Headquarters for examination by the Inspection Unit.
- (v) NRC-Equines, Hissar showed an amount of Rs. 145.09 lakhs under Letter of Credit, though no such column exists in the standard format of Quarterly Statement of Advances. F. &A.O., NRC-E, Hisar was directed to submit the details of all Letter of Credit cases to Council Headquarters for examination by the Inspection Unit.
- (vi) A letter may be written to Director, CIRG, Makhdoom inviting his attention towards no progress made by the institute in settling advances with the CPWD which remains outstanding since 2003-2004 and directing him to pursue the matter in right earnest for their settlement. A progress report may be submitted by the Director, CIRG, Makhdoom in 10 days' time to Council Headquarters for examination by the Inspection Unit.
- (vii) F. &A.O., ATARI, Ludhiana informed that the CPWD did not submit the Statement of Expenditure (SoE) for the remaining amount of Rs. 24.06 lakhs and has instead requested that institute may first release the balance amount as per the revised cost estimate submitted by it for the work related to construction of Administrative cum

laboratory building so that it may submit the final Statement of Expenditure. AS&FA, DARE/ICAR directed that the facts of the case may be forwarded to Council Hqrs for examination.

AGENDA: V: BANK RECONCILIATION RELATED ISSUES.

The position of Bank Reconciliation Statement for the month ending February 2016 was reviewed in the present Review Interactive Meeting. The units informed that the amount shown pending under various sub-heads of Bank Reconciliation Statement has since then been reconciled and cleared in the Bank Reconciliation Statement for the month of March 2016. Deputy Director (Finance-III) observed that the BR Statement for the month of March 2016 must invariably be attached with the Annual Account of the Institute for the year 2015-2016. He also drew the attention of all officers that the amount shown by them under FDR/STDR should also be accompanied by a certificate from bank regarding the interest accrued on TDR/STDR.

AGENDA: VI: ISSUES IN IMPLEMENTATION OF FMS-MIS.

During discussion on settlement of advances, F. &A.O., VPKAS, Almora informed that partial adjustment of advances is not possible in FMS-MIS resulting in the whole amount of Rs. 5.64 lakhs remains unadjusted even though the vehicle has been received and only Rs.0.22 lakhs is refundable by the firm which supplied the vehicle. DD (F-II) was directed to look into the matter. No issue related to implementation of FMS-MIS was raised during the meeting.

AGENDA: VII: BUDGET, RELEASE OF FUNDS AND UTILIZATION OF FUNDS.

The utilization of funds under Non-Plan during the year 2015-2016 in respect to the participating units was found satisfactory.

As regards utilization of Plan funds during 2015-2016 some of the units reported savings under Plan vis-à-vis the Revised Estimate communicated to them. The units reporting savings were IGFRI, Jhansi (Rs. 14.26 [10.52 {Instt}& 3.74{TSP}]), IIPR, Kanpur (Rs. 7.00 lakhs), NBPGR, New Delhi (Rs. 18.00 lakhs), NCIPM, New Delhi (Rs. 6.44 lakhs), CSSRI, Kamal (Rs. 3.35 lakhs), CAFRI, Jhasni (Rs. 7.50 lakhs {Rs. 4.50 {Instt} & Rs. 3.00 lakhs {AICRP}}), CIRG, Makhdoom (Rs. 5.00 lakhs), CIRC, Meerut (Rs. 18.46 lakhs), IISWC, Dehradun (Rs. 9.88 lakhs), CIPHET, Ludhiana (Rs. 98.00 lakhs), DKMA, New Delhi (Rs. 50.00 lakhs), ATARI, Kanpur (Rs. 7.78 lakhs) and miscellaneous savings reported by other units totaling Rs. 2.75 Crores as per a rough estimate.

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

No issue related to pension and other retirement benefits were raised by any unit.

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

The information on Difference of opinion for the half-yearly period ending December 2015 received was reviewed. Institutes which did not submit the Half Yearly Statement were directed to submit the same at an earliest.

AGENDA: X: ANY OTHER ISSUE WITH THE PERMISSION OF THE CHAIR.

After discussion on Agenda item was over AS&FA, DARE/ICAR invited participants to raise any issue of importance or matter of doubt for discussion and clarification.

- (i) F. &A.O., CIRB, Hisar, raised the issue of "Procurement Guidelines for Livestock". AS&FA, DARE/ICAR observed that livestock procurement is in the nature of proprietary procurement where each livestock is unique depending on its breed, mulching capacity, health and age. Hence such purchases may be made by an expert committee of Scientists' of the Institute who may examine livestock based on these parameters and recommend the justified price accordingly.
- (ii) F. &A.O., IGFR, Jhansi raised the issue of accounting of progeny of livestock. He was informed that Sri Radhe Sham, Comptroller, IVRI, Izzatnagar is looking into the matter and when such guidelines are received from him the same will be examined and necessary instructions will be issued.
- (iii) F. &A.O., IWB, Karnal raised the issue of payment of Technical Helper/Technical Assistant engaged under sponsored project with different remuneration. He also pointed out that statutory dues such as EPF/ESI and Minimum Wages needs to be ensured in such cases. AS&FA, DARE/ICAR observed that since sponsored projects are formulated at ICAR institutes and the same is recommended by the scientific bodies of the institute and finally approved by the Director of the institute for forwardal to the sponsoring agency, it is the duty and responsibility of the director of the Institute that there is uniformity in remuneration paid which should be as per ICAR norms apart from ensuring observance of statutory requirements as the case may be.
- (iv) F. &A.O., NBFGR, Lucknow raised the issue of charging depreciation as per revised SAP and whether it is to be charged on each single item since inception. Deputy Director (F-III) informed that for the present year this may be charged for a year but in a years' time this must be made commensurate with the Accounting Standards 6 which lays down

that whenever there is a change in SAP including depreciation, the effect must be implemented from inception. After detailed discussion it was decided that an instruction on proper maintenance of Asset Register must be issued.

- (v) Sr. F.&A.O., NBPGR, New Delhi raised the issue of whether the savings under a particular equipment approved in EFC can be utilized for procurement of another equipment also approved in the EFC if the cost in this case exceeds the provision of EFC. He was informed that this is allowed as this does not amount to substitution for which instructions have been issued separately. However, this should be within the overall sanction EFC which must not exceeded.

After issues raised by the participants were over AS&FA, DARE/ICAR invited ADG (PIM), Director (Finance) and the Deputy Directors to address the gathering.

ADG (PIM) in his remarks observed that the present financial year 2016-2017 is the last financial year of the 12th Plan and hence there should be an emphasis at each institute that all the existing liabilities, especially those related to civil works and infrastructural development, are discharged first rather than creating new liability which cannot be discharged within the Plan period i.e. by 31st March 2017. He expressed his concern that a number of cases have been reported by the Finance Officers in this meeting today where the CPWD is yet to take up work even though funds have been deposited to it long back. He observed that since it is unlikely that CPWD will be able to complete these works within 12th Plan period i.e. by 31st March 2017, it is better that Institute may direct CPWD to refund the money where it has not been able to take up work or where the work is unlikely to be completed within Plan period.

Director (Finance) observed that the participants may take up the issue of settlement of advances with the CPWD vigorously and submit Status Report indicating the effort made by institute, the authorities of CPWD with whom matter was pursued along with bottlenecks in settlement of advances in order to take up the issue at Council Headquarters with the highest authorities of CPWD.

Deputy Director (Finance-I) informed that the issue of non-conduct of C&AG audit in a number of units for years together resulting in audit paras remaining outstanding for years together will be addressed on priority. It was decided that each institute will inform the year when the C&AG Audit was last conducted so that a letter may be written to the C&AG drawing their attention towards the gap in conduct of audit in various units of ICAR.

Deputy Director (Finance-II) assured the participants that any issue related to pension and retirement benefits or those related to FMS-MIS may be brought to his notice and the same will be addressed on priority.

Deputy Director (Finance-III) emphasized on the need to prepare the Annual Accounts for 2016-2017 with utmost care and with promptness in order to meet the target dates for submission of consolidated Annual Account of ICAR.

CONCLUDING REMARKS OF AS&FA, DARE/ICAR

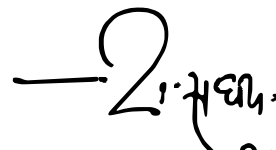
Concluding the meeting the AS&FA, DARE/ICAR in his closing remarks brought to the notice of participants certain instructions issued recently which are aimed at streamlining the system, making it transparent and enforcing financial discipline and economy instructions of the Ministry of Finance, Government of India in letter and spirit. In this connection he referred to the instructions issued for dealing cases where a Single Responsive Bid is received, restriction on IMC to substitute equipment approved in EFC, procurement guidelines for Books & journals including e-journals, regulating procurement of vehicles as replacement so that there is no superficial purchases and issuing guidelines and check-list seeking permission for air-travel by private airlines. The AS&FA, DARE/ICAR also observed that till finalization of guidelines and check-list, Scientific Societies must not be allowed any facility in the institute premises and any other benefit at institute and the matter may be brought to his notice if these instructions are not being followed at the institute level.

The AS&FA, DARE/ICAR impressed upon the Finance Officers that they must follow the GFR and the Vigilance Manual scrupulously and must not deviate from instructions enshrined therein. However, observance of rules and regulation does not empower Finance Officer to delay files which he is duty bound to dispose of promptly giving his observations comprehensively and not in piecemeal manner to avoid unnecessary movement of file. He assured Finance Officer that they are open to seek his advice on financial issue. While he assured the Finance Officer that in case of any undue pressure in impartial discharge of his official duty the matter may be brought to his notice so that it can be taken up at his level, he nonetheless also warned the Finance Officers that he will not tolerate any intentional delay on part of them in prompt disposal of issues referred to them by the Director of the Institute.

AS&FA, DARE/ICAR also emphasized on the need to chalk out proper strategy at the institute for utilization of Plan fund for which he exhorted the Finance Officers to sit with the Director of the Institute and the Administrative Head and start the exercise of tendering etc right now as the Budget estimate has already been intimated and 1/6th of funds have also been released. He stressed upon the need for even spending of Plan fund throughout the year so that by October when Revised Estimate is worked out overall expenditure should be in the bracket of at least 66.6-75% as per the MoF instructions, allowing ICAR to build up its case for additional grant can be made at the RE stage.

The AS&FA, DARE/ICAR informed the participants that the next review meeting will be convened after three months wherein the progress made will be reviewed again. He implored the Finance Officers to put in all his effort in improving the financial discipline of his institute by settling audit paras and advances and by also setting high standards of financial propriety and transparency in financial matters at ones institute.

The meeting ended with the vote of thanks to the Chair.


21/04/2016
(R. Sahay)
Sr. F. &A.O.

Distribution:

1. Assistant/Senior/Finance & Accounts Officer of participating Units.
 2. Director, ICAR Institutes of participating ICAR Units.
 3. Comptroller, IARI/IVRI/NDRI/NAARM.
 4. Deputy Director (Finance) I/II/III, ICAR Hqrs.
 5. Sr. F. &A.O. I/II/III, ICAR Hqrs.
 6. F&A.O. I/II/III/IV/V/VI, ICAR Hqrs.
 7. HOD/PI-FMS-MIS, IASRI, New Delhi.
 8. PPS to AS&FA, DARE/ICAR.
 9. PA to Director (Finance), ICAR.
 10. Media Unit, Krishi Bhavan, New Delhi.
- ✓ 11. Incharge, ARIC, DKMA, New Delhi