

FOR USE OF DEFENCE ACCOUNTS DEPARTMENT ONLY



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**DEFENCE ACCOUNTS DEPARTMENT
OFFICE MANUAL
PART – XVI**

**CONTROLLER OF DEFENCE ACCOUNTS
(INTEGRATED DEFENCE STAFF)**

2014 EDITION

**ISSUED BY
AUTHORITY OF THE CONTROLLER
GENERAL OF DEFENCE ACCOUNTS**

Office Manual Part- XVI

(c) DAD/CGDA

For use in DAD

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Disclaimer: This Manual is intended for guidance of officers and staff of the Department and should not be quoted in correspondence with offices outside the Department. Nothing in this Manual will be held to supersede any standing rule or order of Govt. of India with which it may be at variance.

PREFACE

This manual contains instructions and procedure for the conduct and disposal of work dealt with in the organization of Controller of Defence Accounts (Integrated Defence Staff) New Delhi.

2. This manual is a departmental publication. The instructions contained therein are supplementary to those contained in the departmental "Codes" and "Regulations" of the Government of India.

3. Any addition or alteration which may be necessary to the manual will be notified by the CDA (IDS) New Delhi with prior approval of the CGDA. The provisions contained in this Manual should be in conformity with the existing provisions of O.M. Part-I & II and their amendments, if any from time to time.



Place : New Delhi

(Vandana Srivastava)

Dated : 30th Oct. 2014

Controller General of Defence Accounts

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CHAPTER-1

HEADQUARTERS INTEGRATED DEFENCE STAFF

1 INTRODUCTION

After the Kargil Conflict, the Government of India constituted the Kargil Review Committee to carry out an in-depth review and analysis of Security Management System in the country. The recommendations of the Kargil Review Committee were considered by the Group of Ministers which made specific proposals for implementation. Based on the recommendations of the Group of Ministers, the Integrated Defence Staff was set up vide Government of India, Ministry of Defence letter number MoD/IC/1027/32/IDS/ 5843/2001 dated 23 November 2001, to fulfil the pressing need for an institutional framework for higher management of Defence. Presently, HQ IDS functions as the Principal Arm and Secretariat to the Chief Of Staff Committee (COSC). The organisation is headed by the Chief of Integrated Staff Committee (CISC), who was first appointed on 01/10/2001. CISC enjoys a status equivalent to that of Vice Chief of a Service.

The HQrs of the Integrated Defence Staff is located in New Delhi. The CISC, its secretariat and certain other components are situated in South Block New Delhi. The major portion of the HQ IDS is located in Kashmir House, New Delhi.

The HQrs(IDS) is staffed by officers and personnel from the three services, together with officials from the Ministry of External Affairs, Defence Accounts Department and the Defence Research & Development Organisation (DRDO).

The envisaged role of the HQrs. (IDS) has been organised into sets of coherent functions and matching organisational blocks in the form of Branches, Divisions

(Divs) and Directorates (Dtes) have been established. The branches are headed by Deputy Chiefs of Integrated Defence Staff (DCsIDS) who are of the rank of Lt. Gen. or equivalent, the Divisions are headed by Assistant Chiefs of Integrated Defence Staff (ACsIDS) who are of the rank of Maj Gen or equivalent and Dtes are headed by Deputy Assistant Chiefs of Integrated Defence Staff (DACsIDS) who are of the rank of Brigadier or equivalent.

2. ROLE & FUNCTION

Headquarters Integrated Defence Staff provides a secretariat to the Chairman COSC and CISC. It renders general assistance to COSC and facilitate efficient functioning of multi-service bodies. Coordinates Long Range Plans, Five Year Plans and Annual Budgetary proposals for the three Services by presenting coordinated set of proposals. In the process formulation of Long Term Integrated Perspective Planning, Short Term Integrated Perspective Planning and Roll-on Planning, the Integrated Defence Staff is primarily expected to function as military filter to significant capital commitments being made in the plans and budget. Responsible to COSC for coordinating analysis of critical deficiencies in force capabilities; assessing the impact of such deficiencies on National Military Objectives, prioritising requirements of individual services to remove specific deficiencies so identified. Formulating policy and programmes on joint employment, joint training and military education for personnel of the defence services. Rendering reports on the need for structural and organizational changes taking note of alterations in the nature of threats; avoidable duplication of efforts; changes in technology applicable to warfare; and the progress of implementation of changes/reforms already under implementation. Coordination of all aspects of Defence Intelligence, Coordinating Defence Services Doctrine and responses to non-conventional and un-conventional

threats to national security in areas like energy, environment, health etc. Set Inter-Service prioritization of capital schemes and review and refix priorities of capital schemes during Plan period and the financial year. Performing any other duties that may be delegated by the COSC/ Defence Secy/ RM.

3.. UNITS AND FORMATIONS UNDER HEADQUARTERS INTEGRATED DEFENCE STAFF

- (i) SI Dte (Signal Intelligence Directorate)
- (ii) DIPAC (Defence Image Processing & Analysis Centre)
- (iii) INCP (Interim National Command Post)
- (iv) HQrs SFC (HQrs Strategic Force Command)
- (v) DSCC (Defence Satellite Control Centre)
- (vi) The Andaman & Nicobar Command (ANC)

CHAPTER-2
CONTROLLER OF DEFENCE ACCOUNTS
(INTEGRATED DEFENCE STAFF)

4. INTRODUCTION

The office of CDA (IDS) was formed as a self-accounting unit to cater to the needs of Joint Staff Organizations in and around Delhi w.e.f. 23-08-2004 vide CGDA Letter No. AN/III/3096/CDA(IDS)Vol-I dated 23/8/2004. The actual functioning started w.e.f. 01-02-2005.

CDA (IDS) is responsible for the following duties,

- (i) Audit and payment of bills pertaining to Store, Miscellaneous, Contingent items and Works in respect of organisation under HQrs IDS in and around Delhi.
- (ii) Providing accounting, audit and payment to the tri-Services organisation functioning under the HQrs IDS.
- (iii) Audit & payment of RAR & Work Bills of MAP (Married Accommodation Project) works in Delhi Area.

The erstwhile Area Account Office (MES), Port Blair functioning under CDA, Chennai and all AAO (GEs) functioning under PCDA (Navy), Mumbai together with LAO BrichGunj were merged and christened as JCDA(ANC), Port Blair and brought under administrative control of CDA (IDS) w.e.f. 01.04.2005 vide CGDA Letter No AN/111/3096/1/AAO(ANC) dated 29/3/2005. The office of JCDA(ANC) was re-christened as AAO (ANC) vide CGDA Letter AN/III/3096/I/AAO(ANC) dated 9/9/2014.

5. SECTIONS IN THE OFFICE OF CDA(IDS) NEW DELHI ARE,

- (i) Records Section
- (ii) Administration Section
- (iii) Accounts Section
- (iv) Disbursement Section
- (v) Miscellaneous Section
- (vi) Store Section
- (vii) Engineering Section

(a) Office of the LAO (IDS) was created vide CGDA letter No. AT-Coord/13387/IFA Coverage dated 04/02/2008 under the administrative control of CDA (IDS) to provide audit coverage to Joint Staff Organisations in and around Delhi.

(b) Depending upon the functional necessity based on the laid down procedure following sections are also made functional.

- (i) Internal Audit Section
- (ii) Electronic Data Processing (EDP) Section
- (iii) Married Accommodation Project (MAP) Section

6. SECTIONS AND SUB OFFICES OF THE OFFICE OF AAO (ANC) PORT BLAIR

- (i) Records Section,
- (ii) Administration Section,
- (iii) Pay Section,
- (iv) Accounts Section,
- (v) Disbursement Section ,
- (vi) Miscellaneous/Store Section,
- (vii) Engineering Section,
- (viii) Travelling Section

(ix) Imprest Section

(x) Electronic Data Processing (EDP) Section

(a) Five AO GEs & one AAO GE(I)(P) at Andaman and Nicobar function under the office of AAO (ANC), Port Blair. However, the staff and officers of these establishments at Andaman and Nicobar, fall under the overall administrative control of the CDA (IDS), New Delhi.

- i. AO GE BrichGunj , Port Blair,
- ii. AO GE Haddo, Port Blair,
- iii. AO GE(I)(P) (South), Prothrapur, Port Blair,
- iv. AO GE Minnie Bay, Port Blair,
- v. AO GE EWS 866, Car Nicobar,
- vi. AAO GE(I)(P) (North), Minnie Bay, Port Blair

(b) The office of the LAO (ANC), Port Blair also functions under the office of AAO (ANC) Port Blair

7. The offices of PIFA (IDS) New Delhi, IFA (ANC) Port Blair and IFA Coast Guard Port Blair are placed under the payment jurisdiction of CDA (IDS) New Delhi. The items of work pertaining to DAD officers and staff in these offices which are to be looked after by the office of CDA (IDS) are as per CGDA's letter NO AN/III/3096/I/IFA/VOL- III.Dated 12/3/2009.

CHAPTER-3

CONDUCT AND DISPOSAL OF WORK BY SECTIONS

8. No specific authority /orders had been issued for the conduct and disposal of the work of Integrated Defence Staff . However, the work will be dealt by the sections as per the provisions of existing Office Manuals i.e. Office Manual Part II (Volume I & II), Office Manual Part VIII, Office Manual Part XI , Chapter XI of Office Manual Part III (AF), Chapter XI of Coast Guard Manual and Chapter X of Office Manual Part VII (Navy) and Married Accommodation Project Work Procedure – 2003.

Being an integrated set up, dealing with Army, Navy, Air Force and Coast Guard, the respective manuals will be referred to,as applicable..

9. RECORD SECTION

The conduct and disposal of the work dealt within the Record Section will generally be the same as laid down in Chapter I, Office Manual Part II (Volume I).

10. ADMINISTRATIVE/ ADMINISTRATIVE PAY SECTION AND PAY SECTION

The conduct and disposal of the work dealt within the Administrative Section will generally be the same as laid down in Chapter II & V of Office Manual Part II (Volume I).

11. ACCOUNTS SECTION

The conduct and disposal of the work dealt within the Accounts Section will generally be the same as laid down in Chapter III, Office Manual Part II (Volume I).

12. DISBURSEMENT SECTION

The conduct and disposal of the work dealt within the Disbursement Section will generally be the same as laid down in Chapter IV, Office Manual Part II (Volume I).

13. MISCELLANEOUS SECTION

The conduct and disposal of the work dealt within the Miscellaneous Section will generally be the same as laid down in Chapter VI, Office Manual Part II, (Volume I).

14. STORE SECTION

The conduct and disposal of the work dealt within the Store Section will generally be the same as laid down in Chapter VII and VIII, Office Manual Part II, (Volume I). In addition Chapter X of F.R. Part I, Chapter 10 of Defence Audit Code, Defence Procurement Manual – 2009 and General Financial Rules 2005 (as amended) should be referred to while authorising the payment of bills.

15. ENGINEERING SECTION AND MARRIED ACCOMODATION PROJECT SECTION

The conduct and disposal of the work dealt within the Engineering Section will generally be the same as laid down in Office Manual Part VIII.

The conduct and disposal of the work of Married Accommodation Project Section will generally be the same as laid down in Married Accommodation Project Work Procedure – 2003 read along with necessary amendments made by Government of India from time to time.

16. TRANSPORTATION SECTION

This section is functioning only in AAO (ANC), Port Blair and the conduct and disposal of the work dealt within the Travelling Allowance Section will generally be the same as laid down in Chapter IX, Office Manual Part II (Volume I).

17. IMPREST AUDIT SECTION

This section is functioning only in AAO (ANC), Port Blair and the conduct and disposal of the work dealt within this Section will generally be the same as laid down in Chapter XI of Office Manual Part III (AF), Chapter XI of Coast Guard Manual and Chapter X of Office Manual Part VII (Navy).

18. LAO (IDS) NEW DELHI AND LAO (ANC) PORT BLAIR

LAO (IDS), New Delhi and LAO (ANC) Port Blair conduct internal audit to check the accounts i.e. ledgers, returns, stock and due sheets, and/or such other records connected with the receipt and issue of stores, required to be prepared and maintained by the various units/formations as may be prescribed for the purpose in the various books of regulations and other government orders issued from time to time for each class of units/formations

CHAPTER-4
RECORD SECTION

19. The conduct and disposal of work dealt within the Record Section will generally be the same as laid down in Chapter 1, Office Manual, Part II (Volume I) - 2014.

CHAPTER-5

ADMINISTRATION / ADMIN PAY SECTION

- 20.** The conduct and disposal of work dealt within the Administration / Admin Pay section will generally be the same as laid down in Chapter II, Office Manual, Part II (Volume I) -2014.

CHAPTER-6

ACCOUNTS SECTION

- 21.** The conduct and disposal of work dealt within the Accounts Section will generally be the same as laid down in Chapter III, Office Manual, Part II (Volume I) -2014.

CHAPTER-7

DISBURSEMENT SECTION

- 22.** The conduct and disposal of work dealt within the Disbursement Section will generally be the same as laid down in Chapter IV, Office Manual, Part II (Volume I) -2014.

CHAPTER-8

PAY SECTION

- 23.** The conduct and disposal of work dealt within the Pay Section will generally be the same as laid down in Chapter V, Office Manual, Part II (Volume I) -2014.

CHAPTER-9

MISCELLANEOUS SECTION

- 24.** The conduct and disposal of work dealt within the Miscellaneous Section will generally be the same as laid down in Chapter VI, Office Manual, Part II (Volume I) -2014.

CHAPTER-10

STORE SECTION

- 25.** The conduct and disposal of work dealt within the Store Section will generally be the same as laid down in Chapter VII & VIII, Office Manual, Part II (Volume I) -2014.

CHAPTER-11

TRANSPORTATION SECTION

- 26.** The conduct and disposal of work dealt within the Transportation Section will generally be the same as laid down in Chapter IX, Office Manual, Part II (Volume I) -2014.

CHAPTER-12

ENGINEERING SECTION & MARRIED ACCOMMODATION PROJECT SECTION

27. Except as provided below, the conduct and disposal of work dealt within the Engineering Section will generally be the same as laid down in Chapter X, Office Manual, Part II (Volume I) -2014 read with the procedure laid down in Office Manual Part VIII.

28. MARRIED ACCOMODATION PROJECT SECTION

Married Accommodations Project section will function both in CDA (IDS), New Delhi and AAO (ANC) Port Blair . The conduct and disposal of the work dealt by the Married Accommodations Project Section is regulated as per Married Accommodation Project Works Procedure -2003 as amended from time to time.

Works services for the Defence Forces, DRDO, DGOF, DGQA and Coast Guard amongst others are generally entrusted to the MES, who plan and execute the same through the Defence Works Procedure – 2007. To make up the deficiency of married accommodations of the Defence Force, the Government have approved construction of dwelling units in phases, the construction of which envisaged to be undertaken through a specially constituted Director General Married Accommodation Project (DG MAP) vide GOI, MoD letter No. 2(1)/2001/D(Works-1) Dated 31/05/2002.

Payment to contractors shall be made by the CDA(IDS) / AAO (ANC) after checking of the bills submitted by the Project Managers. The bills are required to be authenticated by the Station Commander before recommendation for payment to this office for Delhi area

CHAPTER-13

INTERNAL AUDIT SECTION

- 29.** The conduct and disposal of work dealt within the Internal Audit Section will generally be the same as laid down in Chapter XI, Office Manual, Part II (Volume I) -2014.

CHAPTER-14

OFFICE AUTOMATION CELL

- 30.** The conduct and disposal of work dealt within the Office Automation Cell will generally be the same as laid down in Chapter XV, Office Manual, Part II (Volume I) -2014.

CHAPTER-15

IMPREST AUDIT SECTION

31. Independently, this section is functioning only in AAO(ANC), Port Blair and the conduct and disposal of the work dealt within the Imprest Audit Section will generally be the same as laid down in Chapter XI of Office Manual Part III (AF), Chapter XI of Coast Guard Manual and Chapter X of Office Manual Part VII (Navy).

32. Objectives

- (i) To provide cash assignment to ships/establishments and ensure prompt receipt and adjustment of accounts;
- (ii) To arrange prompt payment of bills relating to contingent and miscellaneous expenditure of ships/establishments and specified personal claims of service officers and sailors;
- (iii) To ensure prompt recovery of cost of training imparted to foreign Naval Personnel.

33. Duties

- (i) Issue of Money warrants to ships to meet their cash requirements.
- (ii) Watching the rendition of monthly cash Accounts/Imprest Accounts by ships/Estts. /Base supply officers.
- (iii) Post audit of Cash/Imprest accounts and compilations of receipts and payments.

- (iv) Pre-audit and payment of certain claims of non-recurring nature in respect of Service Personnel of Indian Navy except in cases where post audit is specifically authorised.
- (v) Audit and payment of all bills for expenditure of a contingent and miscellaneous nature and claims in respect of unit allowances.
- (vi) Audit of charges paid from the Grants such as Welfare and Amenity Grant Educational Training Grant, Annual Training Grant and other special grants.
- (vii) Audit and payment/post audit of bills on account of local purchase of stationery and local printing.
- (viii) Recovery of cost of training of Foreign Navy personnel attached to Indian Navy.
- (ix) Adjustment of printing and stationery debts.

34 Cash/Imprest Accounts

Commanding Officer IN Ships and Establishments, Base Logistics Office and Air Force units at Portblair are provided with public funds by the Controller of Defence Accounts (IDS) New Delhi. The provision of funds is generally arranged either by placing a Cash Assignment or by issue of a money warrant as appropriate in their favour.

(a) The cash accounts work dealt by the Imprest Audit Section AAO(ANC) Portblair

Imprest Audit Section of CDA (IDS) will deal with cash accounts of Naval Ships, Establishments and other Naval, Air Force & Coast Guard Units under Andaman & Nicobar Command.

35 Cash Assignments

The Cash Assignments are arranged by the Disbursement Section of the AAO(ANC), Port Blair who in consultation with the assignees will fix the amount of such cash assignments on the basis of past actual and their anticipated probable requirements which will also include requirements of other ships and Estt. dependent on it for funds. When additional expenditure is anticipated necessitating supplementary provisions of funds, the assignees will apply to the administrative authorities for arranging funds with the AAO(ANC), Port Blair for supplementary assignments furnishing reasons therefore.

Note :- Any Undrawn balance remaining at the end of the month will be carried forward to the next month. Undrawn balances remaining at the end of the financial year will lapse.

(a) The cash assignment holder will render to AAO(ANC) Port Blair, a statement (in duplicate) of drawings made against cash assignment four times in a month as under.-

- (i) 1st to 7th day of the month.
- (ii) 8th to 14th day of the month.
- (iii) 15th to 21st day of the month.
- (iv) 22nd to the last day of the month.

(b) The cheques drawn before but paid after the end of the year will be taken against the balance of the assignment of the year in which cheques were drawn. Money Warrant is an authority in Form 67 issued to the Commanding Officer of a ship indicating the monetary limit upto which the amount can be drawn monthly from cash assignment holder

or at a Govt. treasury and as well as the period for which it will be in force. The instructions for the issue and accounting of money warrants contained in Rule 23(i) to (v) F.R. Pt. II will generally be observed.

Note.- Commanding Officers of ships are to intimate annually by 1st January the estimated cash requirement for each month during the ensuing financial year. Wherever such estimates are not received, this section will address a letter to call for the requisite information.

(c) Payments exceeding Rs. 5000/- are to be supported by stamped receipts in accordance with Rule 146 of CTR.

36 Cash Account

Cash account is the true extract of cash book maintained by the officer in whose favour cash assignment/money warrant is provided for recording all receipts and payments on that account. The Officer will render the cash account monthly to reach AAO(ANC), Port Blair by the dates given as under:-

Establishments - Part I -Including all receipts and payments accounted for between 1st and 20th of the month --by 25th of the month..

Part II - Including all receipts and payments accounted for during the remainder of the month --by 7th of the following month.

Ships - Once in a month (complete in one volume) to reach by the 7th of the month following that to which the accounts pertain.

(a) The Cash Account will be supported by relevant vouchers, other than acquittance rolls, If any, documents or vouchers are not received, the Base Supply

Officer/Commanding Officer of the ship or Estt. from whom the Cash Account has been received will be asked to forward it immediately.

(b) It will be ensured that the dates and period for rendering Cash Accounts are strictly adhered to and an explanation for any delay is given by the Ship-Estt . On the 28th of every month reminders should be issued calling for Part I of the Cash Accounts not received by that date. Similarly on 10th of every month reminders should be issued preferably by fax to the BSOs/COs whose accounts for the previous month (part or whole as the case may be) have not been received by that date. This will be watched through the medium of "Register, of Cash/Imprest Accounts" maintained by the section.

(c) The particulars of Cash Accounts not produced in a month without adequate reasons thereof will be reported through the monthly report on General State of accounts.

(d) The register of Cash/Imprest Accounts is maintained with a view to provide an effective control, not only the prompt receipt and disposal of cash account but also the expeditious completion of its audit. In short, the register will show a complete picture of progress of audit of cash accounts received in the section. The register will be submitted to the Officer in charge on 15th of every month along with a list showing-

- (i) Number of accounts not received.
- (ii) Number of accounts delayed in submission for a fortnight or more.
- (iii) Number of accounts not finally dealt with during the following month.

(e) The cash assignment holder will furnish along with their monthly cash accounts a certificate regarding the agreement of the cash drawings from the bank as shown on the receipt side of the cash account with the amount shown in the bank pass book and in the event of any discrepancy is to furnish a reconciliation statement thereon.

(f) Ships afloat will render the certificate of agreement/reconciliation statement at any time during the month following to which the cash account relates. The cash account will however continue to be rendered by the 7th of the following month as mentioned in Part II of para 36 above.

37. Cash Accounts--Classification

- (a) Cash Accounts prepared by Base Supply Officers in Naval Bases.
- (b) Cash Accounts prepared by supply officer or Commanding Officers of I.N. Ships and Establishments.
- (c) Cash Accounts prepared by the Coast Guard and Air Force Units at A&N Islands.

The audit of Part I of the Cash Account will be completed as soon as it is received but compilation of the accounts will be done and audit objections or observations issued only after both the parts of accounts have been received and audited. If there are no remarks, a certificate to this effect will be issued. Cash accounts prepared by the Base Supply Officers at Naval Bases generally consist of:

(i) Receipts:-

- (a) Opening balance brought forward from the previous month,
- (b) Cheques drawn against assignment, cheques received from CDA (IDS), New Delhi on account of payment to civilian establishment etc.,
- (c) Cash receipt from officers and sailors on account of:
 - (i) Payment issue of Stores.
 - (ii) In Benevolent Fund, In Central Sports Fund, Mess Debts and other

non-Public Funds.

- (iii) Cash deposits by officers and sailors for remittance in their homes, duly supported with the duplicate IN Form 218 (outer).
 - (iv) Cash recoveries from officers and sailors on account of travelling allowance, refund of leave passage money etc.
 - (v) Excess fares recovered from sailors and payable to Railways.
 - (vi) Cash effects of deceased individuals
 - (vii) Refunds from COs of ships who are non-impres holders.
 - (viii) Miscellaneous bonafide receipts (e.g. PLI Premia).
 - (ix) Mess advances.
 - (x) Undisbursed money orders etc.
 - (xi) Undisbursed pay and allowances of Industrial/non-Industrial staff.
 - (xii) Sale proceeds of auction of old clothings.
 - (xiii) Cost of identity cards issued in lieu of lost ones.
 - (xiv) Recovery of private telephone charges.
- (ii) Charges:—
- (a) Lump sum payments to commanding officers of ships who are non-Impres holders.
 - (b) Advances of pay (on acquittance Rolls) to officers and sailors and to other authorized personnel of Army/Air Force/Defence Security Corps attached

to I.N.

(c) Payment of:-

- (i) Advance of travelling allowance/leave travel concession to officers.
- (ii) Passage money to sailors.
- (iii) Money in lieu of rations to sailors and officers private servants.
- (iv) Pilot age allowance.
- (v) Outfit allowance to officers.
- (vi) Funeral expenses.
- (vii) Educational Training Grant.
- (viii) Boys fund.
- (ix) Amounts authorised by CDA(IDS)New Delhi
- (x) Contingent and miscellaneous charges.
- (xi) Local purchase of stores.
- (xii) Hire charges for boats and launches.
- (xiii) Casual Labour charges.
- (xiv) Municipal bills.
- (xv) Refund of amounts excess recovered as authorized.
- (xvi) Mess maintenance allowance.
- (xvii) Other authorised charges for which payment is subject to post audit.
- (xviii) Welfare and amenities grant.
- (xix) Ward Room Messing allowance.
- (xx) Band fund.
- (xxi) Dip-money claims.
- (xxii) Payment to contractors.

(xxiii) Ships improvement fund.

(xxiv) Immediate relief to the families of deceased personnel.

(xxv) Proficiency award fund.

(xxvi) Payments to Foreign Navy Personnel.

(d) Closing balance carried over:-

The Cash Accounts prepared by Supply Officers or Commanding officers of ships and Coast Guard & Air Force units/Estts. will generally consist of:-

(i) Receipts:

(a) Opening balance brought forward.

(b) Lump sums drawn from Base Supply Officers/Civil Treasuries/other sources.

(c) Miscellaneous receipts as at para 298 OM –VII.

ii) Charges:-

(a) Advances paid on acquittance rolls

(b) Miscellaneous payments as at para 298 OM VII

(c) Refunds to Base Supply Officers, if any.

(d) Closing balance carried over.

38. Objective of Audit

The objectives of audit of Cash accounts are:-

- (i) to ensure that all cash transactions to which an individual in his/her official capacity is a party, are brought to account.

- (ii) to ensure that the public funds are utilised in strict accordance with the rules on the subject and that cash receipts are not re-appropriated to meet expenditure except when specially authorised and;
- (iii) to generally ensure that the first principles of audit of expenditure or standards of financial propriety as are laid down in fundamental rules and Codes & Manuals are observed.

39 Scope of Audit

Cent percent audit of the Cash Accounts will be conducted.

40. Preliminary Checks on Cash Accounts

The following action in general will be taken on the cash accounts immediately on its receipt:

- (i) Entering the date of receipt of the account in Register of cash/ Imprest Accounts and in the Audit Progress Register.
- (ii) Verification of signature of the Cash Assignment holder/Commanding Officer of the ships rendering the cash account from the specimen signature register.
- (iii) Verification as to whether the following certificate has been endorsed at the foot of the cash account duly signed by the supply officer and countersigned by the Commanding Officer.
 - (a) "Certified that the transactions appearing in this account are truly and faithfully shown and the officials to whom the payments were made, received the several sums noted as paid against their names, that the balance of Public Money in hand at the end of the month viz. Rs_____ (Rupees

_____only) has been verified and agrees with the book balance and that the amount transferred to the next account has been duly carried forward, money warrant No..... for the year..... has been checked.

- (b) If the Commanding Officer is unable to check the cash personally the officer has to depute at least two officers to do this task. In the latter case, the following additional certificate is to be recorded on the cash book and signed by the Officers:

"Certified that the balance of cash in hand has been counted by us and agrees with the balance as shown in the cash Account."

The above two certificates at (a) and (b) are to be countersigned by the Commanding Officer. If these certificates are not countersigned by the Commanding Officer, the matter should immediately be taken up with the C.O. of the ship/establishment.

- (iv) (a) A surprise check is carried out by the Commanding Officer at least once in a quarter (The quarter for this purpose will be January to March, April to June, July to September and October to December) and the closing of the Cash Account book has been actually carried out. The balance of cash in hand/cash in bank has been reconciled with the balance shown in the Cash Book. The certificate of verification is endorsed on the cash book as follows:

"Certified that the balance of cash in hand viz Rs_____ (Rupees _____ only) has been counted by me and agrees with the balance as shown in the Cash

Account. Money Warrant for the year has also been verified.

- (b) Verification that the administrative authorities have also carried out 'Surprise Checks' of Public Funds by their own Staff Officers at frequent intervals and endorsement to this effect are to be made in the Cash Account.
- (v) Verification that there is a voucher for each transaction in respect of Receipt and Payments (Charges) accounted for in the Cash Account, the amount of each voucher tallies with the relevant entry in the cash account and the number of vouchers agree with the list of vouchers accompanying the cash account.

Note:- Prompt action for calling the missing/wanting vouchers from the Base Supply Officers/Commanding Officers/Naval Pay Office and for reconciliation/rectification of irregularities, omissions, errors noticed during the preliminary check will be taken as and when noticed.

- (vi) Verification that the opening balance of the cash account with closing balance of the previous month as recorded in the "Register of opening/closing balances." Verification that the balance of the cash in hand mentioned in figures and in words referred to in certificate (iii), (iv) and (v) agrees with the balances of cash as per the cash book.
- (vii) Verifying that the totals of receipts and charges in the cash account are correct.
- (viii) Verification that there are no excessive corrections in the cash account and that the closing balances have not been corrected (even though the corrections have been attested by the Supply Officer) .

- (ix) Checking whether heavy cash balances have been retained on board at the end of the month in excess of actual and immediate requirement.

Receipts : -The amounts accounted for on the Receipts side of the cash account will be verified and linked with the documents indicating the source of receipt as under:-

- (i) The amounts for "cheque drawn from Reserve Bank of India, State bank of India and Treasuries" against cash assignment, will be verified with the "statement of drawings" received separately from the cash assignment holders, and the cheque slips received from Disbursement Section. It will be seen that the cheque numbers in respect of drawls against cash assignment are in serial order and that the missing numbers, if any, have been certified as "cancelled" in the statement of drawings. It will also be ensured that one copy each of the statement of drawings is sent to Disbursement Section and Accounts Section after verification as above.
- (ii) In the case of ships operating money warrants, the amounts drawn from Base Supply Officers, Treasuries etc. will be verified from and linked with the intimations received from Base Supply Officers & Treasuries of bulk payments made by them against such money warrants.

Note:- Intimations regarding lumsum advances paid to the COs of ships against money warrants will be received from the Base Supply Officer etc. as soon as such payments are made. These intimations will be recorded serially in a Guard Book maintained for each Base Supply Officer.

- (iii) Amounts received from CDA (Funds) Meerut etc. by cheque payment authority on account of fund assets etc. of civilian staff will be verified and

linked with the cheque slips already received from the respective audit sections and CsDA and recorded separately. It will be ensured that all cheques issued during the period as shown from the cheque slips are accounted for in the cash account.

- (iv) Other cash-receipts accounted for in the receipt side of the cash account will be scheduled to the appropriate audit section.

Examples of the receipt items are as under:-

- (a) Payment issue of stores to authorised personnel.
 - (b) Hire of transport for recreational/amenity purposes to authorised personnel.
 - (c) Refund of excess drawal of advances an account of TA/LTC etc.
 - (d) Private trunk call charges.
 - (e) Undisbursed amount of money orders sent to service personnel.
 - (f) Other bonafide receipts such as PLI premia.
- (v) Receipts on account of refund of mess advances paid to ships will be noted in the Demand Register and recoveries watched.
 - (vi) It will be seen that large amounts like repayment in one lump sum of advances on account of purchase of motor car etc. are not refunded through the cash accounts with refunds notice in the cash accounts will be objected to after the preliminary check referred to above, the following action should be taken in regard to base/ships cash/imprest accounts:

At the time of auditing the cash/Imprest accounts of the assignment holder to reconcile the amount mentioned in the intimation shown as paid within the

amounts shown on the receipt side in the cash account/imprest account, action should be taken immediately to rectify discrepancies, if any. It should be ensured that lump sum advances are accounted for by the payees in their Cash/Imprest accounts. .

41. Advances paid to Commanding Officers of vessels by IN Base Supply Officers and refund made by Commanding Officers of ships to the IN Base Supply Officers will be linked with reference to the entries appearing in the base and ships Cash/Imprest accounts and prompt action should be taken for settling discrepancies, if any. Bulk amounts shown in the cash accounts as drawn from or paid to Army or other authorities will be verified with reference to notifications of payments received from the authorities concerned and cash book adjustments will be made where necessary.

In the case of receipt/payment pertaining to other departments of Govt of India, State Governments & Foreign Governments etc. necessary cash book adjustments will be made in accordance with the procedure prescribed in the Defence Account Code or other Accounting instructions and will be watched through the medium of a reimbursement register.

The audit of claims of IN Service Personnel paid through cash accounts will be conducted with reference to the general rules on the subject.

42. Money order commissions charged by the Post Office (in the case of sailors only) is a liability of the State and it will be ensured that this charge is debited against the Allotment of remittance cash account of Naval Pay Office. Although a detail check of the money order commission charged against each item in the list is not necessary, a general scrutiny may be exercised.

CHAPTER-16

LAO (IDS) New Delhi & LAO (ANC) Port Blair

43. Office of the LAO (IDS) New Delhi, was created vide CGDA letter No. AT-Coord/13387/IFA Coverage dated 04/02/2008 under the administrative control of CDA (IDS) to provide audit coverage to Joint Staff Organizations in and around Delhi. LAO Brich Gunj Port Blair provides audit coverage to Joint Staff Organizations stationed at Andaman and Nicobar Island.

44. ROLE AND FUNCTIONS OF LAO (IDS) NEW DELHI & LAO (ANC) PORT BLAIR

(i) To conduct locally the Half-yearly internal check of the accounts i.e. ledgers, returns, stock and due sheets and/or such other records connected with the receipt and issue of stores required to be prepared and maintained by the various units/formations as may be prescribed for the purpose in the various books of regulations and other government orders issued from time to time for each class of units/formations.

(ii) Examines all orders and sanctions pertaining to their work, issued by the GOI, CGDA's letters & CDA's Office Orders to ensure that they are correctly applied in audit.

(iii) Acts as a Financial Advisor to units/formations in certain cases by reporting the matter to CDA and to enable him to bring to the notice of the administrative authorities unnecessary or avoidable expenditure of public money or stores and to indicate to those authorities the measures in which economies can be effected.

(iv) Suitable advice on all accounting matters is rendered to the units/formations.

(v) Prepare MFAI (Major Financial & Accounting Irregularity) Report and submit it to CDA for inclusion of the items in MFAI report to be rendered by the CDA to HQrs office on a quarterly basis.

(vi) To submit Annual Audit Certificate (AAC) and quarterly follow-up report on AAC to the CDA.

(vii) To prepare Appropriation Accounts.

(viii) Scheduling of vouchers received from different LAOs/CDAs/PCDAs for linking in consignee unit's accounts & forwards the scheduled vouchers to different LAOs/CsDA/PCDA for linking in consignor's unit's accounts.

The conduct and disposal of the work by LAO (ANC) Port Blair is the same as above.

ABBREVIATIONS

AAO	Assistant Accounts Officer
ACG	Annual Contingent Grant
AFPPF	Armed Forces Personnel Provident Fund
ALAM	Army Local Audit Manual
ASG	Annual Stationery Grant
BSO	Barrack/Stores Organization/ Officer
CAT	Central Administrative Tribunal
CDA	Controller of Defence Accounts
CGDA	Controller General of Defence Accounts
CISC	Chief of Integrated staff committee
DCDA	Deputy Controller of Defence Accounts
CPIO	Central Public Information Officer
DDO	Drawing and Disbursing Officer
DHR	Debt Head Register
DIDS	Defence Inter Departmental Schedule
GE	Garrison Engineer
GFR	General Financial Rules
GPF	General Provident Fund
IFA	Integrated Financial Advisor
IRLA	Individual Running Ledger Account
LAO	Local Audit Officer
MES	Military Engineer Services
MICR	Magnetic Ink Character Recognition
MRO	Military Receivable Order
NCC	National Cadet Corps
NPS	National Pension System
NSDL	National Securities Depositories Limited
PCDA	Principal Controller of Defence Accounts
QMG	Quarter Master General
RD&R	Revenue Debt & Remittance
RMES	Regulations for Military Engineer Services

RTI	Right To Information
SO (A)	Section Officer (Accounts)
TLB	Temporary Labour Bills