



# NEWS LETTER

JUNE 2018

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A large, semi-circular graphic on the right side of the cover contains a photograph of a person's hand holding a yellow pencil and pressing a button on a black calculator. The background of the cover is a light blue and white geometric design.

**INSTITUTE OF  
PUBLIC AUDITORS OF INDIA**



## From the President's Desk

I am happy to present you the eighteenth edition of the Institute of Public Auditors of India (IPAI) Newsletter, which presents an overview of the activities of IPAI and all the Chapters for the year 2017-18. This has been an eventful year for the Institute. The Institute finalized 105 manuals relating to Panchayats in 29 States and 6 UTs, and it also got assignments from Indian Council of Agricultural Research (ICAR), Prasar Bharti and Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce.

Our new Patron Shri Rajiv Mehrishi took over as Comptroller & Auditor General of India (CAG) on 25 September 2017.

IPAI, as an organization, has set for itself very noble objectives of undertaking research and developmental activities in the field of Public Auditing, Accounting and Public Finance and to disseminate information and knowledge to professionals, practitioners and public servants through diversified training programmes and continuing education and to provide value added financial and management consultancy service to clients as would maximize their organizational efficiency and effectiveness. We have provided consultancy service to GOI, State Govts, PSUs and ABs over the years.

As a social event, we organized a get-together of members with spouses on 17th February 2018, which was very well attended. We have also formed a IPAI (Hqrs) group in social media as a platform for interaction. The participation of members is heartening.

I gratefully acknowledge the commitment and dedication of the functionaries of the Institute at the Headquarters in Delhi as well as State Chapters who helped us in keeping IPAI active and going and in achieving our aims and objectives. I believe our members will find the Newsletter informative and useful.

IPAI needs to update the list of members and their emails and phone numbers etc., for which members are requested to inform of any change in the same. The Chapter administrations are also requested to keep us informed by mail or post significant developments concerning the chapter and the members for sharing with other chapters.

AJIT PATNAIK

## THE CENTRAL OFFICE

The Headquarters office of the Institute in New Delhi provides back office support to the Central Council and guides its Regional Chapters in their major functioning. The Secretariat helps the President, Central Council and Executive Committee to implement the policies of the Institute and liasoning with the Patron and the stakeholders. During the year, the office of the President was held by Shri Anupam Kulshreshtha, Dy. C&AG (Retd.).

## ANNUAL GENERAL MEETING

The 20<sup>th</sup> Annual General Meeting of IPAI was held on 18.12.2017 at 3.30 PM at Seminar Hall, Office of the C&AG of India, Deen Dayal Upadhyay Marg, New Delhi. The Patron of IPAI, Shri Rajeev Meharishi, Comptroller & Auditor General of India, graced the occasion by his presence and addressed the inaugural session.

### President's Address

Shri Anupam Kulshreshtha, President, IPAI, while welcoming the Comptroller & Auditor General of India and Patron of the Institute, Shri Rajiv Mehrishi and also the Dy. C&AGs, Senior Officers of IA&AD and members of the Institute to the 20th Annual General Meeting of the Institute of Public Auditors of India, also extended greeting and good wishes to those members of the Institute who were not able to attend the AGM but whose continued support and encouragement has been an important source of our strength.

The President, in his address also specially thanked the representative of the Chapters who attended the AGM viz. Bihar, North West, Chandigarh, Karnataka, Gujarat, Madhya Pradesh and Odisha. He presented a resume of major activities of IPAI during the previous year along-with Annual Accounts for the year 2016-17. He also mentioned about the new assignments in pipeline i.e. to integrate accounts of DDA including preparation and updating the Internal Audit Manual and Accounting Manual, assignment of Internal Audit of ICAR, IGNOU, Preparation of 3 Manuals and Internal Audit of 18 Technology Centres of



MSME, Pre verification of subsidy claims of DIPP, Ministry of Commerce in 'Special Package States' and North Eastern States, Internal Audit of Institute of Cost & Works Accountants, Independent audit of claims of Police Department for providing security services in the Mumbai Port Trust premises and Internal Audit of Power Grid Corporation of India Limited in North Eastern States etc.

### **Performance during 2016-17**

While recapitulating major activities of IPAI, he stated that the Institute has been doing well and has made its presence felt all over the country through its 18 chapters and headquarter at New Delhi. This was despite the fact that getting business has become more competitive as the Ministries are entrusting consultancy jobs only by inviting bids keeping in view guidelines of the CVC and others. The Institute has been finding it difficult to compete with consultancy firms run by CAs; the CAs are able to quote less as they get the work done by engaging low paid younger people, while retired members of IPAI are not willing to work if the fees are not commensurate with their status.

The Ministry of Panchayati Raj had entrusted IPAI an assignment for preparation of State specific Budget, Accounts and Audit manuals for PRIs for all the 35 States/UTs which has been successfully completed.

As regards the membership base, the President stated that though our membership is largely restricted to the IA&AD, we have also members from our sister accounts services and at the end of November 2017, there were about 2200 members.

He also stated that present Central Council took over in April 2015 and has taken up assignments so as to change the face of IPAI from an auditing firm to that of an audit cum consultancy firm. IPAI has expertise and can provide good consultancy in public accounting & auditing.

He also informed that the regional chapters of IPAI have to step up efforts for providing training in accounts & audit, as this is a core area of activity of the Institute. The President further stated that IPAI is providing platform to its members for doing constructive work and for this we look up to the C&AG and his officers for support to IPAI in all its activities.

Before concluding, the President expressed his sincere thanks to the Comptroller & Auditor General of India and officers of the Indian Audit & Accounts Department for their help, cooperation and guidance and stated that IPAI looked forward to their continued support. He also placed on record his gratitude to his colleagues of the Central Council, Chapter Presidents and all members of the Institute who have helped and supported us all in our endeavours.

### **Address of the Patron, the C&AG of India**

The Comptroller and Auditor General of India in his address to the AGM stated that as known to those present, this was his first meeting in his capacity as Patron of IPAI, after taking over as C&AG of India.

He stated that he has been briefed about the activities, current membership etc. by Mr. Anupam Kulshreshtha and that he had heard his opening remarks very carefully. He was given to understand, that when IPAI was set up it was envisioned as a Centre of Excellence in Public



Auditing. He was sure that a Centre of Excellence would mean much more than just getting business assignments. Yes it is an important and useful activity, which helps members keep active and involved. In turn it helps the Governments in getting technical expertise and experience, at a fairly reasonable cost. Surely that is not sufficient in itself. A Centre of Excellence would mean more academic work and more research work. More simply, if one were to look back with 40 years' experience in the department, one would ask several questions if one were to enter the department today. Could he have done things differently, could he have approached audit differently, could he have been more useful to the department that he has audited and whether auditors actually have a positive image of finding solutions to systemic issues, rather than being looked at as people who always find fault or discover scams. In his view that is one part of the Institute being a Centre of Excellence. He was sure some members have an academic bent of mind. Institutions undertaking this kind of work would be of help to future generations of auditors who work in CAGs office. In his view, the fact that we are able to get work not with-standing the difficulties in payments, is a good sign. He congratulated the Institute and the office bearers and all members for the quality of work done which convinces the Ministries to assign more work to the Institute.

However, that in itself may not be sufficient. The low attendance and difficulty for quorum was probably indicative of a deeper sense of feeling, that perhaps even our own retired colleagues are not finding this institution of as much utility and not as much attachment as he would have liked them to have. This raises an important question as to why many members don't take interest in the activities of the Institution unless they are given an assignment. CAG added that different people have different outlooks in life. There are many people, including himself, who would not like to do a paisa's work after retirement. There would be people like that also and lot of people who have a different mindset, different approach to life. He wanted the Institute to provide some platform to such people also, who do not wish to do post retirement work, but would prefer to participate in some cultural activity or social gathering.

He said that while talking to Mr. Anupam Kulshreshtha he had told him, that there would be a need for an own building to have an Institute in the form and substance of the India International Centre, where retired officers find a place to meet, to exchange thoughts and participate in cultural activities. He would like to tell the office bearers of the IPAI that he is willing to assist and help. We should actually aim at a place of our own in which we can find permanent Headquarter rather than depend on premises given out by the CAG's office.

Regarding grant to IPAI, he was of the view that giving grant as was the case before 2005, in many ways would be an ideal situation and should continue. However, what it leads to is more control because person who pays money becomes the owner in many ways. On the other hand if one does not get grant from CAG's office, IPAI would aim be self-sufficient. Nonetheless, he had taken note of the issue of resuming of grant. He would have it examined afresh and see whether it can be restarted in a slightly different format. May be CAG can try to assist the Institute in getting land and help in the building and the grant will take the form of assistance for that purpose.

He said that the President of IPAI had mentioned at length the work already in hand and the work sought for in the areas of governance such as Technical Support to Regional Training Institutes. Government is also creating new Housing Boards, new Corporations which may need assistance to have systems in place, while engaging in Consultancy. New organisations are actually more susceptible to all kind of malpractices including frauds and corruption and those organisations should actually get help for doing the right thing from the start.

He had occasion to look at both the Journal and the Newsletter that the Institute publishes. He complimented Shri Ajit Patnaik who he said was doing a very good job of editing the Journal of Public Audit and Accountability. He was quite sure about the quality of articles and congratulated the Institute.

He also thanked all the those who participated in the AGM and that he looked forward to working with everyone and to support the good functioning and good reputation of the Institute.

### **Vote of thanks**

Shri Ajit Patnaik, Vice President proposed a vote of thanks on behalf of the Institute. He stated that as desired by the Patron, the Institute should grow into an institution of Research and Excellence in addition to what it is doing by way of consultancy. He informed the CAG that we have started a forum called “Think Tank” where lectures are organised periodically which are well attended. We would be devoting more attention to this aspect and audit being an intellectual exercise, we have many officers with requisite intellectual abilities who can deliver research output if assigned. CAG was assured that his advise regarding organizing of cultural activities to elicit greater participation would be implemented. Mr Patnaik also informed CAG that the Institute was following the strictest canons of financial propriety in its working and maintaining itself with some surpluses generated from our assignments. However there is a need to build up a corpus fund which the Institute can fall back upon in hard times looking at the situation of tough competition given by other organizations through low bids, despite the fact that our experience and professionalism is far superior to that turned out by article clerks etc. In such a situation, we need an annual grant from the CAG office for our seminars, research work and cultural activities. We request the CAG to review the suo motu order stopping the annual grant to IPAI without a full assessment of the functioning of an Institution which came into being and has prospered with the active support of successive CAGs since 1996.



He thanked the C&AG for sparing his valuable time from his busy schedule to come to address the AGM. He thanked all the Dy. CAGs and all other serving Officers for sparing time out of their engagements. He thanked all the members of IPAI who have come out of the comfort of their homes this winter morning and to the Director (P) & his staff for providing the necessary logistics.

### **Agenda Items**

The following Agenda items were taken up for discussion by the President and AGM approved the proposals contained therein after due consideration and deliberations:

1. Confirmation of the minutes of the last AGM
2. Annual Report of the IPAI for the year 2016-17
3. Approval of Audited Annual Accounts of IPAI for the financial year 2016-17
4. Appointment of Auditors for the year 2017-18
5. Budget Estimates of IPAI (Hqrs) for 2017-18

### Think Tank (High Level Committee) meetings held during 2017-18

- 1 Dr. B.P.Mathur, Dy. CAG (Retd.) made a presentation of his book titled "An Alternative Philosophy of Development- from Economism to Human Well-being" on 10<sup>th</sup> April 2017.
- 2 Shri M.P.Gupta, IAAS (Retd.) presented his book titled "Guide Book on Civic Amenities in Ashok Vihar" on 5<sup>th</sup> May 2017.
- 3 A presentation on GST exposure was made by eminent Guest Faculty Dr. Monika Goel, Practicing Company Secretary and Corporate Trainer on 20<sup>th</sup> July 2017.
- 4 A session on "Sustainability and Environmental issues" was taken by Shri Anupam Kulshreshtha, President IPAI Dy. CAG (Retd.) on 13<sup>th</sup> October 2017.
- 5 A session on Designing, Managing and Operating a Power Trading Entity was taken by Shri T.N.Thakur, IAAS (Retd.) and Ex-Chairman, Power Trading Corporation on 18<sup>th</sup> January 2018.

### Get-together celebration by IPAI (Hqrs)

The Institute of Public Auditors of India was registered a Society under the Societies Registration Act XXI of 1860 on 19<sup>th</sup> March 1996. Accordingly, Foundation day was celebrated on 19<sup>th</sup> March 2017. To follow the same celebration, a get together was arranged on 17<sup>th</sup> February 2018 in which senior Members of the IPAI were felicitate by honouring with shawls as detailed below:-

#### S/Shri

1. Rajeshwar Prasad
2. M.P.Gupta
3. M.M.Mathur
4. O.P.Pandey
5. M.S.Chawla



### SNEH LATA NARANG SCHOLARSHIP

Under the Sneh Lata Scholarship Scheme, Instituted in 1999 out of generous contribution of US\$15,000(EQUIVALENT TO ABOUT Rs. 6.00 lakhs at that time) by Shri Jagdish Narang, former official of IA&AD, the IPAI awards scholarships to the children of Group B, C and D official of IA&AD to pursue higher education courses.

Each scholarship carries an award of Rs.8,000/-to each ward. The following meritorious wards of the serving employees of IA&AD were awarded scholarship during 2017-18:

1. Ms. Rama Shrikant Joshi S/o Ms. Madhuri Shrikant Joshi, Sr. Auditor of office of the PAG(Audit) I, Maharashtra
2. S. Prasath S/o Ms. V. Vijaya Ganesan, Sr. Auditor of the office of PAG(G&SSA) Tamil Nadu Chennai
3. A.S. Neeraj S/o Ms. R. Sasikala, AAO of the office of PAG(A&E)Kerala.

### ELECTION OF THE CENTRAL COUNCIL

The election of the Central Council (2018-21) of the Institute was due in March 2018. Shri S.K. Jaiswal, Accountant General (Audit) Delhi acted as Returning Officer. Due to withdrawal by the candidates, the following members were declared elected to the Central Council 2018-21:

1. Shri A.K. Patnaik
2. Shri M. Naveen Kumar
3. Shri D. Murugiah
4. Ms. Nandini Y. Kapdi
5. Shri Amrik Singh
6. Shri Thakur Lal Sharma
7. Shri Nagar Mal Yadav

The newly constituted Central Council in its meeting held on 2<sup>nd</sup> April 2018 elected the following members as office bearers from amongst the elected representatives:

- |                        |                |
|------------------------|----------------|
| • Shri Ajit Patnaik    | President      |
| • Shri M. Naveen Kumar | Vice President |
| • Shri D. Murugiah     | Treasurer      |

The Presidents of the following regional Chapters were nominated to the Central Council on rotational basis:-

- |                        |  |
|------------------------|--|
| Ms. R. Aggarwal        | Accountant General (Assam) & President, Assam Chapter                  |
| Shri H.K. Dharmadarshi | Accountant General (E&RSA), Ahmedabad & President, Ahmedabad , Chapter |
| Dr. Nilotpall Goswami  | Pr. Accountant General (Audit) Bihar & President, Bihar Chapter        |
| Shri I.D.S. Dhariwal   | Pr. Accountant General(Audit) Himachal Pradesh & President, HP Chapter |

Shri Deepak Anurag, Director General and Shri Manoj Sahay, Principal Director, Office of the Comptroller and Auditor General of India were nominated by the C&AG of India as his representative on the Central Council.

The Central Council constituted five Standing Committees with the following:

#### Executive Committee:

- |                      |                |
|----------------------|----------------|
| Shri Ajit Patnaik    | President      |
| Shri M. Naveen Kumar | Vice President |
| Ms. Nandini Y. Kapdi | Member         |

**Disciplinary Committee:**

Shri Ajit Patnaik	President
Shri M. Naveen Kumar	Vice President
Shri Deepak Anurag, CAG's nominee	Member
Shri A.S. Bhatia	Member
Shri T L Sharma	Member

**Investment Committee:**

Shri Ajit Patnaik	President
Shri D. Murugiah	Member
Ms. Nandini Y. Kapdi	Member

**Technical and Research Committee:**

Shri Ajit Patnaik	President
Shri Manoj Sahay, CAG's nominee	Member
Shri N. M. Yadav	Member
Shri T L Sharma	Member

**Editorial Board for publishing Journal on Public Audit & Accountability:**

Shri Ajit Patnaik	Editor –in Chief
Shri M. Naveen Kumar	Editor
Ms. Nandini Y. Kapdi	Editor
Shri S.K. Chandila	Assistant Editor

**NEWS FROM REGIONS****ANDHRA PRADESH & TELANGANA CHAPTER, HYDERABAD****I. Membership**

Six new members have joined the Institute during the period, thereby increasing the Membership of the Chapter to 62.

**II. During the period, the following assignments were undertaken by the Chapter.**

- i. Salar Jung Museum entrusted the job of Internal Audit for the year 2017-18 in August, 2017 along with compilation of accounts for the year 2017-18. The first spell of Audit has been completed in January 2018 and the results thereof have been submitted to the Management. The second spell of internal audit and compilation of accounts is to be taken up in April-May 2018 on completion of their accounts up to March 2018.
- ii. The Commissioner & Director of Municipal Administration of Telangana State, Hyderabad, entrusted in June 2017, the job of “3<sup>rd</sup> party Process Audit for Improving Financial Discipline and Proper Book keeping “in 72 Urban Local Bodies (ULBs) of Telangana State. The work of process Audit of 72 ULBs has been taken up in July, 2017 with three teams of IPAI and completed by February 2018. The results of Audit have almost been submitted to the Department in the form of reports for each ULB separately. The submission of very few pending reports will be completed by the end of March, 2018.
- iii. The work of Revising and Preparation of New Departmental Manual for Municipal Administration of Telangana State, Hyderabad, by IPAI chapter, is under preliminary stage of discussion with the Department.

**ASSAM CHAPTER, GUWAHATI****I. Membership**

One new member has joined the Institute during the period, taking the Membership of the Chapter to 43.

**II. During the period, the following assignments were undertaken by the Chapter****1. Assignment Carried out/ completed during 2017-18:****(A) Projects/ Items assigned by IPAI, Headquarter:**

- (i) Pre-scrutiny of 375 nos. of Transport Subsidy and Central Capital Investment Subsidy Claims of Assam.
- (ii) Pre-scrutiny of 77 nos. of Transport Subsidy and Central Capital Investment Subsidy Claims of Arunachal Pradesh.

**(B) Assignments arranged by the Chapter:**

No assignment could be arranged by the Chapter during 2017-18. However, the Chapter finalised and issued Internal Audit Reports of 19 (Nineteen District NRC Cells of 19 District audited during February-March, 2017 in Phase-II).

**GUJARAT CHAPTER, AHMEDABAD****Membership:**

At the end of the year 2017-18, the membership of Gujarat Chapter was 58.

**Activities of the Chapter during the year 2017-18**

During the year 2017-18, Gujarat Chapter took up following assignments.

- (i) Internal audit of Gujarat Electricity Regulatory Commission for the year 2016-17.
- (ii) Verification of admissibility of 15% amount receivable by the GMB as administrative charges for the year 2016-17.
- (iii) Checking of pay fixation of teaching /non-teaching staff of Pandit Deendayal Petroleum University, Gandhi nagar as per 7<sup>th</sup> pay Commission.
- (iv) Translation work of GUVNL, AG (A &E), Ahmedabad

**Assignments in pipeline:**

- (a) Internal audit of a Gujarat Electricity Regulatory Commission for the year 2017-18.
- (b) Verification of Subsidy claims of GUVNL and its subsidiary companies for the year 2015-16.

**Other activities done:**

- (i) Felicitated 10 senior members of the Chapter who had completed 75 years as on 30-06-2017.

Mid-term General Body Meeting was held on 07-02-2018. Arranged a lecture on Goods and Services Tax. The lecture was delivered by retired Senior Audit Officer.

**KARNATAKA CHAPTER, BENGALURU****A. GENERAL**

The Karnataka Chapter has a membership of 155 members. The President of the Chapter is Ms E.P. Nivedita, IA&AS, Accountant General (G&SSA).

- 1. The Chapter has continued Consultancy Support to Coffee Board during the current year.

2. Two Consultants are provided to Bangalore Metro Rail Corporation (BMRCL).
3. State Specific PRI Budget, Accounts and Audit Manual were prepared and submitted to the Principal Secretary, Rural Development and Panchayat Raj Department, Government of Karnataka. Kannada translated PRI Budget and Accounts Manual was also prepared and submitted as desired by the RDPR Department.
4. Service of one Consultant was provided to Gadag Institute of Medical Sciences on royalty basis.
5. One Consultant was provided for internal audit of Regional office of IGNOU under central assignment.
6. One IA&AS officer is assigned for Heading the Pay Revision Committee of BWSSB employees, Bengaluru.

#### **B. Projects in Pipeline/under Negotiation**

1. One IAAS Officer and Consultant team is conducting Internal Audit of Institute of Cost Accountants of India under central assignment
2. One Audit team has been assigned Internal Audit of ICAR unit in Karnataka
3. Providing consultancy support to Karnataka State Construction Workers Welfare Board Bangalore and Karnataka Housing Board is under negotiation
4. Providing additional consultants to BMRCL and negotiations with KARNATAKA EDUCATION DEPARTMENT, Karnataka Dairy Research Institute, Khajane-II of Karnataka State Treasury Department, Karnataka State e-Governance, Bangalore University are under stages of discussion.

#### **C. Other Activities**

IPAI Foundation Day was celebrated on 24<sup>th</sup> March 2018. A.G (G&SSA) and President of the Karnataka Chapter graced the occasion. A talk on “Good Food and Celebration of Life” by Sri. T.R. Jayaram, Lawyer who has taken to Organic Farming and Founder of Green Path Foundation. The function was well attended by over 80 IPAI members. The President in her speech briefed about the activities of Karnataka Chapter and sought suggestions from the Senior Members to effectively make use of IPAI talent pool to the best advantage of the Society. Shri. T. Sethumadhavan, Former PAG explained the Background of Foundation day and felt the need for more focussed and professional approach. Shri. S. Rajaram Former ADAI and former President of Karnataka chapter also gave suggestions for conducting more research activities.

#### **KERALA CHAPTER**

##### **I. Membership**

17 new members have joined the Institute during the period, thereby increasing the Membership of the Chapter to 111.

##### **II. During the period the following assignments were undertaken by the chapter**

1. **Additional Skill Acquisition Programme (ASAP) being implemented by the Higher Education Dept. of Government of Kerala.**

The internal audit of ASAP was started in June 2014 and the audit for the years 2012-13 to 14-15 was already completed. The audit for the year 2015-16 has been finalized during this year. The audit for 2016-17 is in progress.

2. **Internal inspection of Head office of Marine Products Export Development Authority (MPEDA), Ernakulam.**

Conducted the internal inspection of MPEDA for the year 2016-17.

**3. Agency for Non-Conventional Energy and Rural Technology (ANERT)**

Conducted internal audit of Head Office and 14 District Offices of ANERT for the years 2013-14 to 16-17.

**4. Coir Board, Ernakulam.**

- (i) Prepared the **Manual of compilation of Delegation of Powers** of the Coir Board
- (ii) A pilot study to assess the quantum of work for reconciliation of subsidy released by the Coir Board to the designated Banks under REMOT Scheme (CUY) was carried out by the chapter and the study report was handed over to the Board for arranging a detailed study on the subject.

**5. Training programme on the implementation of Indian Accounting Standards (Ind AS)**

At the instance of the Finance Dept. of Government of Kerala, a Training programme on the implementation of Indian Accounting Standards (Ind AS) was conducted by the Chapter from 24-4-17 to 29-4-17 at the Centre for Training in Financial Management, Thiruvananthapuram. Senior Officers of the Public Sector Under takings, Finance and Industries Dept. of Government of Kerala and Office of the Principal Accountant General (E&RSA), Thiruvananthapuram participated in the programme.

**6. PRI Manual**

The Ministry of Panchayati Raj, Government of India, has engaged the Institute of Public Auditors of India to review the existing rules and guidelines for preparation of budgets, maintenance and audit of accounts in Panchayats in each State and assist in preparation of State specific Budget, Accounts and Audit Manuals in close consultation with the States. Accordingly Kerala Chapter prepared the State Specific Budget, Finance, Accounts and Audit Manual for Panchayats in Kerala and forwarded the same to Headquarters Office.

**7. Audit of Subsidiary Central Police Canteens**

The State Police Chief, Kerala State entrusted the detailed audit of the 14 subsidiary Central Police Canteens in Kerala with the Chapter. The Audit of Subsidiary Central Police Canteen, Thiruvananthapuram relating to the period 2012-13 to 16-17 has been finalized.

**III. Workshop on GST**

A workshop on GST was arranged by the chapter, with a view to train our Members so to equip them to work as Trainers/consultants on GST. The workshop was conducted on 22<sup>nd</sup> July 2017 at Residency Tower, Thiruvananthapuram.

Members of the Chapter and AAOs/AOs/ Sr. AOs, having experience in the audit of Sales Tax, Service Tax *etc.* from the O/o the Pr. Accountant General (Audit), Thiruvananthapuram participated in the work shop. The classes were followed by discussion on points raised by the participants.

**IV. Lending the services of Members.**

The services of one Member each were lent to Marine Products Export Development Authority and Agency for Non-Conventional Energy and Rural Technology (ANERT) during this year.

The Members whose services were lent to the Spices Board in 2013-14 and Kerala State Civil Supplies Corporation in 2015-16 are still continuing.

**V Projects in pipeline/ under negotiation**

- (i) Detailed study for reconciliation of grants released to Banks by Coir Board under REMOT (CUY) scheme.

- (ii) Internal audit of Institute of Human Resources Development (IHRD), Thiruvananthapuram

## **MADHYA PRADESH CHAPTER, BHOPAL**

### **I. Membership**

The Madhya Pradesh Chapter established in October 2001 has a membership of 169.

### **II. The M.P. Chapter completed the following assignments successfully:**

- (i) Revision of Existing Madhya Pradesh Works Department Manual 1983;
- (ii) Half Yearly Internal Audit of 76 Project Implementing Units and Head Quarters of Madhya Pradesh Rural Road Development Authority for 2016-17.
- (iii) Updation of MP Police Housing Corporation Manual.
- (iv) Checking of Pay Fixation cases under the Time Scale and VI Pay Commission of the officers and staff of the following organizations:
 

MP Agro Dev. Corp. Ltd. Bhopal	= 06 cases
Masazid Committee, Bhopal	= 12 cases
MP Audhyogik Kendra Vikas Nigam, Bhopal	= 04 cases
- (v) Calculation of depreciation and net value of obsolete assets of Sehore Krishi Upaj Mandi.

### **III. Assignments in progress:**

- i. Preparation of Manual under the provisions of District Mineral Fund (DMF) provided by the State Mining Corporation Ltd.
- ii. Half Yearly Internal Audit of 76 Project Implementing Units and Head Quarters of Madhya Pradesh Rural Road Development Authority for 2017-18 for the period April 2017 to Sept 2017.

## **NORTH WEST CHAPTER, CHANDIGARH**

### **I. Membership**

The North West Chapter has Membership of 278.

### **Election of Council Members of the Chapter**

Election of the Chapter Council of IPAI for three year 2017-20 was held on 29<sup>th</sup> September, 2017. Shri D.K. Chopra IA&AS Retired acted as a Returning Officer. Shri Mohinder Singh, Sh D.K. Bakshi, Shri K.S. Ramotra, Sh. M.L. Panghotra, Sh G.S. Pathania, Sh B.R. Joshi and Sh Didar Singh Arora were declared elected. Two members Shri Jagbans Singh and Shri P.N. Sharma were nominated by the President, IPAI HQ.

The newly constituted Council in its Meeting held on 27<sup>th</sup> October 2017 elected Shri D.K. Bakshi as President, Shri B.R. Joshi as Vice President and Shri Didar Singh Arora as Treasurer.

### **Holding of Annual General Meeting**

Before taking up the agenda of the AGM homage to the Members, who breathed their last during 2017-18 (Shri Sohan Singh Samplay and Shri Sukhdarshan Singh Mann), was paid by observing two minutes silence in standing position. Thereafter Annual General Meeting of the Chapter was held on the 1<sup>st</sup> April 2018 where minutes of the last AGM held on 08<sup>th</sup> January 2017 were approved. The activity report for the year 2017-18 was placed before the House which appreciated the performance of the Chapter. The annual accounts for 2017-18 of the Chapter were also placed and discussed at length. The house unanimously adopted the accounts and placed on

record its appreciation for securing First position among all the Chapters in so far as the Annual Income for the year 2017-18 was concerned.

### **Holding of the Function to celebrate Foundation Day of IPAI falling on 19<sup>th</sup> March**

Foundation Day of IPAI on 19<sup>th</sup> March was celebrated on 1<sup>st</sup> April 2018 immediately after the Annual General Meeting with Tea Break in between.

Financial position of this Chapter as at 31/03/2018 is as under

1	Corpus Fund	Rs. 1.86 Crores
2	Annual Turnover	Rs. 2.58 Crores
3	Investment	Rs. 0.70 Crore

### **Lecture on Internal Audit by Sh. M. Deena Dayalan**

Shri M. Deena Dayalan former Member, Central Electricity Regulatory Commission delivered a very useful Lecture on the Internal Audit-its need, its methodology, its usefulness to the Authorities. Shri Dayalan spoke about his experience in Audit Department and other organization where he was on deputation. External Audit ultimately culminates to public accountability of the Executive through the medium of State Audit Report. He specifically drove his point of Internal control and Internal Audit through well-established systems of Manuals / Instructions.

### **Honouring of Members for their Excellent Performance**

For the first time, the following Members of the Chapter were honoured for their significant contribution towards IPAI:

- i. Late Shri M.L.Sharma
- ii. Shri S.K.Nagpal
- iii. Shri Manmohan Kumar
- iv. Shri D.K.Chopra
- v. Shri K.L.Bansal
- vi. Shri G.G.S.Gulai
- vii. Shri Didar Singh Arora
- viii. Shri Pawan Kumar
- ix. Shri K.K.Goyal
- x. Shri V.K.Sareen

The year 2017-18 had been a very prosperous year for this Chapter in as much as were engaged for some very important assignments of i) Imparting Training and Internal Audit of Panchayati Raj Institution of Government of Punjab, (ii) Performance Appraisal of Modernization of Police Force in Punjab (iii) Restructuring of Accounts and Audit Cadres of the Government of Haryana by review of current structure of personnel and recruitment mode, staff requirements, duties and responsibilities of accounts and audit staff, recommend ideal structure, qualification, recruitment policy, staff requirements, duties and responsibilities posting and transfer policy, IT mechanism, structure and procedure and the way forward to smooth transition to a revamped structure with a view to ensure smooth functioning of the services to cope with the increased work load and changing demands of the Departments/PSUs in the field of Accounts and Audit. The Haryana Government has also allotted the task of holding SAS Exam (Setting of Question Paper and Evaluation) to IPAI. Though this Chapter has achieved significant gains in revenues from these important assignments, yet the task has thrust upon us huge responsibilities to achieve the desired results for which this Chapter has put its full force in action. .

The following assignments have been continuing from year to year under Memorandum of Understanding with the Government of Punjab, Haryana and other Public Bodies.

### **1. Post Graduate Institute of Medical Science, Education and Research (PGIMER) Chandigarh**

This was the first Institute we had provided Consultancy services of three Sr. Audit Officer's in February 2006. Based on their performance, not only PGIMER engaged more Consultants (18 as on 31.3.18) from time to time, but also this created a Goodwill in the area about the quality of services provided by IPAI resulting in more clients coming forward for our services.

### **2. Punjab University Chandigarh (PU)**

PU having 65 DDOs has been maintaining its accounts on Double Entry System. Services of One Sr. Audit Officer (Commercial) have been provided to oversee the accuracy of the accounts and impart practical training also.

### **3. Forest Department of Government of Punjab.**

One Sr. Consultant and 12 Consultants have been serving the Department since 2010-11 for compilation of accounts of Compensatory Afforestation Fund Management and Planning Authority (CAMPA). The Consultants also provide assistance to the Department in Bank Reconciliation, Preparation of Annual Plan and Training to staff in accounts etc.

### **4. Forest Department of Government of Haryana**

This department has also been utilizing services of IPAI for compilation of account of CAMPA since 2011-12. During the year 2017-18, we have provided services of two Consultants and one Assistance Consultant.

### **5. National Health Mission, Haryana, Panchkula.**

Since 2011-12, Consultancy services to this Mission is being provided by IPAI which include overseeing maintenance of accounts on Double Entry System and Internal Audit.. Four Consultants were serving in the Mission during the year 2017-18

### **6. Municipal Corporation, Chandigarh**

Since 2012-13, we have been providing Consultancy Services to the Corporation. In July, 2017 the Corporation dispensed with our services as a policy (not to outsource any employment). . We had provided 5 Consultants for accounts and audit functions.

### **7. Indian Institute of Technology, Ropar (IIT)**

Since 2008-09, IIT was provided Consultancy Services for various tasks. During the year 2017-18, four Consultants have been serving there.

### **8. University Institute of Engineering and Information Technology, Chandigarh**

Since 2012-13, we have been providing Consultancy Services of One Sr. Audit Officer on regular basis for Internal Audit of its accounts.

### **9. Punjab State Transmission Corporation Limited, Patiala(PSTC)**

For Internal Audit of its Half-yearly Accounts, PSTC has been engaging since 2012-13 one team consisting of three Consultants. The performance of the team is being acknowledged in the Annual Meeting of the Company where all auditors (Chartered Accountants for each districts and IPAI) present their Reports.

### **10. Haryana Power Generation Corporation Limited, Panchkula:**

One Consultant has been posted on regular in this Company since May 2016. One team consisting of two Consultants was posted for two months for Review of Internal Audit Report of the Departmental Audit. Thereafter the Company allotted Internal Audit of the accounts for year 2015-16 to us and we had deployed two consultants for a period of 6 months. The work was completed on 28/02/2017.

### **11 Panchayati Raj Institution of the State of Punjab**

The Government of Punjab has given to this Chapter assignment of Training Programme of its Panchayat Secretaries and other officials numbering 4000 at a cost of Rs. 20 Lacks and Internal Audit of its accounts for 2014-15 at a cost of Rs. 5 Crores. Training assignment was completed by 30-12-2016 and Internal Audit has been taken up with effect from 09-01-2017 with deployment of three Teams each consisting of One DAG/Sr. DAG, 5 Sr. AO/AO's, 25 AAOs/Supervisors/Auditors etc. thus 93 officers have been deployed. The entire assignment has been put under direct control of Retired AG acting as Project Director, PRI. The work is in progress on 31/03/2018 when audit of 4200 plus Panchayats, had been completed.

### **12 Haryana Pollution Control Board**

One Consultant has been posted with effect from 07/03/2017 for a period of 6 months on regular basis for rendering Consultancy Services. The services have been continuing during the year 2017-18

### **13 Punjab Police, Chandigarh**

The Police Department, Government of Punjab executed a MOU with this Chapter for Performance Appraisal of Modernization of Police Force in Punjab for a period of one year (Initially for a period of six month). The work was taken up on 15<sup>th</sup> December 2017 and the same is in progress.

### **14 Finance Department, Government of Haryana.**

Government of Haryana, Finance Department entered into a MOU with this Chapter for the following assignments to be completed in four months.

- i) Restructure of Accounts and Audit Cadres by reviewing the current structure of services rendered by the personnel- recommending ideal structure, qualification, recruitment mode, staff requirements, duties and responsibilities of accounts and audit staff, posting and transfer policy, Information Technology mechanism, structure and procedure and the way forward to smooth transition to a revamped structure with a view to ensure functioning of the services to cope with the increased workload and changing demands of the Department/PSUs in the field of accounts and audit;

Holding of SAS exam (Setting of Question Paper and evaluation of Answer Sheets). This was to be taken up after submission of Report covering (i) above in 4 months.

## **ODISHA CHAPTER, BHUBANESWAR**

### **I. Membership**

21 new members have joined the Institute during the period, thereby increasing the Membership of the Chapter to 144.

### **II. During the period the following assignments were undertaken by the chapter.**

#### **1. Projects under taken & Completed:-**

- (a) **Audit of Gram Panchayat Accounts:-** During last four years we are being allotted every year for conducting the audit of Gram Panchayat Accounts in Odisha by the Director of Local Fund Audit, Odisha. During last financial year, we have completed the audit of about 1648 number of Gram Panchayat accounts
- (b) **Providing consultant for Financial assistance and Internal Audit to OSAM Board, Bhubaneswar:-**

We have provided one consultant to Odisha State Agricultural Marketing Board for the entire financial year and continuing during this financial year also.

- (c) **Providing financial assistance to Madhusudan Das Regional Academy of Financial:-** We have provided one consultant to Odisha State Agricultural Marketing Board for the entire financial year and continuing during this financial year also.

## 2. Project under negotiation /in pipe line:-

The following works/ projects are under negotiation/ discussion with concerned authorities of Odisha Government:-

- (a) Electricity Duty Audit of different distribution companies in Odisha
- (b) Audit of High Schools, Colleges etc. of Odisha Government

## 3. Seminar Details:-

Our Chapter conducted two seminars as detailed below:-

- (a) Seminar on "Accountability in Administration of Local self Govt. institutions" was held on 24<sup>th</sup> October 2016. Sri Anupam Kulasrestha, President, IPAI central council attended this seminar.
- (b) Seminar on "Role of Social audit in ensuring accountability in social sector schemes" was held on 6<sup>th</sup> March 2018. This seminar was presided over by Sri T.K. Pandey, Principal Secretary, Finance, Govt. of Odisha. Miss Somya Kidambi, Director Social Audit, Rural Development Department, Government of Telangana, Hyderabad was the chief speaker

## 4. Other activities:-

In response to our request for setting up a building for our chapter at Bhubaneswar, Govt. of Odisha, G.A. Department vide their letter No. GAD-CA-(IV) Misc-34/2017/20950/CA dated 23-9-2017 have graciously allotted a piece of Government land measuring 3500 sq. ft. on 90 years lease basis in plot No. 693 of Khata No. 112 in Ganganagar, Unit-6, Bhubaneswar at a cost of Rs. 73,11,754/- as premium. The lease deed was executed in Bhubaneswar Sub Registrar's office on 1-2-2018 for which an expenditure of Rs. 5,22,230/- was incurred.

## RAJASTHAN CHAPTER, JAIPUR

### I. Membership

Nine new members have joined the Institute during the period, thereby increasing the Membership of the Chapter to 153.

### II. During the period the following assignments were undertaken by the chapter.

#### 1. Projects under taken & completed – Internal Audit thereof

- (i) 17 units of Executive Engineer (Medical & Health) of National Health Mission for the year 2016-17 on yearly basis.
- (ii) All the 15 units of Rajasthan State Pollution Control Board for the year 2016-17 on yearly basis.
- (iii) 20 units of Rajasthan Rural Livelihood Programme for the years 2017-18 on quarterly basis.
- (iv) 8 Units of National Rural Livelihood Project for the years 2017-18 on quarterly basis.
- (v) 27 units of National Rural Livelihood Mission for the years 2017-18 on quarterly basis.
- (vi) 11 units of Rajasthan Urban Drinking Water, Sewerage & Infrastructure Corporation for the years 2016-17

(vii) Jai Club for the period 2014-15 to 2015-16

(viii) State Institute of Health & Family Welfare for the year 2016-17

## 2. Projects in Pipeline/under regulation

### 1. Internal Audit of

(i) Jaipur Smart City Ltd. for 2017-18

(ii) State Institute of Health & Family Welfare for the year 2017-18

(iii) 17 Units of Executive Engineer (Medical & Health) of National Health Mission for 2017-18

(iv) 11 Units of Rajasthan Urban Drinking Water Sewerage & Infrastructure Corporation for the year 2017-18

(v) 14 Units of Rajasthan State Pollution Control Board for the Year 2017-18.

### 3. Special Works

(i) Special Audit of 26 selected BCMOs & PHC of 17 districts of National Health Mission for the years 2015-16 & 2016-17

(ii) Updation of G&SSA Manual of Principal Accounting General (G&SSA) Rajasthan, Jaipur

(iii) Special Audit of National Health Mission (IEC) wing.

(iv) Restructuring of Recruitment Rules of National Institute of Agricultural Management, Jaipur

(v) Prepared draft Audit Manual of Panchayati Raj Institution in Rajasthan assigned by Headquarter.

(vi) Prepared draft Budget & Accounts Manual of Panchayati Raj Institutions in Rajasthan assigned by Headquarter.

(vii) Hindi Translation of draft Manuals mentioned at S.No.(V) & (VI) above.

(viii) Audit of overtime bills of drivers and conductors of Road ways.

(ix) Internal Inspection of 2 Units of ICAR located at Ajmer & Bikaner assigned by Headquarter.

### 4. Services of consultants provided to other agencies on monthly basis:-

Sl.No.	Name of Agency	No. of Consultants
1.	Rajasthan Skill and Livelihood Development Corporation, Jaipur	27
2.	Rajasthan State Pollution Control Board, Jaipur	1
3.	National Institute of Electronics & Information technology, Ajmer	1
4.	Rajasthan Cooperative Dairy Federation Ltd	4

## TAMIL NADU CHAPTER

### I. Membership

As on 31st March 2018, the Chapter had an membership of 72 including few serving officers. Some of the members continue to be out of the jurisdiction of the TN Chapter.

II. During the year 2017-18 the Chapter conducted three "Due Diligence Study" for the Tamilnadu Infrastructure Fund Management Corporation Ltd. Also services of some of the members of this Chapter were utilized for the assignments directly taken up by the Head Office.

III. Consequent on the introduction of Goods & Services Tax by the Govt. of India from 1<sup>st</sup> July 2017, it became imperative that our members and employees of various organizations update themselves with the rules and regulations of the of the new tax regime. With this in mind the Chennai Chapter organized a one day workshop at Hotel Palmgrove on 16<sup>th</sup> June 2017. The workshop was inaugurated by our President Sri K. Ramachandran. S/Sri M.K. Ramasubramanian (former Director of Indirect taxes), M.K. Vijaya Kumar (Practising Cost & Management Accountant) and S. Neelakantan (General manager, BGR Energy Systems Ltd) were the resource persons. Apart from members of IPAI, serving employees of IA&AD at Chennai, 33 employees from different Companies participated.

## WEST BENGAL CHAPTER

### I. Membership

7 new members have joined the Institute during the period, thereby increasing the Membership of the Chapter to 106.

### II. During the period the following assignments were undertaken by the chapter.

1. Fact finding Report in respect of RTPS Plant, DVC from 25/3/17 investigating shortage of Coal.
2. Pay fixation of employees of Asiatic Society under 7 CPC
3. Internal Audit of All India Radio and Doordarshan, Kolkata
4. Report on the Verification of Pay/Pension and preparation of revised statement of pay under UCP together with assessment of overpayment and under-payment in respect of affected officials of DVC, Kolkata
5. Internal Audit work for centrally sponsored World Bank funded Project in six North Eastern States through PDCIL.

## OBITUARY

The Institute conveys its deepest condolences to the families of the following members who are no more with us:

	S/Shri	Chapter
1	P.Unnikrishnan	Kerala
2	K.Sasidharan Nair	Kerala
3	Anantharamaih	Karnataka
4	Kanchanlal Kantilal Modi	Gujarat
5	G.K.Bhatnagar	Rajasthan
6	R.P.Sharma	Madhya Pradesh
7	V.S.Jakmola	Madhya Pradesh
8	K.Ramachandran	Tamil Nadu



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