



# NEWS LETTER

JUNE 2019

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# INSTITUTE OF PUBLIC AUDITORS OF INDIA



## From the President's Desk

I am happy to present you the nineteenth edition of the IPAI Newsletter which presents an overview of the activities of IPAI and all the chapter for the year 2018-19. During the year IPAI got an assignment for preparation of format of Account and Accounting Manual for DDA, in addition to consultancy assignments of Internal Audit of ICAI, DIPP, Ministry of Commerce and Industry and PGCIL in North Eastern States.

IPAI organised a get together of members with spouses on 17th February 2019 on Foundation day which was very well attended. IPAI Hqrs. group is functioning well in social media platform and participation of member was over whelming.

I gratefully acknowledge the commitment and dedication of the functionaries of the Institute at Hqrs in Delhi as well as state chapters to keep IPAI grow from strength to strength.

We hope that members will find this edition of the Newsletter informative and useful.

Members are requested to inform of any changes to IPAI Hqrs. for updation. The chapter administrators are also requested to keep Hqrs. 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 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 liaising with the Patron and the stakeholders. During the year, the office of the President was held by Shri Ajit Patnaik, Dy. C&AG (Retd.) and Chairman (Retd.) Odisha Public Service Commission.



## Annual General Meeting

The 21st Annual General Meeting of IPAI was held on 26.11.2018 at 03.05 PM at Seminar Hall, Office of the C&AG of India, Deen Dayal Upadhyay, Marg New Delhi. The Patron of IPAI, Shri Rajiv Mehrishi, Comptroller and Auditor General of India, graced the occasion by his presence and addressed the inaugural session.



## President's Address

Shri Ajit Patnaik, President, IPAI, welcomed Shri Rajiv Mehrishi, Comptroller & Auditor General of India and Patron of the Institute. He also welcomed the Dy. C&AGs, Addl. Dy. CAGs and all the Senior Officers, both serving and retired, and members of the Institute who were present at the 21st Annual General Meeting (AGM) of the Institute of Public Auditors of India. He also extended greetings and good wishes to those members of the Institute who were not able to attend the AGM. The President, in his address also specially thanked the representatives of the North West Chandigarh, Karnataka, Gujarat, Madhya Pradesh, Chennai and Odisha Chapters who were present at the AGM.



A resume of major activities of IPAI during the previous year along with Annual Accounts for the year 2017-18 was presented. The President mentioned the variety of articles published in the January - June 2018 issue of the Journal. That IPAI discharged a welfare role in respect of its members whenever assistance was sought and its role in felicitation of senior members of the Institute for their valued contribution on its Foundation Day was also highlighted. The President stated that IPAI was planning to organise a seminar on 'Audit and Good Governance' in 2019. He also mentioned about the assignments carried out during the year and new assignments such as Integration of Multiple Accounts of DDA including preparation of an Accounting Manual, internal audit of (i) 19 units of Prasar Bhatari for the year 2016-17, (ii) North Eastern Region Power System Improvement Project (NERPSIP), a world bank assisted project, awarded by

Power Grid Corporation of India (PGCIL) for the year 2017-18. Audit for the subsequent year 2018-19 had also been allotted by PGCIL. Internal audit of Chapters and Regional Council of Institute of Cost Accountants of India, verification of subsidy claims of Ministry of Commerce (DIPP) in Himalayan states and North Eastern states, was done by IPAI for 2017-18. This had again been allotted to IPAI for 2018-19.

The President specifically mentioned about the ongoing efforts to get independent verification of institutional reforms projects, a World Bank project in Assam (ASPIReP) and Uttarakhand (UPFMSP) for which EOI have been submitted. Assignment of Independent audit of claims of Police Department for providing security services in the Mumbai Port Trust premises was also at advanced stage.

While recapitulating major activities of IPAI, he stated that the Institute had been doing well and had 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 and forming of other similar consultancy organizations.

During the year 2017-18, five “Think Tank” meetings were held covering wide range of topics of interest. The talks were interesting and well-attended.

He also stated that present Central Council took over in April 2018 and had taken up assignments so as to change the face of IPAI from an auditing firm to that of an audit cum consultancy firm. The President highlighted the issue of financial crunch due to which research work on Audit and Accounts could not be taken up in the current year. However, he stated that the Institute was keen to take up research work, which was being deliberated.

The President also requested CAG office to associate IPAI in surveys for Performance reviews both all India and local audit of NGOs, PRI or any other audit as thought proper as IPAI has a pool of experienced retired audit officers willing to contribute even after retirement.

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, cooperation and guidance and stated that IPAI looked forward to their continued support. He also placed on record his gratitude to his colleagues on the Central Council, Chapter Presidents and all members of the Institute who have helped and supported IPAI in all its endeavours.

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

The C&AG while welcoming Shri Ajit Patnaik and Shri M. Naveen Kumar, all Senior Officers of the Department present and esteemed Members of IPAI, held the view that the expertise of any Institute was reflected in its Journal. He was happy to note that the Journal of Public Audit and Accountability was of high quality and that Think Tank meetings were being organised quarterly by inviting guest speakers on professional topics. He said that he was not fortunate to attend any of the meetings, but was sure that they were of good quality and added value. He took note of the fact that IPAI being short of funds limited the aspect of research.





He was happy to note that IPAI had celebrated Foundation Day of IPAI on 17th February 2018 and honoured senior members as informed by President and that a similar function would be held in the current year and that IPAI was also trying to organise a seminar on “Audit and Good Governance”. He hoped that IPAI would be able to identify the right speakers. He would be happy to assist, in case, of need to identify guest speakers.

CAG was happy to note that IPAI has been able to get consultancy assignments from Prasar Bharti, Power Grid Corporation of India Ltd. and Delhi Development Authority (DDA) and hoped that such assignments would continue. They have also been working in the past with Ministry of Commerce & Industry, and hoped to continue this year also. He is happy to note that IPAI are also working with Directorate of Audio Visual Publicity (DAVP), Institute of Cost Accountants of India (ICAI) and Indian Council of Agriculture Research (ICAR). With regard to sanction of annual grant by CAG office and exemption from rent, he said that a decision one way or the other would be taken soon.

He said that he had glanced through the Balance Sheet and noticed the observation of the Chartered Accountant with regard to the Chapters that they were not being audited. He added that it was not something that could be ignored. He noticed that some of the Chapters had rather large sums of money with them and it would not be proper if they were not properly audited.

He had also noticed that there were a lot of dues that were depicted as assets from the Income Tax Department. Rs 27 lakhs due to IPAI from Tax department have also been written off during 2017-18. He advised that the above two issues may be got examined. He felt that for a small organisation (like IPAI) large sums of money were being shown as Sundry Debtors. He wanted to know the details of Sundry Debtors. And also whether these were really assets or on paper only. With these observations he congratulated IPAI on completing one more year successfully. He wished IPAI all success in future as part of CAG's organisation and Indian Audit and Accounts Department and promised to do whatever he could do within permissible means.

## Vote of Thanks

Shri M. Naveen Kumar, Vice President stated that it was his bounden duty to offer a vote of thanks and added that CAG in his last address had told that IPAI should try to become a 'Center of Research and Excellence'. The Vice President emphasised that IPAI have the capabilities in terms of services and officers with intellectual prowess. He explained that although IPAI have a decent corpus, as expected from any conservative Management, IPAI do not want to erode it for day to day running. IPAI want to keep it for the future, because IPAI may

not get many assignments as it was getting earlier. There was lot of competition. The Civil Accounts Services has also floated a similar body and by virtue of their network in the Ministries were offering IPAI stiff competition. In terms of World Banks Projects IPAI had submitted and responded to RFQ but it was surprising to note that even for preparation of Debt Manual, the Government of Uttarakhand have stipulated that Chartered Accountant alone can be the Team leader.



The Vice President clarified some of the points raised by Hon'ble Patron. He clarified that the chapters were being audited either by Chartered Accountants or by internal audit parties. He mentioned that some chapters had been doing good work and had generated some surplus and just as in the case of IPAI Hqrs, the same was being invested in Fixed Deposits. He was also proud to note that Odisha Chapter had invested Rs. 80 lakhs in getting land from the State Government for a building. He hoped that Odisha Chapter would generate additional funds to put up the building.

He clarified that sundry debtors were mainly receivables, for assignments. Since the accounts were as on 31st March 2018, payment not received by that date were depicted as receivables. A major chunk was due from the Ministry of Panchayati Raj (PRI) and IPAI had been pursuing with them.

As regards writing off of Refund of TDS to the extent not received from IT Deptt, he clarified that this has been done on the advice of the Tax Consultants which related to some of the expenses disallowed by the Assessing Authority. As required under law, all the comments of the Auditor have been duly replied which forms part of the Accounts.

He stated that for the Seminar on 'Audit and Good Governance' eminent speakers were being contacted and the speakers would be finalized soon.

He thanked the Patron, the CAG of India, for sparing his valuable time. He also thanked the Dy. CAGs, Addl. Dy. CAGs, Directors General and other Senior Officers, retired and serving, who had taken time off to be present in this AGM. Presence of the Presidents of the Chapters, who had come along with their Secretaries was also noteworthy. He also thanked all members of IPAI for their gracious presence and making it a success. It was in a sense, a 'full house'.

Last but not the least he thanked Principal Director (Hdqrs.), AC (N) and the Director (P) as well as their support staff for making this event a success.

## Agenda Items of AGM

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 2017-18
3. Approval of Audited Annual Accounts of IPAI for the financial year 2017-18
4. Appointment of Auditors for the year 2018-19
5. Budget Estimates of IPAI (Hqrs) for 2018-19



## Think Tank (High Level Committee) meetings held during 2018-19

1. Shri B.B. Pandit, IAAS, Dy. CAG (Retd.) a session on “Audit in Afghanistan” on 26th April 2018.
2. Dr. G. Bhattacharjee, IA&AS (Retd.) a session on “Terms of the 15th Finance Commission” on 19th July 2018.

## Foundation Day Get-together by IPAI (Hqrs)

The Institute of Public Auditors of India was registered as a Society under the Societies Registration Act XXI of 1860 on 19th March 1996. Accordingly, Foundation day was celebrated on 19th March 2017 and 17th February 2018. A get together was arranged on 17th February 2019 in which senior Members of the IPAI were felicitated by honouring them with Shawls as detailed below:

### S/Shri

1. Lacchman Singh
2. Dr. J. Mandal
3. Som Nath Gupta
4. T.L. Gupta
5. T.S. Pathania
6. A.S. Gupta



## SNEHLATA NARANG SCHOLARSHIP

Under the Sneh Lata Narang 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. 16,000/-to each ward. The following meritorious wards of the serving employees of IA&AD were awarded scholarship during 2018-19:

1. Ms. Rama Shrikant Joshi D/o Ms. Madhuri Shrikant Joshi, Sr. Auditor of office of the PAG(Audit) I, Maharashtra
2. Ms. Apoorva Jain D/o Shri Sanjay Kumar Jain, Sr. Auditor of the office of PAG (G&SSA) Rajasthan
3. Shri Abhijeet Ramesh Desai S/O Ms. Kavita R. Deasi, AAO of the office of AG (A&E)-I Maharashtra.

## NEWS FROM REGIONS

### ANDHRA PRADESH & TELANGANA CHAPTER, HYDERABAD

- I. **Membership:-** The membership of this chapter as on 31.03.2019 is 157. Shri A. Krishna Rao, IA&AS (Retd.) is President of the chapter.
- II. **During the period, the following assignments were undertaken by the chapter:-**
  - i) **SALAR JUNG MUSEUM, HYDERABAD:** The 2nd spell internal audit and compilation of the Annual accounts of the Salar Jung Museum for the year 2017-18 was taken up during 26-4-2018 to 25-6-2018 and completed. The report and accounts compiled were submitted in June 2018 to the Director, Salar Jung Museum, Hyderabad. The 1st spell Internal Audit of the accounts of the Museum for the year 2018-19 i.e from 1-4-2018 to 30-9-2018 has been taken up from 10-12-2018 to 9-2-2019 and completed. The report was submitted to the Director, Salar Jung Museum on 26-2-2019.
  - ii) **The Commissioner& Director of Municipal Administration of Telangana State, Hyderabad (CDMA):** The CDMA entrusted the work of Revising and Preparation of New Municipal ACT and Municipal Rules for the state of Telangana newly formed State on bifurcation of Andhra Pradesh State in JUNE 2014. The work was taken up on 24-07-2018 and completed on 19-01-2019 and the documents submitted to the CDMA, Hyderabad.
  - iii) **Institute of Cost Accountants of India (ICAI), Chapter at Hyderabad.** As per the mail orders dated 29-10-2018 of Head quarters, the services of 2 qualified consultants were provided from 6-11-2018 to 9-11-2018 for conducting Internal audit of the accounts of ICAI chapter at Hyderabad, for the period from 01-04-2018 to 30-09-2018. The work was completed and report submitted to Head Quarters by the team.
  - iv) **Water supply schemes under Telangana Municipal Development Project of CDMA:** The assignment was taken up on 28-01-2019 and completed in February 2019.
  - v) **Reasons for delay in disposal of Applications with ULBs under CDMA:** The assignment was completed and final report submitted to CDMA, Telangana State, Hyderabad.

### ASSAM CHAPTER, GUWAHATI

1. **Inauguration:** The Assam Chapter was established/inaugurated in October, 2005 and has been functioning since January, 2006.
2. **Membership:** The Chapter has a Membership of 40 as on 31-03-2019.
3. **President:** Ms. Rashmi Aggarwal, IA & AS, Principal Accountant General (Audit), March, 2017 onwards;
4. **Assignment Carried out/completed during 2018-19:**

During the year 2018-19, some assignment entrusted by the H.Q. were carried out by engaging member of this chapter relating to DIPP (Department of Industrial Policy and Promotion) and Power Grid Corporation of India Limited in North Eastern States and consultant fee of such assignment were paid directly to the concerned members. No local assignment could be arranged by the Chapter during 2018-19. However, discussion was held with the representative of the State Government and correspondence, as follow up of discussion, is being made with the State Government.



## GUJARAT CHAPTER, AHMEDABAD

I. **Membership:** As on 31st March 2019 the membership of Gujarat Chapter was 59. Shri H.K. Dharmadarshi Accountant General (E&RS) is the President of Gujarat Chapter.

### II. **Activities of the Chapter during the year 2018-19**

During the year 2018-19, Gujarat Chapter took up following assignments.

- (i) Internal audit of Gujarat Electricity Regulatory Commission for the year 2017-18.
- (ii) Verification of admissibility of 15% amount receivable by the GMB as administrative charges for the year 2017-18.
- (iii) Verification of subsidy claims of GUVNL and its subsidiary companies for the year 2015-16.
- (iv) Evaluation (both Technical and Financial) of the Project Cluster Development of Tufted/Woven Carpet and Carpet related Products across Mirzapur and Sant Ravidas Nagar districts of Uttar Pradesh undertaken by the Entrepreneurship Development Institute of India, Gandhinagar in 2011.
- (v) Evaluation Report on MOU entered into between Entrepreneurship Development Institute of India and M/s. Enable Livelihoods Foundations to provide IT related services to Startup Entrepreneurship Program (SVEP) undertaken during 2015 – 2016.

### **Other activities:**

In the Annual General Body meeting held on 02-08-2018, seven senior members of the Chapter who had completed 75 years were felicitated.

President, IPAI HQ visited Gujarat Chapter in August 2018 and had interactive session with President and Regional Council members of Gujarat Chapter.

## KARNATAKA CHAPTER, BENGALURU

### A. **General**

As on 31.03.2019 the Karnataka Chapter has a membership of 161. Ms. Nivedita, IA&AS, Principal Accountant General, (G&SSA), Karnataka, Bangalore is the President of the Chapter.

### II. **Activities during 2018-19:-**

1. The Chapter has continued Consultancy Service support to BMRCL (Namma Metro) during the current year. Two consultants with good knowledge in Land Acquisition are presently working with them.
2. Collected data and conducted Survey at 181 Higher Secondary Schools spread over 5 Districts of Karnataka in connection with the Rashtriya Madhyamik Shiksha Abhiyan (RMSA). Review conducted by the office of the PAG (G&SA), Karnataka, Bangalore.
3. Services of one former IA&AS Officer and a Consultant were provided for internal Audit of Institute of Cost and Works Accountants, Karnataka Chapter under central assignment.

## B. Projects in pipeline/ under negotiation

1. Providing services of one consultant to the Bangalore water supply and Sewerage Board for conducting internal Audit is under negotiation.
2. Providing services of one consultant to the Rural Development and Panchayat Raj Department, Government of Karnataka, to look after the PRI accounts is under consideration.
3. Providing services of two Consultants (additional) to Bangalore Metro Rail Corporation Limited is under consideration (BMRCL).
4. Providing services of two Consultants to the Minority Development Corporation, Government of Karnataka is also under negotiation.

## C. Other Activities

1. The 20th AGM of IPAI, Karnataka Chapter, Bangalore was held on Saturday, the 17th November 2018.
2. A Lecture on “Delay in Presentation of Audit Reports to the Legislature by the State Governments” an important and interesting current topic by Professor Himamshu Upadhyaya, from Azim Premji University, Bangalore was delivered at the quarterly meeting of IPAI chapter held on 8th February 2019.

## KERALA CHAPTER

### I Membership

19 new members have joined the Institute during the period, thereby increasing the Membership of the Chapter to 124. Shri James K. Joseph, IA&AS (Retd.) is the President of IPAI Kerala Chapter.

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 2015-16 and audit of 79 Skill Development centres and 215 institutions (Schools and colleges) was already completed up to March 2018.

During the period under report the audit for the year 2016-17 and 2017-18 has been finalized and the audit for the year 2018-19 is in progress. 41 Skill Development centres, 13 DPMs and 14 institutions were also covered in audit by the Chapter.

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

After the completion of internal Audit for the year 2016-17 one Member of the Audit Team was retained by MPEDA as Internal Audit Officer and he is still continuing. The services of another Member was also lent to the MPEDA for assisting them in matters relating to court cases, disciplinary proceedings, revising standing instructions etc. from October, 2018.

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

After completion of internal audit for the years 2013-14 to 16-17, one member of the audit team was retained by ANERT as Internal Audit Officer for one year from 5-12-17 to 4-12-18.

The Executive Committee further extended the services of IPAI for five man-months for the audit of Head Office and the District Offices for the year 2017-18 also. The audit of Head Office and eleven District Offices for the year 2017-18 was completed by the Chapter in January 2019.

4. **Coir Board, Ernakulam:** Two assignments were entrusted with the Chapter by the Coir Board.

(i) The work for conducting a detailed study for reconciliation of subsidy released to 1402 units through designated banks under REMOT (now renamed as Coir Udyami Yojana) Scheme. The work was completed and the final report submitted in January, 2019.

(ii) The Coir Board constituted a High level committee to conduct the review under FR 56 (J)/ Rule 48 of CCS (Pension) Rules 1972 to ensure probity among Govt. servants. In order to enable the Committee to conduct the review a data base of officers of Coir Board in the Group A, B & C categories has to be prepared by scrutiny of the Personal files/Service Books in respect of each officer/official and the service Books have to be updated. The preparation of database has been entrusted with the Chapter by the Coir Board.

5. **Kerala State Electricity Board Ltd, Thiruvananthapuram:** Two assignments were awarded to the Chapter by the Board.

(i) **Assignment of making necessary modifications/amendment to the following Regulations:-**

- (a) KSE Board Employees (Classification, Control and Appeal) Regulations, 1969.
- (b) KSE Board Employees (Disciplinary proceedings Tribunal) Regulations 1969.

The draft Kerala State Electricity Board Ltd (Conduct, Discipline Appeal) rules 1918 has been prepared and submitted to the Board.

(ii) **The assignment of Vetting of KSEB Ltd Special Rules was also awarded to the Chapter.** After vetting, the draft rules were submitted to the Board with our suggestions for modification.

6. **Spices Board, Kochi:**

(i) The Board nominated the Chapter as Board's Auditors for carrying out the auditing of proactive disclosures under RTI Act 2005. The work is in progress.

(ii) Spices Board has awarded the assignment of updating the following Manuals.

- i. *Manual of Office administration*
- ii. *Manual of General Procedure*
- iii. *Delegation of Powers*
- iv. *Internal Audit Manual.*

**The work is in progress.**

III. **Lending the services of Members.**

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.

IV. Foundation day Celebrations. The Chapter arranged a Luncheon get-together of our members at Hotel Pankaj at Thiruvananthapuram from 12 Noon to 2.30 pm on 17.2.2019. All the members of the Chapter were invited. About forty members participated in the get-together.

Shri. James K Joseph (Ex-Accountant General), President of the Chapter welcomed the gathering. The meeting honoured two Senior Members of the Chapter. Shri. Biju Jacob IA&AS, Chief Controller, VSSC, Thiruvananthapuram was our chief Guest.

Shri. S.Divakaran Pillai IA&AS, former State Performance Audit Officer, Local Self Government Dept, Trivandrum and Shri.V.K Girija Vallabhan IA&AS, Sr. Deputy Director & Chief Financial Advisor, SCTIMS, Thiruvananthapuram also participated.

## MADHYA PRADESH CHAPTER, BHOPAL

I. **Membership:-** Madhya Pradesh Chapter of IPAI was established in October 2001 and its membership as on 31st March 2019 is 170. Last elections of Regional Executive Council were held on August 16, 2016. Shri Bijit Kumar Mukerjee, Accountant General (E&RS), Madhya Pradesh is the President of Madhya Pradesh Chapter.

II. **The following important assignments are in progress:**

- (i) Revision of "Work Department Manual" of Government of Madhya Pradesh;
- (ii) Half yearly Internal Audit of 79 Project Implementing Unit and Headquarter of Madhya Pradesh Rural Road Development Authority; and
- (iii) Pay Fixation of State Government employees under 7th Pay Commission.

III. **Important assignment completed in the past:**

a) **Preparation of Manuals:**

- (i) Accounts, Audit and Monitoring Manual of PMGSY- Applicable in all the States of the Country. (Both the World Bank and Asian Development Bank have found the System sufficiently robust to meet the fiduciary requirements for the PMGSY Projects).
- (ii) Accounts, Audit and Monitoring Manual of MNREGA.
- (iii) Procurement of Goods and Services Manual for Panchayat and Rural Development Deptt.
- (iv) Accounts Manual for M.P. Road Development Corporation.
- (v) Accounts Manual for Land Acquisition and Rehabilitation officers of NVDA.
- (vi) Accounts, Audit and Monitoring Manual for M.P. Police Housing Corporation.
- (vii) Crises Management Manual for M.P. Housing Board.
- (viii) Accounts stock and monitoring manual of Hast Shilp and Hathkargha Vikas Nigam.
- (ix) Finance & Procurement Manual for ICDS.
- (x) Accounts Training Manual of Urban Local Bodies.
- (xi) Audit Manual of Urban Local Bodies.



b) **Research Studies:**

- (i) Research on quality and utility of Civil Works under SSA.
- (ii) Research on Lack of Basic facilities in Villages.

c) **Pilot Studies:**

- (i) Pilot Study on "Accrual Based Double Entry Accounting System" of DFO Bhopal.
- (ii) Pilot Study on "Accrual Based Double Entry Accounting System" of CM & HO Gwalior.
- (iii) Pilot Study on "Accrual Based Double Entry Accounting System of PWD Bridge Construction Division Raipur"

**Seminars:**

The MP Chapter has organized Seminars on the following subjects in the past-

- (i) Tribal Development in India;
- (ii) Infrastructure Development with Public Private Participation (PPP);
- (iii) Contract Management of Major Project;
- (iv) Accountability of Urban Local Bodies;
- (v) Accountability of Panchayati Raj Institutions.

**NORTH WEST CHAPTER, CHANDIGARH**

I. **Membership:-** The membership as on 31st March 2019 is 301. Election of the Chapter Council is due in 2020. Shri D.K. Bakshi, IA&AS (Retd.) is the President of the North West Chapter.

II. **Holding of Annual General Meeting**

Annual General Meeting of the Chapter was held on the 13th April 2019 where minutes of the last AGM held on 01.04.2018 were approved. The activity report for the year 2018-19 was placed before the House which appreciated the performance of the Chapter. The annual accounts for 2018-19 of the Chapter were also placed and discussed at length. The house unanimously adopted the accounts and placed on record its appreciation for its performance which is praiseworthy.

III. **Holding of the Function to celebrate Foundation Day of IPAI falling on 19th March 2019**

Foundation Day of IPAI on 19th March was celebrated on 13th April 2019.

As reported to the General Body during the AGM, this Chapter has a commendable performance narrated through activity report for the year 2018-19

Financial position of this Chapter as at 31/03/2019 is as under

1	Corpus Fund	Rs.326.04 lakh
2	Annual Turnover	Rs.258.81 lakh
3	Investment	Rs.115.85 lakh
4	Excess of Income	Rs. 67.60 lakh

## IV. Honoring of Members for their Excellent Performance

The following Members of this Chapter were honored for their significant contribution towards IPAI.

S/Shri

1. A.S. Bhatia
2. B.B. Karwal.
3. B.L.Ahuja
4. Chaman Lal
5. G.S.Pathania
6. Harvinder Singh
7. Ram Lubhaya
8. S.D.Gupta
9. S.D.Sharma
10. Yogesh Chandra Sharma

## V. Other Activities:-

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

This is the first Institute which had provided to us Consultancy services of three Sr. Audit Officer's in February 2006. Based on their performance, not only PGIMER engaged more Consultants (20 as on 31.3.2019) from time to time, but also this created Goodwill in the Area about the quality of services provided by IPAI resulting in more clients coming forward for our services.

### 2. Panjab 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

Two Sr. Consultants and 9 Consultants have been serving the Department since 2010-11 for compilation of accounts of Compensatory Aforestation 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 2018-19, 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 are 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 2018-19.

6. **Indian Institute of Technology, Ropar (IIT)**

Since 2008-09, IIT was provided Consultancy Services for various tasks. During the year 2018-19, four Consultants have been serving there.

7. **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.

8. **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.

9. **Haryana Power Generation Corporation Limited, Panchkula:**

One Consultant has been posted on regular basis in this Company since May 2016.

10. **Panchayati Raj Institution of the State of Punjab**

The Government of Punjab had given to this Chapter assignments 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 31/03/2019

11. **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 2018-19

12. **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 15th December 2017 and completed in December 2018.

13. **Municipal Corporation Faridabad**

Three Consultants were engaged by the above corporation for Internal Audit of (i) Revenue from Change of Land Use (ii) Works of the value above Rs 25 lakhs and (iii) Central Stores. Our team pointed out irregularities involving crores of rupees reported by the Corporation in the News Paper. The assignment was completed in December 2018

## 14. **Municipal Corporation Gurugram**

Two Consultants have been provided (January 2019) for Audit of Revenue from Change of Land Use and Works Audit. The work is in progress on 31.03.2019

## 15. **Municipal Corporation Panchkula**

Three Consultants were provided in December for audit of Revenue from Change of Land Use and Works Audit. The work is in progress on 31.03.2019

## 16. **Municipal Councils, Punjab**

Three Teams each consisting of one Sr. Consultant and one Consultant were engaged for Audit of Municipal Council, Ropar, Balachaur, Chamkaur Sahib, Nawanshahr, Sirhind and Bassi Pathana from conducting Audit of accounts from 2003-04 to 2016-17. Audit of Ropar, Chamkaur Sahib, Balachaur and Sirhind has been completed. Now two teams are auditing accounts of Bassi Pathana and Nawanshahr

## 17. **State Health System, Resources Centre, Haryana**

One team consisting of two Consultants was deployed for Audit of Accounts of the above unit. The work has been completed on 29.03.2019

## 18. **Food & Supplies Department, Punjab**

One team consisting of One Sr. DAG and two Sr. Audit Officers Retired has been put on job from 1st January, 2019 for examination of the causes of non-payment of Incidental Charges by the Govt. of India to the State Govt. incurred by it on procurement of food grains on behalf of the FCI during the years 2003-04 to 2016-17. The total time allotment is one year initially.

## **RAJASTHAN CHAPTER, JAIPUR**

I. **Membership:-** As on 31st March 2019, the membership of the chapter is 172. Shri R.G. Viswanathan, Pr. Accountant General (G&SSA) Rajasthan is the President of Rajasthan Chapter.

**The following assignments were undertaken by the chapter**

### (i) **Projects undertaken and completed – internal audit thereof**

- 20 units of Rajasthan Rural Livelihood Project for the year 2018-19 on quarterly basis till closure of this project in September 2018,
- 8 Units of National Rural Livelihood Project for the year 2018-19 on quarterly basis till closure of the project in June 2018,
- 27 Units of National Rural Livelihood Mission for the year 2018-19 (upto Decmber 2018) on quarterly basis,
- 11 Units of Rajasthan Urban Drinking Water Sewerage & Infrastructure Corporation for the year 2017-18,
- State Institute of Health & Family Welfare for the year 2017&18,
- Jaipur Smart City for the year 2017-18
- One unit of I.C.W.A. assigned by headquarters



## (ii) **Projects in pipeline / under regulation**

- Jaipur Smart City 2018-19.
- State Institute of Health and Family Welfare for the year 2018-19.
- 11 units of Rajasthan Urban Drinking water Sewerage and Infrastructure Corporation for the year 2018-19.
- 27 units of National Rural Livelihood Mission (January 2019 on wards) on quarterly basis.
- National Rural Economic Transformation Project.

## (iii) **Excellent Performance**

Rajasthan Chapter of IPAI was entrusted with the internal audit of Rajasthan Rural Livelihood Project, National Rural Livelihood Programme and National Rural Livelihood Mission by State Government which were being implemented through various village organizations totally manned by the women of the respective areas who were not conversant with the sanctity and importance of the cash book, receipt book etc. These village organization were funded by the District Project Mangers to address issues of low house hold income. The idea was to mobilise all poor families into self reliant institutions and promote sustainable livelihood by enhancing the economic opportunities and empowerment of the rural poor with a focus on women.

In this internal audit for the period 01.04.2018 to 30.09.2019, this chapter found that the:-

- (i) Amounts shown to have been deposited in bank in cash were actually found deposited short or not deposited at all in Bank Rs. 69,73,189/-,
- (ii) Amounts withdrawn from bank were actually accounted for short or not entered at all in the cash book Rs. 25,83,160/-,
- (iii) Amounts received in repayment of loan and payment of interest were either accounted for short or not accounted for at all in the cash book Rs. 8,19,336/-,
- (iv) Higher amounts have been accounted for in the cash book than those actually paid by them to their cluster level federation – Rs. 13,24,432/-.

The total amount of embezzlement / misappropriation on this account worked out to Rs. 1.17 crore which was reported to the State Govt. The amount of embezzlement will surely increase further as a result of internal audit for the period 01.10.2018 to 31.03.2019 which is in going on. The State govt. has also started recovery and initiated appropriate action against the defaulters.

## (iv) **Services of consultants provided to other agencies on monthly basis**

- Rajasthan skill and Livelihood Development Corporation, Jaipur,
- Rajasthan Pollution Control Board, Jaipur.

## (v) **Projects under taken and completed – Internal Audit thereof**

1. 17 units of Executive Engineer (Medical & Health) of National Health Mission for the year 2016-17 on yearly basis,
2. All the 15 units of Rajasthan State Pollution Control Board for the year 2016-17 on yearly basis,
3. 20 units of Rajasthan Rural Livelihood Programme for the years 2017-18 on quarterly basis,

4. 8 units of National Rural Livelihood Project for the years 2017-18 on quarterly basis,
5. 27 units of National Rural Livelihood Mission for the years 2017-18 on quarterly basis,
6. 11 units of Rajasthan Urban Drinking Water, Sewerage and Infrastructure Corporation for the year 2016-17,
7. Jai Club for the period 2014-15 to 2015-16,
8. State Institute of Health & Family welfare for the year 2016-17.

(vi) **Special works**

- Special Audit of 26 selected BCMOS & PHCS of 17 districts of National Health Mission for the years 2015-16 & 2016-17,
- Updation of G&SSA Manual of Principal Accountant General (G&SSA), Rajasthan, Jaipur.

(ii) **Services of Consultants provided to other agencies monthly basis**

- Rajasthan Skill and Livelihood Development Corporation Jaipur – 27,
- Rajasthan State Pollution Control Board, Jaipur – 1,
- National Institute of Electronics and Information Technology, Ajmer – 1
- Rajasthan Cooperative Dairy Federation Ltd. – 4.

## TAMIL NADU CHAPTER, CHENNAI

As on 31st March 2019, the Chapter had an effective membership of 84.

The annual general meeting was conducted in July 2018 in which Shri K.P. Lakshmana Rao, IA&AS (Retd.) (former ADAI) was elected as President.

During the year 2018-19 the Chapter commenced one “Due Diligence Study” for the Tamil Nadu Infrastructure Fund Management Corporation Ltd in November 2018 and completed before 31.3.2019.

## OBITUARY

The Institute regrets to report the unfortunate demise of the following members:

S/Shri	Chapter
1. Swadesh Kumar Das	Assam
2. Sada Shiv Pandit	Rajasthan
3. Bhajan Singh	New Delhi
4. Goverdhan Lal	Rajasthan
5. S.K.F. Kujur	Central Office
6. D. Murugiah	Chennai
7. Anantharamaiah	Karnataka
8. B.G. Nagarju	Karnataka
9. S.J.S. Ahluwalia	North West Chapter
10. Harbans Lal	North West Chapter
11. Praveen Wadhwa	North West Chapter
12. Om Prakash	North West Chapter
13. Vijay Kumar Gupta	North West Chapter
14. G.K. Dadhich	New Delhi

## **INSTITUTE OF PUBLIC AUDITORS OF INDIA**

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Website: [www.ipaiindia.org](http://www.ipaiindia.org)

### **PATRON**

**SHRI RAJIV MEHRISHI**

**Comptroller & Auditor General of India**

### **CENTRAL COUNCIL**

**(2018-2021)**

#### **President**

Ajit Patnaik

Former Deputy Comptroller and Auditor General

#### **Vice-President**

M. Naveen Kumar Former Director General of Audit

#### **Treasurer**

Ms. Nandini Y. Kapdi

Former Pr. Accountant General

#### **Members**

Deepak Anurag

Director General (RC & LB), Office of the CAG of India.

Manoj Sahay

Pr. Director, Office of the CAG of India

Amrik Singh

Former Accountant General

Nagar Mal Yadav

Former Sr. Audit Officer, AG, Rajasthan

Thakur Lal Sharma

Former Sr. Audit Officer, Accountant General, Madhya Pradesh

Ms. R. Aggarwal

Accountant General (Audit), Assam

N. Goswami

Pr. Accountant General (Audit) Bihar

H.K. Dharmadarshi

Accountant General (E&RSA), Gujarat

I.D.S. Dhariwal

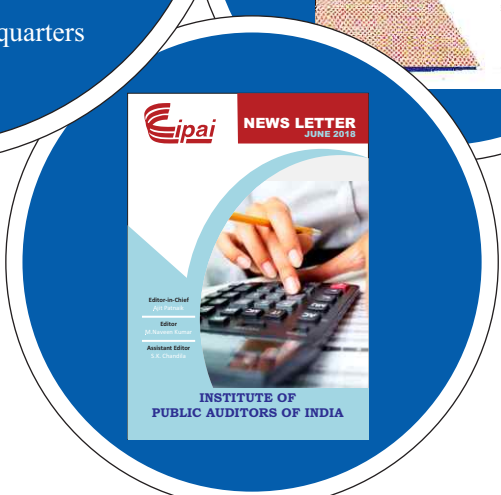
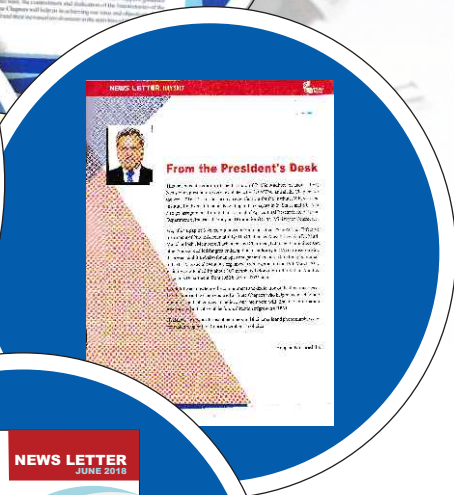
Pr. Accountant General (Audit), Himachal Pradesh

#### **Secretary**

S.K. Chandila



Officials of IPAI Headquarters



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