



OFFICE OF THE CONTROLLER OF DEFENCE ACCOUNTS
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No. E-1/T-2/ARWES REP/18-19

Dated: 23 /04/2019

IMPORTANT CIRCULAR

To

All SAO/AO GE
SECUNDERABAD/VISAKHAPATNAM
AO DGNP VIZAG
AO CCE(R&D) SECUNDERABAD
AAO GE EDDUMAILARAM/AGE(I) SURYALANKA

Sub:- **Annual Review of Works Expenditure for the Year 2018-19 and its submission by 10.05.2019.**

A set of proforma for rendition of ARWES Report for the year 2018-19 is placed in CDA Web site cdasecbad.ap.nic.in and also a copy is forwarded to nic mail-id. If not received, the same may be obtained from this office to your personal mail-id and downloaded at your end.

The balances reflected outstanding as on 31.03.18 may please be taken into account while arriving at closing balances as on 31.03.19. Please note that the figures shown in the report/statement are controlled figures which have been taken for consideration and reflected in the consolidated report forwarded to Head Quarter Office and the same cannot be changed. The figures shown in ARWES should be duly reconciled with compiled actual. The closing balance as shown in ARWES Report for the year 2017-18 must tally with the opening balance of ARWES Report for the year 2018-19. Please note that the figures shown in the report/statement are controlled figures which have been taken for consideration and reflected in the consolidated report forwarded to Head Quarter Office and the same cannot be changed.

2. It may please be ensured that the above report in the prescribed proforma duly completed is sent in time so as to reach this office on or before 10.05.2019 to enable this office to consolidate the report and forward the same to CGDA, New Delhi within prescribed time. The time limit is to be strictly adhered to for timely compilation/consolidation of the ARWES and onward submission to MOD/DGADS by due date as its non-adherence may lead to delay in placement of Appropriation Accounts in the Parliament.

3. Statement 'H' in duplicate may, however, be forwarded to Internal Audit Section (FA Section) of this office by 10.05.2019.

4. While completing the proforma, the instructions issued vide Imp. Circular No.18079/AFX/ARWE/2018-19 dated 08/04/2019 CGDA circulated vide this office important circular of even number dated 23/04/2019 may be kept in view and compiled with. The details mentioned therein may also be furnished in respect of the under mentioned statements. Please ensure that each statement should be critically reviewed and analyzed before submission and detailed comments / detail of cases should be furnished. Age wise analysis of the statement, wherever required, should be enclosed with the report. The figures shown in ARWES should be duly reconciled with compiled actual.

5. **In Para 12** of the report, only Budget and expenditure under works head (Minor head/sub head as applicable) may be taken into account. Budgeted and expenditure (Under Revenue and capital) on works of NCC, ECHS,RR and Joint Staff may be also be included under the respective heads of account. The details of allotment and expenditure incurred on DGMAP works (Army, Navy and Air force) should be given separately under Para 12 of the Report.

6. **Para-13(Part-I and II):** All column of the statements to be filled up, specific reasons for variation for the actual expenditure over original allotment to be given and details of non-budgeted works costing Rs.10Lakh & above to be given.

7. **Para -14 :** Details of variation over 10% between original cost and actual final cost in r/o works costing Rs.25 lakhs and above and reasons for variation to be indicated and all column to be filled.

8. **STATEMENT 'C' PART I & II – Para 15(A) & (B):Non compliance of basic rules laid down in Defence Works Procedure:**

Expenditure placed under objection in respect of works under Defence Works Procedure, non-compliance of basic rules (want of Admin Approval, year wise breakup of which were commenced without prior sanction of the Competent Authority and also the reasons for commencing the work may please be brought out clearly in this statement. Additional proforma has been added for the cases under statement C Para 15(A) and 15(B) to indicate the cases reported under the same parts to furnish the cases Contract Agreement wise which may invariably be furnished. In Para 15(A) Part 1 & 15(B) Part-II, detail of the cases in r/o of amount shown outstanding against each category may be indicated in the report. Specific reason for delay in obtaining admin approval and action taken in this regard may also be indicated.

Detailed supporting statements and necessary enclosures in r/o amount outstanding as on 01-04-18 and amount objected during 2018-19 and amounts settled during 2018-19 duly bifurcating the settled objections pertaining to the previous years and settled objections to the current year to be shown to correctly arrive at the outstanding amounts/objections as on 31.03.2019 along with necessary annexure CA Wise, amount wise, remarks wise for Want of the Admin Approval, Excess over Admin approval and excess over allotment of funds with full details of the amounts objected during 2018-19 for the above CA wise break up, separately for Statement C Part-I Para 15(A) & Part-II Para 15(B). Contract wise details of

the amount outstanding as on 31.03.2019 under each category to be submitted. In Para 16 complete details of all operational OP/Task No./Admn Approval wise carried out during the year with expenditure may be indicated in the Report.

9. **STATEMENT ON LOSSES(PARA 17)**

a) **Age-wise analysis in respect of LOSS STATEMENT AWAITING SANCTION may please be indicated inter-alia action taken for REGULARIZATION of outstanding cases**

b) **Statement 'F' Para 18** should be furnished indicating the recoveries of Licence Fee, Rent & Allied charges in r/o Rent Bills issued up to 28th February 2019 and position of outstanding amount as on 30th June 2019. Action taken to liquidate outstanding Licence fee and allied charges, year wise breakup of the amount outstanding and specific reasons for delay in clearance of outstanding amount under various categories should be indicated. The position of outstanding Licence Fee & allied charges reflected in the statement F Para 18 ARWE should be reconciled with Statement 6A of AAC.

c) **STATEMENT OF BARRACK DAMAGES (PARA 19)**

The main reasons for outstanding amount on account of non-recovery of barrack damages at the end of 31/03/19 as well as irrecoverable amount, if any, may please be intimated duly indicating the efforts made to clear the outstanding amount supported by Age-wise analysis report and reasons for the outstanding to be given invariably.

d) Statement of rent and allied charges year-wise and category wise breakup of the amount together with the main reasons for non-recovery of rent and allied charges in respect of bills issued up to 31/03/19 and the amounts which have become irrecoverable with the reasons thereof and the action taken to write off under delegated powers may also be intimated. Action taken early recovery of the outstanding balance amount to be intimated. In r/o Para 20 please ensure that there should be no variation in total expenditure and totaling mistakes to be avoided and In r/o Para 21 the following points to be observed:

- i. Reasons for ex-post –facto sanction after completion of work to be given and reasons for grant of extension of time by Engineer were not given in most of the cases. Many of other reasons given by the engineer did not prima-facie justifying the grant of extension, and this aspect to be critically reviewed. Reasons for non-submission of contract agreement within stipulated period to controller for scrutiny to be indicated and necessary action taken to liquidate the amount outstanding on account of overpayment/short or non-recovered from contractor to be indicated.
- ii. In r/o Para 21(a), (b),(C),(d): Reasons for extension of contract period to be given in support of the statement and analysis of statement to be enclosed.

10(a). With regard to outstanding over payments/short recoveries from contractors reported under Para 21(e) of the report, full details may please be furnished. Your TE Demands as intimated by M.O plus MES Advances outstanding as on 31/03/19 should tally with figures shown in column 7 of the statement. Action taken and recovery thereof in r/o

above outstanding demands may please be intimated. Age analysis to the statement to be enclosed and ensure that Arithmetic calculation are correct and opening balances to be tallied with closing balances of the last year and it is further seen that consequent on transfer in/out of the GE from the audit jurisdiction the outstanding amount has not been reflected/accounted for in the statement.

(b) While forwarding statement of Para 21(e), the outstanding amount against TE Demands and MES Advances may please be shown separately supported by a statement containing details of the cases duly intimating the present status of each case including Arbitration/ Court cases.

11. **Statement H Para 22(On quantitative systems of stores accounts)** – Reasons may be indicated wherein maintenance of accounts in MES Divisions/Engineer Parks is not found satisfactory and detailed wise cases to be shown in r/o Statement D-Para 21(a) to (d) Irregularities in Contract and all columns of.

12. **Para 23 –Statement ‘G’ “** Percentage may be worked out separately for SSR 2004 & 2010 and position regarding number of cases of SSR 2004 and 2010 to be intimated.

13. The following information may also be furnished in separate statements.

(a) Contract agreements not submitted for scrutiny to MO within the stipulated period but RARs paid inter-alia furnishing the number of RARs paid during the stipulated period before submission of CA and number of RARs paid beyond the date of submission of CA with your specific reasons on such payments.

(b) Cases where variation between allotment of funds and actual expenditure exceeds 15% and covering sanction of the CFA has not been accorded.

(c) It may please be ensured that specific reasons for grant of extension of time are obtained from the executive and reflected as such in the relevant statement for para 21(b). The executive may be advised not to give stereo type reasons such as circumstances beyond the control of the contractor etc.,

(d) It may please be ensured that Break-up/ case-wise details reasons in support of factual figures/ information reflected in the statements of report are invariably furnished as enclosures to the respective statements.

14. It may please be ensured that in respect of outstanding items continuously reflected in ARWES report for more than a year in the respective statements in respect of your unit/ formation requires to be supported by detailed reasons for long outstanding and the stage at which the case presently stands and remarks of action to be taken for its clearance.

15. **The following deficiencies were noticed while preparing consolidated report, which may please be ensured while rendering the report ::**

(a) Non-indication of efforts made to clear the outstanding amount under Para 17 (Loss Statement awaiting sanction), Para 19 (Outstanding Barrack Damages) and Para 21 (e) [Over payments/ short or non-recoveries from the contractors].

(b) Non-indication of action taken to liquidate outstanding licence fee and allied charges in Statement 'F' – Para 18. Year-wise break-up of the amount outstanding was not given on the statement. Concerted efforts may be made to minimize the amount outstanding.

(c) Please ensure that amounts indicated in the statements are rounded off to the nearest rupee.

16. Please ensure that all columns in the statements are completed with adequate date/ information in all respects as it was observed that some of the AO/AAOs GE have not submitted the statements/ furnished details while rendering ARWES Report. Incomplete statements will be viewed seriously.

17. **While forwarding the Report, the following aspects may be kept in view:**

(a) Each statement should be critically reviewed before submission with its analysis.

(b) Closing balances as shown in the Annual Review Report for the year 2017-18 must tally with the opening balances of 2018-19.

(c) In case the proforma does not pertain to your formation the same may be enclosed indicating NIL reports.

(d) Information may be called for from executive authorities wherever necessary and advance date may be fixed at your end so as to consolidate report.

(e) The cases which have already been pointed out by this stage for inclusion in ARWES Reports may be included without fail.

(f) It may also be ensured that the position of allotment of funds vis-a-vis expenditure is tallied with printed compilations & MERs up to March- Supplementary –I) 2019 (March Final).

(g) Abbreviation used in the report must be SUPPORTED WITH FULL FORM OF THE ABBREVIATION.

(h) Errors in Arithmetical calculation in the report/statements to be avoided.

18. It may strictly be ensured that the data furnished is duly supported with the documents/registers available at your end as any information regarding the report submitted should be furnished to this office as and when sought.

19. As No change in the reported figures would be accepted after the Report is rendered to HQrs Office, it is requested that UTMOST CARE MAY BE TAKEN WHILE RENDEREING SUCH AN IMPORTANT REPORT.

20. As the Annual review is collected only once in a year and there is no follow up Report during the year, it is requested that necessary follow up reports may be forwarded to Main office to update information specifically in regard to outstanding License Fee & Allied charges, Losses, Barrack damages etc and detailed follow up report in r/o major cases reported in Annual Review to apprise the HQ office about the action taken and outcome thereof. It is requested to strictly adhere to the above and necessary follow-ups reports at regular intervals to be submitted on Top priority.

21. The ARWES report for the year 2018-19 should reach this office by 10/05/2019 positively.

22. G.O.(E) has seen.

22. The receipt of this circular may please be acknowledged.



(B.Shailaja Rao)

Sr. Accounts Officer (E)

Copy to:

1. All AAOs BSO

2. SAO /AOs GE (Doing Revenue Work)

Proforma of statement 'F' Para-18 and statement under para 19 regarding outstanding licence fee and allied charges as on 30-06-19 (Bills) issued upto 28-02-19 and Barrack Damages respectively are forwarded herewith for necessary action. Please ensure that all columns in the proforma are duly completed with full details of year-wise breakup of outstanding amounts, the amounts irrecoverable, if any, and reasons thereof and steps taken and proposed to be taken for recovery of outstanding amounts are furnished through your RAO (MES) on or before **06.05.2019**.

3. RAO (MES),
Secunderabad.

4. RAO (MES)
Visakhapatnam

----- The reports submitted by the SAO / AOs GE doing revenue work may please be verified and reconciled with the report which are being submitted by your office to Internal Audit Section of this office and forwarded to 'E' Section by **06.05.2019**.

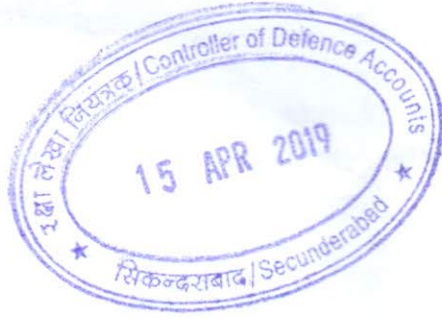


(B.Shailaja Rao)

Sr. Accounts Officer (E)

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16.04.19

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15/04/2019



IMPORTANT CIRCULAR
No. 18079/AT-X/ARWE/2018-19
Office of the CGDA,
Ulan Batar Road,
Palam, Delhi Cantt-10
Dated: 08th April 2019

To

**Shri Raja Reddy Yenumula, IDAS,
CDA Secunderabad**

Subject: Finalisation of Appropriation Accounts (Defence Services) - Review of Works Expenditure-2018-19.

It is stated that Draft material of Section IV- Review of Works Expenditure for the year 2018-19 is required to be submitted to MOD/DGADS by 3rd August 2019 for incorporation in Appropriation Accounts (Defence Services).

2. PCsDA/CsDA are therefore requested to arrange to furnish the various statements together with its supplementary details connected with the ARWE for the year 2018-19, so as to reach HQ office by 10th June 2019 positively for timely compilation/consolidation of the ARWE and onward submission to MOD/DGADS by due date as its non-adherence may lead to delay in placement of Appropriation Accounts in the Parliament. Details in respect of Para 18(Rent & Allied charges) may be submitted in 1st week of July 2019.

3. Notwithstanding the fact that PCsDA/CsDA have been requested in the past to go through the observations raised by this Hqrs. office on the reports submitted in the earlier years and ensure that the same are not repeated, it was observed that Reports for 2017-18 received from Controller's offices were not free from deficiencies. The short comings noticed are listed in the enclosed **Annexure 'A'**. It may therefore be ensured that such errors and omissions are avoided in the Report of the year 2018-19, to enable this HQrs office to finalize the Report within the stipulated time schedule.

4. The following points may also be kept in view while preparing the Report:-

- a) Each statement should be critically reviewed and analysed before submission and detailed comments/detail of cases should be furnished. Age wise analysis of the statements, wherever required, should be enclosed with the report.
- b) The figures shown in ARWE should be duly reconciled with compiled actual. The closing balance as shown in ARWE Report for the year 2017-18 must tally with the opening balance of ARWE Report of the year 2018-19.
- c) In Para 12 of the report, only Budget and expenditure under works Head (Minor Head / Sub Head as applicable) may be taken into account. Budget and Expenditure (under Revenue and Capital) on works of NCC, ECHS, RR and Joint Staff may also be included under the respective heads of account. The details of allotment and expenditure incurred on DGMAP works (Army, Navy and Air Force) should be given separately under Para 12 of the report.
- d) In Para 15 (A) Part I & 15 (B) Part II, detail of the cases in respect of amount shown outstanding against each category may be indicated in the report. Specific reason for delay in obtaining admin approval and action taken in this regard may also be indicated.
- e) In Para 16, complete details of all operational work (OP/Task No/Admin approval wise) carried out during the year with expenditure may be indicated in the report.
- f) In Para 17, Age wise analysis in respect of loss statement awaiting sanction may please be indicated interalia action taken for regularization of outstanding cases.
- g) Statement 'F' Para 18 should be furnished indicating the recoveries of Licence Fee, Rent & Allied charges in respect of Rent bills issued upto February 2019 and position of outstanding amount as on 30th June 2019. Action taken to liquidate outstanding Licence Fee and Allied charges, Year wise breakup of the amount outstanding and specific reasons for delay in clearance of outstanding amount under various categories should be indicated. The position of outstanding Licence Fee & allied charges reflected in the statement 'F' Para 18 of ARWE should be reconciled with statement 6A of AAC.
- h) Para 22 - Reasons may be indicated wherein maintenance of accounts in MES Divisions/Engineer Parks is not found satisfactory.
- i) Para 23-Statement 'G' - Percentage may be worked out separately for SSR 2004 & 2010.
- j) Abbreviation used in the report must be supported with full form of the abbreviation.

k) Errors in Arithmetical calculations in the report/statements may be avoided.

5. Since the information related to Annual Review is collected only once in a year and therefore, the necessary follow up reports may be called for from the AOs/AAOs GE to update information specifically in regard to outstanding Licence Fee & allied charges, Losses, Barrack damages etc. PCsDA/CsDA are requested to monitor the major cases reported in Annual Review and apprise the HQ Office about the action taken and outcome thereof.

6. It is requested that utmost care may be taken while rendering such an important report.

Jt. CGDA (P&W) has seen.

Please acknowledge receipt.

Ashish

(ASHISH YADAV)
Sr. ACGDA (AT-I)

ANNEXURE - "A"

1. **Para 13 (Part I and II)**

- i. All columns were not filled.
- ii. Specific reasons for variation for the actual expenditure over original allotment not given.
- iii. Details of Non Budgeted works costing Rs. 10 Lakh & above were not given.

2. **Para 14**

- i. Details of variation over 10% between original cost and actual final cost in r/o work costing Rs 25 lakhs and above and reasons for variation was not indicated.
- ii. All columns were not filled.

3. **Para 15 (A) Part I**

- i. Action taken to reduce the closing balance on account of want of Admin Approval & excess over Admin Approval were not indicated.
- ii. Contract wise details of the amount outstanding as on 31.03.2018 under each category not indicated.

4. **Para 15 (B) Part II**

- i. Detailed analysis of statement was not enclosed.
- ii. All columns were not filled.
- iii. Contract wise details of the amount outstanding as on 31.03.2018 under each category not indicated.

5. **Para 16**

- i. Executing Agency viz MES or Engineer Regt was not indicated.
- ii. Complete detail of each operational work with Allotment/expenditure carried out during 2017-18 was not given.

6. **Para 17**

- i. Efforts made to clear the outstanding amount were not indicated.
- ii. Age wise analysis was not shown.

7. **Para 18**

- i. Year wise breakup of the amount outstanding and action taken to liquidate outstanding Licence Fee and Allied Charges under various categories was not given.
- ii. Reasons for outstanding amount were not indicated.

8. **Para 19**

- i. Efforts made to clear the outstanding amount were not indicated.
- ii. Age wise analysis was not shown.
- iii. Reasons for the outstanding were not given.

09. **Para 20**

- i. Variation in total expenditure & totaling mistakes were noticed.
- ii. Percentage of expenditure for each quarter was not worked out correctly.

10. **Para 21(e)**

- i. Reasons for outstanding amount and action taken to liquidate the amount outstanding on account of overpayment/ short or non recovered from contractor were not indicated.

11. **Para 21 (a), (b), (c), (d)**

- i. Reasons for extension of contract period were not given in support of the statement.
- ii. Analysis of statement was not enclosed.

12. **Para 22**

- i. Various columns of the statement were left blank/did not fill up properly.
- ii. Reason for not carrying stock verification was not been mentioned.

13. **Para 23**

- i. Percentage was not worked out separately for SSR 2004 & 2010.

14. **Para 24**

- i. Detail of Deposit works under taken by MES were not given.

