



भारत सरकार Government of India

रेल मंत्रालय Ministry of Railways
रेलवे बोर्ड (Railway Board)

RBA No. 53/2017



No. 2017.APP/C&AG/Chapter 3/37/2015-16

New Delhi, Dated 02-05-2017

General Managers,
All Zonal Railways/PUs

Sub: Chapter 3 on Misclassifications and Mistakes in Accounting of C&AG's Report No. 37 of 2016 on Appropriation Accounts - 2015-16.

In Chapter 3 of the Comptroller and Auditor General's Report for the year ending 2016 (No. 37 of 2016), Audit has expressed serious concern at the repeat instances of misclassifications and mistakes in accounting and classification of expenditure and the shortcomings in the follow up corrective action. Audit has observed that in spite of instructions from Railway Board, the Zonal Railways are not following the due procedure envisaged in the Codes for rectification of errors pointed out in the course of certification of Appropriation Accounts. Certain remedial measures have been suggested by Audit in the report, which include the following:

- (i) Achieving effective coordination between Executive departments and Accounts to concurrently detect and rectify the mistakes before the close of financial year.
- (ii) Strengthening of internal check mechanisms to identify and address the thrust areas where misclassifications occur.
- (iii) The preparation of a compendium/checklist of the common mistakes/misclassification for guidance of staff to prevent its repetition.

With computerisation and reduced manual intervention, it is expected that instances of repeated misclassification should be minimized. Systemic interventions by way of strong internal check procedures in Executive and Accounts departments must be put in place to ensure correct classification of expenditure and earnings. Modifications may be effected in Computerized Systems, by Zonal Railways to weed out possibilities of misclassifications of repetitive nature. A compendium of common misclassifications would be needed to be drawn up to alert concerned officials and prevent misclassifications in future. Zonal Railways are advised to nominate a Committee of FA&CAO, CME/CEE, PCE and CCM and task them to review repeat cases of Misclassification in Expenditure and Mistakes in Accounts before the close of forthcoming cycle of Appropriation Accounts. The said Committee may also ensure time bound corrections where detected in the course of vetting of Appropriation Accounts by Audit. Responsibility at appropriate levels may be fixed in cases of repetitive misclassifications.

A feedback on action taken on lines above along with comments on para 3.3.3 to 3.1.2 of the above report may kindly be sent to Board's office latest by 19.05.2017.

Copy to: FA&CAO's of IR/PUs.

(Anjali Goyal)
Adviser (Accounts)
Railway Board

5/5/2017