

Government of India
Ministry of Railways
(Railway Board)

RBA No.39/2005

No.2005/AC-II/20/20

New Delhi, Dated 5/7/05.

FA&CAOs/FA&CAOs/C, *CLW/Chittaranjan*
All Zonal Railways/PUs etc.

Sub: Minutes of Dy.CAOs/G and Dy.CAOs/Const.'s Conference – May 2005.

...

Please find enclosed minutes of Dy.CAOs/G' and Dy.CAOs/Const.'s Conference held in Board's Office on 30/5/05 for information and necessary action. The action taken report thereon may kindly be sent within a month.

DA: As above.



(J. Srinivas)
Director Finance (CCA)
Railway Board

Copy to Dy.CAOs/G and Dy.CAOs/Const./All Zonal Railways/PUs etc.

Minutes of Dy.CAOs(G) & Dy.CAOs(Const)s' conference held on 30.5.05 in Board's Office.

A conference of Dy.CAOs of Zonal Railways, Production Units was held in Board's office on 30.5.05. A list of participants is at Ann.1. The minutes of the conference are as under:

1.0 Address by FC (Railways)

FC/Railways highlighted the following points:

- (i) Drawing attention to a spate of frauds committed on Delhi Division, FC highlighted the need for effective housekeeping. She stated that this is the result of failure of internal check machinery. FC desired Dy.CAOs/G to spearhead reforms. She stated that during 2005-06, reduction in arrears in housekeeping activities would be a parameter for evaluation of their performance. She emphasised on the need of Dy.CAOs/G to be effective, conduct inspections and review all activities. Performance of Railways for the efficiency shield would also, to a large measure, be gauged by achievements on housekeeping items.
- (ii) The irregularities pointed out by Audit and Accounts, noted in recovery registers have to be followed up. Many railways have failed to maintain recovery registers.
- (iii) PF maintenance should be fool-proof as Accounts are custodians. This should include review of unposted ledger accounts, unposted items, prompt transfer of PF balances apart from currency in reconciliation with general books.
- (iv) FC pointed out that pension masters are not available/updated on Railways and thus effective check of pension debit scrolls is not possible. She stressed upon updation of master data, which is also required for actuarial evaluation of pension liability. Dy.CAOs/G may concentrate on this area and also analyse the shortcomings in the system for taking corrective and remedial measures. Weak internal check mechanism encourages frauds .
- (v) Inspection of leave records is another important area to be focussed upon to ensure that these are properly maintained. This is particularly important as despite high incidence of absenteeism in certain categories like gangmen, encashment of leave salary is allowed in full.
- (vi) Half Yearly Arrear Reports shows arrears of 25-30 years in monthly and annual reconciliation of PF/suspense accounts, which is very serious and all out efforts are required to pull up these accounts in a time bound manner.
- (vii) Inspection of all Divisions should be carried out by Dy.CAOs/G at least once in a year to see that the reporting in the half yearly review of suspense balances and arrear reports is correct and all registers are properly maintained.
- (viii) Implementation of SDT applications would facilitate smooth housekeeping and help in detecting irregularities. Board has provided enough funds for computerisation to all Railways but the progress is not satisfactory. Most of the railways have not started tendering as yet, for implementing PRIME and AFRES.
- (ix) Checks on currency of posts, unsanctioned expenditure and other items should be ensured in accordance with codal provisions.

- (x) In view of the CVC's instructions efforts to cover all employees under payment of salaries through Banks, should be made.
- (xi) Dy.CAO/Gs need to perform their duties with sincerity and empathy towards staff matters.

2.0 Address by Additional Member (Finance)

- (i) AM/F stressed the need for giving adequate attention to Housekeeping Activities. There are heavy arrears in internal checks. Railways should pull up their arrears in a time bound manner and send action plan to Board's office. This would be a criterion for evaluation of all officers during the f.y.05-06.
- (ii) 100% implementation of New Pension System must be ensured. This must be monitored closely and information flow to CPAO ensured immediately. Failure in this regard would be viewed seriously.
- (iii) The issue of outstanding GRP dues is time and again being raised by MPs. Dy. CAOs/G may maintain close liaison with concerned State Police authorities in association with CSCs to sort out the disputed issues.
- (iv) Supply of service cards to officers every 5 years must be ensured taking care that the same are correctly posted.
- (v) MCDOs reveal that the number of field inspections being conducted is not satisfactory. Dy. CAOs should adhere to the fixed targets in this regard and do meaningful inspections. Field inspections and Accounts inspections reports should be issued timely and followed up with the concerned officials till logical conclusion thereof is reached.
- (vi) Railways should have close coordination with RVNL, in respect of RVNL works.
- (vii) Implementation of AFRES & PRIME needs to be done at top priority .

3.0 Address by Additional Member (Budget)

AM(B) stressed that Dy.CAO(G)s should not forget the importance of housekeeping and accounting functions due to their day to day occupation with administration and staff matters. The 'cobweb' cleaning required in items of arrears of work and suspense balances must be ensured every month after closing of accounts so that the tendency to let work slip into arrears and build large balances under suspense heads is arrested.

4.0 Inaugural Session:

4.1 Director Finance (Accounts)

DFA welcomed the participants to the Conference. He stated that the meeting has been called to highlight the importance of and review the position of the House keeping activities on the Railways which are under their charge but tend to get neglected due to more attention being paid to the financial position and administrative matters.

Executive Director/Accounts

- (i) EDA while welcoming the participants mentioned that the current status of housekeeping activities and internal checking mechanism is a cause of concern for Board and this conference has specially been called for to discuss the status and chalk out action plan to strengthen the system.
- (ii) He said that the position incorporated in the agenda is based on the two managerial information reports i.e., Half Yearly Arrear Reports and Half Yearly Review of Suspense Balances received from Railways, which serve as a barometer of the efficiency of our working.
- (iii) He mentioned that a lot of inefficiency and complacency has crept into the system due to which a large number of frauds like payment against fake PPOs, fraudulent refund of tickets, payment of salary to non-existent employees etc have occurred. The reason for these frauds could be attributed to the failure of our internal check machinery and non-compliance of codal provisions. Time and again, Accounts Directorate keeps issuing a number of instructions, but instead of strictly adhering to them, there is tendency to adopt shortcut methods.
- (iv) NR has an arrear of 24 years in PF reconciliation. On other Railways also, there are many items, which are over 5-25 years old. Dy. CAOs/G should play a proactive role in bringing down the arrears in a time bound manner.
- (v) Under Miscellaneous Advance, the advances are given to executives but accounts are not rendered. No fresh advance should normally be given until the accounts of earlier advances have been submitted to avoid likely misappropriation of funds.
- (vi) There are heavy arrears in reconciliation of Purchase Suspense accounts, especially debit items, meaning material not received for which advance payments have been made. The possibility of frauds cannot be ruled out if adequate checks are not exercised.
- (vii) Stock Adjustment Account should normally have zero balance at the year-end. A quarterly review needs to be done on all Railways in this regard. Zonal Railways may look into the position critically, from this stage itself; carry out periodical reviews and prevent items from accumulating at the end of the year.
- (viii) The position of missing returns is alarming. It is not understood how the Railways are finalising the accounts in the absence of balance sheets and other returns.
- (ix) Inspection of executive offices needs to be given a thrust, as basic records like leave accounts and pass accounts are not properly maintained in these offices.
- (x) Dy. CAOs/G being the hub of all house-keeping activities should advise the true state of affairs to FA&CAOs regularly and suggest areas of improvement.
- (xi) Railways need to use automation extensively to bridge the gap in targets. If need be, staff could be redeployed and manpower utilised optimally by Dy. CAO(G)s to pull up the arrears of work.
- (xii) The current year has been designated as the 'Year of Housekeeping'. Instructions are being issued to Zonal Railways to specify targets for clearance of arrears/internal check activities for individual officers and then measure their performance against these targets. Housekeeping activities need to be reactivated so that the name of Accounts Department is not tarnished.

- (xiii) He stated that in the Conference, the performance of each railway will be reviewed to analyse what has gone wrong and what action plan they propose to take, especially regarding post check of pension debits, Test check systems, implementation of New Pension Scheme, implementation of AFRES & PRIME and progress of salary payment through Banks.

5.0 Discussion on Housekeeping activities

5.1 Review of Half Yearly Arrear Reports

- (i) The position of arrears in monthly and annual PF reconciliation was reviewed and Railway advised to make a time bound action plan for clearance of these arrears. Action plan of Northern Railway to clear 24 years arrears on Moradabad Division by 2007 is not acceptable and needs to be revised. Action plan may be drawn up and sent to Board reducing the time frame. NCR proposed to reduce the arrears to 4 years on Allahabad Division by September 2005.
- (ii) Regarding arrears in Stock Verification mandays, EDA recommended that Railways may take assistance from neighbouring Railways and target for clearance of old stock sheets. The area needs special attention since a number of frauds originate due to laxity in verification of high value stores.
- (iii) Railways were advised to draw up action plan and targets for clearance of arrears in other items like Missing and late returns, recoverable dues and completion reports. The sum total of dues recoverable amounts to Rs 330 crores for Indian Railways which is locked up in items like water, electricity charges, plot rents and siding charges. Assistance of CCMs / COMs may be taken for recovery of these dues. The importance of drawal of completion reports was emphasised so that the cost of the work is finalised and productivity tests undertaken.
- (iv) Large number of pending audit references especially special letters need to be settled as these lead to Draft and Audit Paras. Arrears in posting of ledger accounts are not acceptable since this is a statutory responsibility.
- (v) EDA directed Railways to clear the arrears within a target time of 3 months. Head of Office will be responsible for compliance of this target. Railways may draw out an action plan and set monthly targets, which have to be scrupulously followed and watched at the end of every month, and a final report should be sent to Board at the end of 3 months. Railways may resort to suitable deployment of staff, if need be, to wipe out the arrears.

5.2 Review of Suspense Balances:

- (i) These heads are maintained to temporarily book the items, which cannot be booked to final head. These items needs to be reviewed periodically to ensure that these are current and contain sufficient details of the transactions so that these could be finalised. The review of Half Yearly Report reveals that old items ranging between 25-50 years are still lying under suspense. EDA advised that the oldest items need to be targeted for clearance specifically.

- (ii) The position under each suspense head was reviewed with Railways showing heavy and irregular balances. Railway like SWR, ECR who are not reporting the balances were directed to sort out the difficulties and start reporting in the next review.
- (iii) EDA set a target of 3 months for the Railways to clear the oldest item in the suspense accounts. Railway may take action accordingly and report compliance.

5.3 Check of pension debits:

- (i) As per extant provisions pension debit scroll of each pensioner must be checked at least once in a year. However, feedback called for from the Railways in this regard revealed that the same is not being carried out and there are heavy arrears in internal check of pension debit scrolls. Railways have already been addressed in this regard.
- (ii) Dy.CAOs/G may ensure that the extant provisions are followed scrupulously and a confirmation in this regard is sent immediately.
- (iii) EDA stated that detailed instructions have been issued on streamlining of procedure of issue of PPOs and internal checks. These instructions also envisaged putting in place a reconciliation mechanism between Personnel and accounts office, in respect of pension cases and issue of suitable JPOs for guidance of staff under advice to Board. Feedback on action taken is still awaited from almost all Railways.
- (iv) Dy.,CAOs/G may ensure that needful action is taken and a copy of JPO is sent to Board's Office immediately.

5.4 Payment of salary through ECS/Bank/Cheque:

- (i) It is seen that the percentage of coverage of Group C & D staff under this scheme is abysmally low on a number of railways. Dy.CAOs/G must monitor this closely. Railways may take the Federations into confidence to help implement the scheme successfully. However, cheques/DDs are not to be handed over to the employees as is being done by some of the Railways, as already directed by Board. Railways may liase with banks for augmentation of banking facilities and opening of accounts by staff so that their salary could be credited in bank accounts of staff directly, on the last day of the month.
- (ii) Dy.CAO/G/WCR suggested that Post Offices are willing to come forward for payment and can be successfully used for wayside stations and for field staff for whom access to banks is difficult. EDA said that this is a new idea and can be considered provided that it is agreeable to Postal department and staff side.
- (iii) There are a number of banks including private banks like ICICI and UTI and Railways should intensify their efforts to liase with them, for encouraging and motivating staff to open Bank accounts for taking salary by cheque.

5.5 New Pension Scheme:

- (i) Review of the status of implementation thereof has revealed that the system has not yet stabilized on Railways and none of the units of the Railways has so far been able to send the information relating to the number of new entrants to the NPS in the prescribed text format to CPAO, recoveries due and actually made towards employee

contributions. Further most of the Railways have arrears in recovering both employee and Government contribution.

- (ii) Some of the railways complained of frequent changes in the formats by CPAO. It was clarified that the requirement of CPAO are to be complied with by railways.
- (iii) Dy.CAOs/G may ensure that recoveries as due under the New Pension System are made timely and completely and information thereof is sent to Central Pension Accounting Office in desired format by scheduled dates every month. Railways have already been directed to make necessary arrangements in consultation with Sr.EDPMs for capturing the requisite data in stipulated format to facilitate submission thereof to Central Pension Accounting Office for this purpose. Railways may also depute concerned staff to CPAO office for clarification on doubts regarding the format prescribed for submission of information or any other issue related to New Pension System.
- (iv) Northern Railway is yet to give a feedback on status of implementation of NPS.
- (v) EDA mentioned that streamlining of the system is not only necessary to avoid legal implications but also critical for a smooth transition to the fully operational New Pension System, when a full-fledged Central Record Keeping Agency would take over from Central Pension Accounting Office.
- (vi) Dy.CAOs/G may look into the matter to review implementation of the New Pension System and the flow of information to the Central Pension Accounting Office and ensure strict compliance of Board's instructions on the subject. The arrears in recoveries may also be pulled up immediately.

5.6 Status of dues related to GRP

- (i) Instructions have been issued to Railways to closely monitor the position of dues payable to State Governments on account of deployment of GRP and submit monthly statement of outstanding dues every month for Board's information. However, S.W.Railway, W.C.Railway and SEC Railway are not sending their monthly position.
- (ii) It is seen that an amount of Rs. 130.28 crore is payable to various State Governments on this account as on 31-03-05. Dy.CAOs/G may ensure prompt clearance of GRP dues through constant liaison and periodical reconciliation with concerned State authorities.

5.7 Supply of Service Cards to Gazetted Officers

- (i) Dy.CAOs/G may ensure that the extant codal provisions on this subject are followed scrupulously.
- (ii) It must also be ensured that the service cards are posted correctly.

5.8 Field Inspection

- (i) Accounts inspection of Executive offices and field inspections by Accounts officers may be conducted regularly and reports pursued with concerned authorities to the logical conclusion thereof. Dy.CAO/G's must call for detailed reports of inspections carried by Dr.DAOs and put up the same to FA&CAOs.

5.9 RVNL Projects

- (i) Dy.CAOs/C may ensure that details of expenditure on RVNL projects are sent to RVNL on quarterly and annual basis in format already circulated to all Railways by RVNL.

5.10 Computerisation

- (i) The progress of implementation of AFRES/PRIME is rather slow on many railways.
- (ii) Dy.CAOs/G may take proactive action in implementation of AFRES & PRIME and ensure early completion of the project.
- (iii) PUs may also plan implementation of these applications.
- (iv) New zones may take up the matter of implementation of PMIS as per Board's directives with CPOs.

6.0 Conclusion

- (i) EDA desired that targets set may be complied with scrupulously.
- (ii) Dy.CAOs may ensure necessary action as per decision taken in the conference and send a compliance report within a month.

7.0. Vote of thanks

The meeting ended with vote of thanks by DFA.

List of Participants**Railway Board**

1. Smt. Vijaylakshmi Viswanathan, FC/Railways
2. Smt. Shobna Jain, AM(F)
3. Sh. Sudhir Mathur, EDA
4. Sh. A.K. Chaudhary, DF(S)-II
5. Sh. A.K. Vajpayee, Dir (Stat) CA
6. Sh. Dhruv Singh, DF(C)
7. Sh. Sanjay Lavania, DF(X)-I
8. Sh. Prashant Mishra, DF(S)I
9. Sh. Ajay Mathur, DF(A)
10. Sh. Anand Prakash, DF(B)
11. Smt. Shalini Darbari, DF(X)II
12. Sh. Sanjeev Jain, JD/MIS

Railways

1. Ms Rama Devi GV, Dy.FA&CAO/C, MTP/Mumbai
2. Ms. Uma Ranade, Dy.CAO/G, CR
3. Sh BK Mishra, Dy.CAO/G, ER
4. Sh. B Mitra, Dy.FA/C, ER
5. Ms Roopa Srinivasan, Dy.CAO/G, NR
6. Sh Ved Prakash, Dy.FA/C, NR
7. Sh H Narain, Dy.FA&CAO/Con, NER
8. Sh. Anur Kr.Singh, Dy.FA&CAO/G, NER
9. Sh. A.S. Hopingson, Dy.CAO/T, NFR
10. Sh. MJJ Jayaraj, Dy.FA/CN, SR
11. Ms Reena Ranjan, Dy.CAO/G, SR
12. Dr. SK Pandey, Dy.FA&CAO/G, SER
13. Sh. AK Singh, Dy.FA&CAO/F&B, SER
14. Sh. M. Jaiswal, Dy.CAO/G/WR
15. Sh. N. Biswas, Dy.FA&CAO/CMR,WR
16. Sh. Om Prakash, Dy.FA/CI, ECR
17. Sh AK Sinha, Dy.CAO/G/ECR
18. Sh PK Das, Dy.CAO/G, ECoR
19. Sh. KJJ Rao, Dy. FA(C)I, ECoR
20. Sh OP Yadav, Dy. FA&CAO(C), NWR
21. Sh. S. Srivastav, Dy.CAO/G, NWR
22. Sh. Arun Bijalwan, Dy.CAO/G, NCR
23. Sh. Ashok Kumar Nair, Dy.FA&CAO/(I) & (G)SWR
24. Ms PV Leela, Dy.FA/Con, SWR
25. Sh. R. Ananth, Dy.FA&CAO/WST, SECR
26. Sh MK Singh, Dy.CAO/G, WCR
27. Sh YK Srivastava, Dy.CAO/G, DLW
28. Ms. Kalyani, Dy.CAO/G, RWF
29. Sh. SK Halder, Dy.FA&CAO/F&B/CLW
30. Ms Usha Venugopal, Dy.FA&CAO/ICF
31. Sh. Hamim Ahmed, Dy.FA&CAO, CORE
32. Sh. PK Agarwal, DF/RDSO
33. Sh. C Hamza, Dy.FA&CAO, Metro Rly
34. Sh. Manjeet Suman, Dy.FA&CAO, DMW
35. Sh. Dawa Cherring, Dy.FA&CAO/RCF