

CITIZENS' CHARTER: LOCAL AUDIT OFFICE [ARMY]

The LAO is local representative of the PCDA at the station and working on their behalf. The Aim/purpose of this charter is to render efficient, correct and prompt internal audit and financial services leading to customer satisfaction. LAO is also committed to render efficient audit services and financial advice to ensure public accountability. This office strives to achieve excellence and professionalism in accounting and financial services and in performing audit functions.

Mission Statement: We strive to achieve excellence and professionalism in accounting and financial services and in performing audit functions.

Quality Policy: This office is committed to render efficient, correct and prompt accounting, payment and financial services leading to customer satisfaction. It is also committed to render efficient audit services to ensure public accountability.

2. The services delivered by this office are as follows;

Sl. no.	Group	Broad description of functions
1.	I & II	<p>Internal Audit by the Defence Accounts Department</p> <p>It is the duty of the Defence Accounts Department to conduct locally the internal check of the accounts, required to be prepared and maintained by the various Army unit/formations as may be prescribed for the purpose in the various books of Regulations and other Government orders issued from time to time for each unit/formation. This internal check is distinct from the statutory audit of these accounts and records conducted by the representatives of the Principal Director of Audit, Defence Services.</p> <p>The audit of store accounts is conducted by the LAO acting under the orders of the PCDA. Local audit is carried out by Auditors and Assistant Accounts Officer posted in the office of the LAO.</p> <p>Duties and responsibilities of LAO</p> <p>LAO to conduct an intelligent review of the audit work of his staff and to apply surprise test checks periodically. The L.A.O., will in all cases investigate the reasons for the non-linking of vouchers selected for test linking by the Local Audit staff. He will ensure that the non-linking of vouchers is not due to a defect in the accounting system of the unit.</p> <p>The L.A.O. will ensure that the AAO is carrying out his duties efficiently/effectively. He is required to take up all outstanding objections and points with the CO/OC of the unit or other officers concerned and will ensure the settlement of objections else will report to their higher authorities with a view to obtaining their assistance in settlement thereof.</p>

Review of orders and sanctions

LAO will examine all orders and sanctions affecting their work issued by the Govt of India and subordinate authorities, CGDA and PCDA's orders in order to ensure that they are correctly applied in audit.

Frequency of local audit

Accounts will be audited once in a half-year. The audit of all NCC units will be conducted on an annual basis without involving any reduction in the quantum of audit e.g., two months accounts in a year will be selected for detailed check.

Programme of Local Audit

A half-yearly programme of local audit for the unit/fmn under his area is prepared by the LAO indicating mandays, as authorised from time to time. The programme will provide for the completion within that half-year of the audit due to be carried out in the ensuing half-year. It is submitted to the PCDA for approval by the 20th of the second month of the preceding half-year. The mandays authorised/approved by the PCDA are to be adhered to by the LAO. A separate programme for review of store accounts and inspection of cash accounts of units by the LAO is also prepared and submitted to the PCDA.

The unit/formations concerned are informed sufficiently in advance for audit/review and inspection.

List of Auditable documents

Auditable list of all accounts and registers is required to be maintained by each unit/fmn to ensure that no accounts are omitted in audit. The list is to be amended from time to time.

Financial advice

During the review, LAO will carry out an intelligent review of the consumption of stores issued on as required basis in units and bring into the notice of the PCDA to enable him to further bring to the notice of the administrative authorities unnecessary or avoidable expenditure of public money or stores and to indicate to those authorities the directions in which economies can be effected.

LAO is required to watch that the maximum quantities prescribed in the Regulations are not drawn as a matter of course, which is drawn according to fixed scales.

Further, will ascertain reasons for the transfer of large quantities of stores between depots/units etc. He will satisfy himself that the transfers were really necessary. He will bring to notice, the cases of unnecessary expenditure of public money or stores and will point out ways and means of effecting economy.

The cases referred to the PCDA on this account, duly indicating financial effect, will be self-explanatory and contain all the relevant particulars so as to avoid un-necessary correspondence with the PCDA/Unit.

A register will be maintained by the LAO to record such items of financial advice and higher audit rendered to CO/OCs Units and the result thereof.

Local Audit Completion Report

The LAO will submit to the PCDA a monthly completion report showing: -

- (i) the name of the units whose accounts have been locally audited during the month,
- (ii) the dates of commencement and conclusion,
- (iii) the month's account locally audited,
- (iv) the dates of the dispatch of the objection statements and
- (v) the major financial and accounting irregularities.

The cases, where the audit of unit is in progress and has not been concluded during the month will be reported as "in progress".

The cases will also be brought to the notice of the PCDA immediately by a special reports in which;

- (a) the prescribed accounts are non-existent or missing or have not been produced;
- (b) the accounts maintained by a unit are in an unsatisfactory state; and
- (c) the procedure adopted in maintaining the accounts is not in conformity with that authorised in rules or standing orders.

Important Financial Irregularities

LAO will report the individual cases of serious irregularities detected in audit to the PCDA on the prescribed format.

MFAI Reports

The LAO will prepare and submit to the PCDA a quarterly report on the Major Financial and Accounting Irregularities (MFAI).

Annual Audit Certificate

LAO will prepare and submit the Annual Audit Certificate to the PCDA so as to reach his office by the 25th July each year on the prescribed format/latest orders.

Appropriation Accounts

The LAO will maintain record of losses of stores in a register of losses, [I.A.F (C.D.A.) 341]. All losses in supply and store depots and those in consuming units (which have actually been written off by the competent financial authority) appearing in the accounts covered by audit will be noted by the local audit staff in this register.

Similar records will also be maintained by the LAO for losses of cash in respect of cases coming within the purview of his audit in a register in I.A.F. (CDA) 182.

		<p>In the case of store losses (1) exceeding Rs.75,000 in each case due to theft, fraud or neglect, and (2) exceeding Rs.2, 00,000 in each case due to other causes, and in the case of cash losses (1) exceeding Rs.25,000 in each case due to theft, fraud or neglect and (2) exceeding Rs.50,000 in each case due to other causes, the following. Information will be collected from the parties concerned and recorded in the register.</p> <p>Reports and Returns</p> <p>LAO is required to render all Reports & Returns i.e. Monthly/Quarterly/Half-Yearly and Yearly to the PCDA on stipulated dates.</p> <p>Conduct an Audit Conclave</p> <p>The LAOs will conduct an Audit Conclave on Qtr. Basis for settlement of old o/s objection raised during Local Audit</p>
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3. Our aim is to achieve the following service delivery/quality parameters;

Sl. No.	Nature of Services	Process involved	Documents Required	Time from	Name and contact numbers of the dealing officers
1.	Settlement of Audit/Cash Insp objections.	Replies received from the Units verified by auditor and submitted to LAO through AAO for settlement of the objections.	Connected documents, as per nature of objection, required for verification. If any recovery involved then MRO's are required for settlement of audit objection.	Day to day Basis	Concerned LAO
2.	Test Audit objections. (LTAR, LTAN)	Replies initiated by units are scrutinised and documents verified, wherever required, and forwarded to Pr. Director Test Audit (Defence Services, CHD), for settlement, duly recommend or otherwise.	Document required as per nature of the objections.	Two or Three days	Concerned LAO
3.	Loss Statements	Documents of loss statements are i) scrutinised by this office and pricing of the loss statement checked, ii) Rendering of pre-audit report/final audit report (in case the CFA is Bde/sub area cdr).	Six folders of loss statement, dully controlled, one folder in original is necessary, court of inquiry, wherever required alongwith categorisation by the competent authority whether the loss is due to/not due to theft, fraud or gross neglect with recommendations of the penultimate CFA.	Within One week	Concerned LAO

4.	Pricing of Clothing Cards of Pensioners/ Service Personal.	Recovery statement of Clothing items showing residual life received in this office from the units for verification/pricing check. Submitted to AAO by the Sr Auditor/Auditor, dully price checked alongwith CRV of salvage items of the clothing. ii) MROs are placed in PNV file for further verification during next audit.	Clothing Card with calculation sheets, DO Pt II Office Order/Record Office letter of person out and clothing Card Manuscript Register.	Day to day basis	Concerned LAO
5.	Audit of Service Books. 1) MES (IP) & Basic staff. 2) MH 3) Supply Depot 4) ARO/ 2RO 5) MCO 6) SHO 7) Station HQ Jaipur 8) 706 Tpt Coy. 9) 61 Cavalry 10) NCC Dte Jaipur 11) DEO Jaipur 12) SWC command 13) Station worksh - op jaipur 14) Pr. DDE jaipur	As per orders on the subject the Service Books of a unit/fmn are audited by this office in a cycle of four years i.e. 25% service books of a unit/fmn are to be audited during the year. ii) The service book of the indl is audited on priority-basis who becomes due for retirement in the ensuing six-months.	Complete service book alongwith connected documents i.e. DO Pt II Office Orders showing all causalities e.g. appointment letter, police verification, medical certificate issued by CMO concerned, document in support of Date of Birth, leave, service verification, PIC, promotions, pay fixation etc.	One week in the case of superannuation.	Concerned LAO

4. Grievance Redress System;

Courteous and helpful service will be extended by all the staff. If you have any grievance to make in the delivery of above standards you are welcome to register your grievance with the following officer.

Name & Designations of the officer	Address for correspondence	Telephone no./FAX/e-mail
IDAS, Group Officer	PCDA (SWC), Khatipura road, Jaipur (Rajasthan)	Phone No. 0141-2388476 Fax No. 0141-2388463 E-Mail

5. Consultations with our users/stakeholders/clients:- We welcome suggestions from our users.