

**CONTROLLER OF DEFENCE ACCOUNTS, UDAYAN VIHAR,
NARANGI, GUWAHATI – 781171**

FAX : 0361-2640204

e-mail ; cda_guw@hub.nic.in

Ph No.0361-2640394, 2641142

IMPORTANT CIRCULAR

No. IA/I/02/Circular/Vol-V

Dated 22nd Jan' 2016

To

1. All Section of M.O. Guwahati
2. All LAO's
3. All AO's GE/AGE(I)

(Through CDA Guwahati website)

Subject : Review of inherent Financial Powers delegated to CFA.
Reference : HQr. Office Circular No. AT/Vii/7279/Audit Objections dated 12/01/2016.

It has been observed by the HQr. Office CGDA that CFAs are not following the provision of the inherent Financial Powers vested in DPM/DFPDS, resulting of there have been routinely resorting to splitting of sanctions to bring procurement under the inherent financial powers vested, escaping route in obtaining concurrence by the PIFA/IFA of the following findings:


- a) Sanction for similar/same items having common supplier base have been split to bring cases under inherent powers of CFAs and to avoid tendering process.
- b) Supply Orders have been placed under inherent powers of CFAs without consulting IFAs.
- c) Direct order have been placed without any competitive tendering process.
- d) Supply Orders have been placed at exorbitantly high rates which lead to loss to public exchequer.

The HQr. CGDA Office issued a serious note on the subject and wants audit offices to ensure efficiency, economy, transparency in matters relating to public procurement and fair treatment of suppliers and promotion of competition in public procurement, by instituting effective control mechanism to obviate irregularities in future.

In view of the above, the Competent Authority has advised all the concerned audit entities to observe critically and intimate such nature of irregularity/shortcomings noticed during audit/Authorizing payment to **IA-Section, M.O. Guwahati** for information of HQr. Office.

Please acknowledge receipt.

GO (IA) has seen.


(CHAYAN DAS)
Sr. AO (IA)

CIRCULAR

No. AT/VII/7279/ Audit Objections

Dated: 12.01.2016

To,

The CDA
Guwahati

Sub: Review of inherent Financial Powers delegated to CFA.

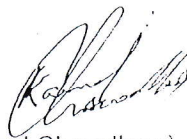
In a sample study done by the O/o CGDA, wherein the sanctions issued by the CFAs in the last quarter of 2014-2015 were audited by the PCsDA/CsDA, the following were the main findings;

- a) Sanctions for similar/same items having common supplier base have been split to bring cases under inherent powers of CFAs and to avoid tendering process.
- b) Supply Orders have been placed under inherent powers of CFAs without consulting IFAs.
- c) Direct orders have been placed without any competitive tendering process.
- d) Supply orders have been placed at exorbitantly high rates which lead to loss to public exchequer.

2. CFAs are not following the provisions contained in DPM, and have been routinely resorting to splitting of sanctions, thus bringing a procurement action under the inherent financial power vested with them. They subsume the powers which in a sense is actually not vested with them without the involvement and consultation with the IFA. This frequent splitting of the procurement activity is observed as the escape route to avoid the concurrence by the PIFA/IFA.

3. The provisions of the DPM, i.e. to ensure efficiency, economy, transparency in matters relating to public procurement and fair treatment of suppliers and promotion of competition in public procurement are found to be ignored. In view of above, it is requested to take note of the above cited findings in audit and institute effective control mechanism to obviate irregularities of such nature.

Please acknowledge receipt.


(Kamal Chowdhery)
Jt. CGDA (IA)