

INDIAN COUNCIL OF AGRICULTURAL RESEARCH (ICAR)



**MINUTES OF THE REVIEW INTERACTIVE MEET OF AS&FA,
DARE/ICAR WITH THE FINANCE HEADS OF ICAR INSTITUTES OF
SOUTH ZONE**

VENUE: CMFRI, KOCHI

DATE: SEPTEMBER 23rd, 2016

TIME: 1000 HRS

**INDIAN COUNCIL OF AGRICULTURAL RESEARCH
KRISHI BHAVAN: NEW DELHI**

F. No. 22/26/2012/CDN (A&A)

Dated the 26th September 2016

**MINUTES OF THE REVIEW INTERACTIVE MEET OF THE AS&FA, DARE/ICAR
WITH FINANCE OFFICERS OF ICAR INSTITUTES OF SOUTH ZONE HELD ON 23rd
SEPTEMBER 2016 AT 10.00 A.M. AT CMFRI, KOCHI.**

The 3rd Interactive meeting of the AS&FA, DARE/ICAR with the Finance Heads of ICAR units of South Zone was held as per schedule at CMFRI, Kochi, on 23rd September 2016. At the outset Dr. A. Gopalkrishnan, Director, CMFRI, Kochi welcomed the dignitaries from ICAR Headquarters and also the participants from various institutes located in South India, attending the South Zone 3rd Interactive Meeting.

AGENDA: I: OPENING REMARKS BY THE AS&FA, DARE/ICAR

In his opening remarks the AS&FA, DARE/ICAR observed that finance constitutes an important aspect of every organization and financial discipline is important for every organization which can be achieved through transparency. The financial transaction, including procurement, must be carried out in a transparent manner adhering to rules including General Financial Rules so that tax payers' money is judiciously utilized. The AS&FA, DARE/ICAR observed that it is normally believed that in a scientific organization such as the ICAR the financial rules needs to be applied liberally and the public authority should have certain discretion in exercise of these financial powers unless there is no malafide. This is not a correct approach- he stated. The Executive Authority that delegates financial powers are also competent to not only frame but to also amend and enhance the financial powers. There is no bar on the executive to review and reframe rules and or delegate/enhance financial powers. But once such rules have been framed it must be adhered to in totality and there must not be any scope for discretion thereafter.

The AS&FA, DARE/ICAR also dwelled in brief about the proposed changes in the budgetary processes from next financial year onwards where the endeavour has been to chalk out realistic targets and to also ensure allocation of funds commensurate with these targets so that the targets are achieved in full and the scheme does not suffer from lack of finances due to mismatch between the recommendations of the Planning Commission and allocation of funds actually made by the Finance Commission.

The AS&FA, DARE/ICAR also informed the House that the Ministry of Finance has sought certain information related to Seventh Pay Commission liabilities which is required to be submitted to the MoF on priority.

The AS&FA, DARE/ICAR also stressed upon the role of Finance and Administrative Heads of ICAR institutions who, he observed, are required to guide their Director in the matter of decision making so that objectives of an organization is met within the framework of rules. He observed that rule do not come in way of scientific organization and the Indian Business Manual which is one of the most simplistic documents ensures business transaction in the most transparent manner. The F&A.O. and the A.O. must advice their Director appropriately and

become agent of change rather than an impediment. He expressed the need for continuous monitoring of advances, audit paras and items lying pending in the Bank Reconciliation statement in order to enforce financial discipline in the institution. He expressed his satisfaction over the fact that there have been no PAC paras as of now in ICAR, which is indeed appreciable.

The AS&FA, DARE/ICAR thereafter asked Director (Finance) to take up agenda items for discussion.

Director (Finance) in his brief remark observed that the series of Interactive Meetings are indicative of the concern of the AS&FA, DARE/ICAR to enforce financial discipline in ICAR institutions and reflects on his financial commitment and emphasis on sound financial management. He observed that the AS&FA, DARE/ICAR has been the guiding force behind us and his commitment has invigorated the whole system which has risen to the occasion to improve the financial discipline in ICAR.

Director (Finance) thereafter took up the agenda items for discussion.

AGENDA: II: ACTION TAKEN NOTE ON SOUTH ZONE INTERACTIVE MEET HELD AT NAARM, HYDERABAD ON 25TH APRIL 2016.

The Action Taken Note (ATN) was discussed and adopted.

AGENDA: III: PROGRESS IN SETTLEMENT OF OUTSTANDING AUDIT PARAS AND PRESENT STATUS

During review it emerged that institutions such as CTRI Rajahmundry, CTCRI Thiruvananthapuram, achieved 100% success in settling their audit paras. The Finance officer of NIVEDI, Bengaluru informed that all the 5 paras have been settled and a communication to this effect has been received in institute only a couple of days back. Likewise Finance Officer of CRIDA, Hyderabad informed that 14 out of the 18 audit paras have been settled as informed by the audit office just yesterday. This was appreciated by the AS&FA, DARE/ICAR who directed that a letter of appreciation be issued to the Director of these institutions on their achievement with the able support of the Administrative and Finance Heads of their institution. The performance of other institutions such as CIFT, Kochi (86.67%), IISR, Kozhikode (78.95%), NRC-Banana Trichy (75%) was also considered appreciable. The AS&FA, DARE/ICAR expressed his displeasure at the performance of IIRR, Hyderabad (24 out of 27 paras remaining outstanding) and IIOR, Hyderabad (all 9 paras remaining outstanding).

Director (Finance) observed that as advised in the previous Interactive Meeting, the institute must constitute a Committee of the Director, A.O. and F. & A.O. of the institute for regular review of outstanding audit paras.

After discussion the following action points emerged:

1. It was decided to call the Director of IIRR, Hyderabad and IIOR, Hyderabad along with Administrative officer and the Finance Officer of these institutes to discuss the reasons for non-settlement of audit paras and take appropriate action for their settlement.

-Action: Deputy Director (Finance-I).

2. During discussion it emerged that a number of audit paras pertained to negative balances of the closed A.P. Cess Projects. Director (Finance) emphasized that settlement of accounts of the closed A.P. Cess Projects needs to be taken up in mission mode and institutes must settle the account by next quarter and submit reply to audit office informing of the compliance.

-Action: Director of ICAR institutes.

After discussion it was observed that the achievement in settlement of audit paras was quite satisfactory. Of the 188 audit paras reported in the last meeting, 90 paras were settled in the intervening period and reported in the present Interactive Meeting. The achievement is approximately 48%. 49 audit paras were added during the intervening period and as on date the number of paras remaining unsettled in South Zone stands at 147.

AGENDA: IV: PROGRESS IN SETTLEMENT OF OUTSTANDING ADVANCES AND THEIR PRESENT STATUS.

The position of outstanding advances and efforts made by various institutes to settle these was reviewed. The achievement of CTRI Rajahmundry (100%), IIOR Hyderabad (100%), ATARI Bengaluru (100%), NIANP Bengaluru (98.39%), IIRR Hyderabad (92.75%), Directorate of Poultry Research Hyderabad (86.60%) SBI Coimbatore (82.73%), NRC-Banana Trichy (70.12%) was considered appreciable. The AS&FA, DARE/ICAR directed that a letter of appreciation should go to these institutes for the effort made by them in settling advances. Other institutes were directed to improve upon their performance. Director (Finance) observed that the Committee constituted at institute to monitor and settle audit paras may also review the pending advances as well as pending BR items as a continuous practice and identify bottlenecks and overcome these to settle the advances.

After thorough discussion following action point emerged:

1. It was observed that the performance of CPCRI, Kasargod was poor on all account including settlement of audit paras (no paras settled out of the 13 outstanding), outstanding advances (30.34%) and Items remaining pending Bank Reconciliation Statement for over three months (Rs. 70.69 lakhs as per July statement). It was decided that Sri. A. V. Joseph, Chief Finance & Accounts Officer, CMFRI, Kochi would visit CPCRI, Kasargod and suggest measures to be taken for their settlement and submit a report on the progress made to Council.

-Action: Sri. A. V. Joseph, C. F. &A.O., CMFRI, Kochi.

2. With regard to the amount of Rs. 30.00 lakhs remaining unadjusted against "Other Departments" at NRC-Meat, Hyderabad, the AS&FA, DARE/ICAR directed to get a report from the Director of the institute on the matter giving complete case history and present position.

-Action: Director, NRC- Meat, Hyderabad/ Deputy Director (Finance-I)

3. Directors of the ICAR institutes which have relatively higher pendency against CPWD were advised to take up the matter with the CPWD and approach the higher authorities to get these settled. If they still find it difficult to settle advances against CPWD, they may report the matter to Council for further needful at Council. – **Action Directors of all ICAR institutes.**

AGENDA: V: BANK RECONCILIATION RELATED ISSUES.

The performance of CTRI Rajahmundry, IIRR Hyderabad, SBI Coimbatore, CIBA Chennai, NRC-Banana Trichy, Directorate of Cashew Research Puttur, NIVEDI Bengaluru, Directorate of Poultry Research Hyderabad, CRIDA Hyderabad, ATARI Hyderabad and ATARI Bengaluru, which reported 100% achievement with no items remaining pending in the Bank Reconciliation Statement was appreciated.

Performance of CIFT, Kochi (Rs. 3.11 Crores), CPCRI, Kasargod (70.69 lakhs), IIHR, Bengaluru (Rs. 58.42 lakhs), IIMR, Hyderabad (Rs. 15.62 lakhs), and NIANP, Bengaluru (Rs. 5.99 lakhs) was considered poor on this account.

The AS&FA, DARE/ICAR expressed his displeasure at these non-performing institutes and directed these institutes to take all possible steps to reconcile pending items and report matter to Council at an earliest.

AGENDA: VI: ISSUES IN IMPLEMENTATION OF FMS-MIS.

No issue related to implementation of FMS-MIS was raised by participants during the Review Interactive Meeting.

AGENDA: VII: BUDGET, RELEASE OF FUNDS AND UTILIZATION OF FUNDS.

Before carrying out review of Plan expenditure, the ADG (PIM) informed the participants of certain changes likely to be introduced from next financial year. These include merger of Plan and Non-Plan funds and preparation of output/outcome budget. He informed that budget would be received under two heads only- namely Revenue and Capital. He further informed that block grant will be released to institutes which will be required to utilize it as per the priority defined by it which may be salary, followed by pension, committed expenditures, and lastly capital expenses.

The review of expenditure was thereafter taken up. The Non-Plan expenditure was found satisfactory. Review of Plan expenditure revealed that utilization of Plan funds as reported by various units of ICAR was found satisfactory in IIMR Hyderabad (101.58%), CTCRI Thiruvananthapuram (100.28%), IISR Kozhikode (116.31%), NRC-Banana Trichy (107.74%), IIOPR Pedavegi (83.81%), ATARI Hyderabad (89.05%) and ATARI Bengaluru (90.24%). During review the Finance Officers of institutes such as NIVEDI, Bengaluru, CRIDA, Hyderabad, CIBA, Chennai, and CTRI, Rajahmundry assured of utilization of the total releases made till date to their institute. However, there was a likely savings at IIOR, Hyderabad, NRC-Meat, Hyderabad, Directorate of Poultry Research, Hyderabad, and CIFT, Kochi.

After thorough discussion following action point emerged:

1. It was decided that the Revised Estimates in respect to the ICAR institutes which fail to utilize at least 70% of the total releases made to it by September will be reduced and the available funds will be distributed to other such units that have reported higher utilization by September 2016. For this purpose the total expenditure reported by various units up to September 2016 would be complied in the first week of October 2016. -Action ADG (PIM).

2. During discussion it emerged that large chunk of Plan funds are utilized for “Civil Works” which do not directly lead to research. AS&FA, DARE/ICAR desired information may be compiled on the percentage amount of Plan funds that is utilized for “Civil Works” vis-à-vis the total allocation.
-Action ADG (PIM).
3. Finance Officer of NBAIR, Bengaluru where the Plan Scheme “Honey Bee Research & Training” is in operation was directed to report expenditure since funds was released to NBAIR. Presently, the utilization was shown as 0%.
-Action, F. &A.O., NBAIR, Bengaluru.

AGENDA: VIII: ISSUES RELATED TO PENSION AND RETIREMENT BENEFITS INCLUDING NEW PENSION SCHEME

No issue related to pension and other retirement benefits came up for discussion.

AGENDA: IX: INTERNAL FINANCE RELATED ISSUES: DIFFERENCE OF OPINION BETWEEN DIRECTOR OF INSTITUTE AND THE FINANCE HEAD

Institutes having not submitted the half-yearly report on “Difference of opinion” for the six month ending June 2016 were directed to submit it at an earliest.

AGENDA: X: ANY OTHER ISSUE WITH THE PERMISSION OF THE CHAIR.

After discussion on Agenda item was over, the AS&FA, DARE/ICAR invited any query from participants. The following issues were discussed:

1. A number of institutes raised the issue of reduced competition in e-procurement and it was informed that often only one technically qualified bid is received. The AS&FA, DARE/ICAR observed that decision can be taken on single technically qualified bid as well. Such cases may be referred to Council as per instructions already issued for a decision by a higher authority.
2. F. &A.O., CIBA, Chennai sought to know whether ICAR is liable for tax deduction at source in respect to the Consultancy project received by it. AS&FA, DARE/ICAR clarified that ICAR is not exempted from paying income tax on consultancy earned by it and hence the tax may be deducted at source by the funding agency at the applicable rates.
3. In response to a query from Directorate of Poultry Research, Hyderabad, it was clarified that against the estimate submitted by the CPWD for civil works, 33.33% should be released initially for the civil works and thereafter the release to CPWD may be made to the extent of expenditure reported by it.
4. AS&FA, DARE/ICAR also clarified that procurement on nomination basis is permissible only in case of proprietary item and therefore this must be avoided in regular cases.

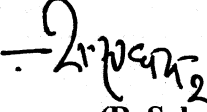
Procurement on nomination basis is not permissible even if the procurement is proposed through PSUs.

5. AS&FA, DARE/ICAR expressed his concern at the fact raised by some of the institutes that payment is held up due to administrative formalities. He observed that release of payments to firm which completes its obligation of supply and prefers bill, shouldn't take much time. He observed that not more than two working days each should be required to clear a bill at the level of indenter, stores, DDO and finance respectively and the whole process must not take more than 15 working days at the most. Moreover, when the institute charges "Liquidity Damages" from the firms for delayed supply, the supplier is also entitled to "Reverse Liquidity Damages" for delayed release of payment. AS&FA, DAR/ICAR directed that necessary guidelines on the subject may be developed at Council Hqrs. **-Action Dir. (Fin).**
6. A number of units were represented by Scientists in absence of a regular incumbent. Some of such institutes were IIHR Bengaluru, NIANP Bengaluru, CIBA Chennai. AS&FA, DARE/ICAR assured that officer will be posted to these institutes shortly.
7. Finance & Accounts Officer, IIMR, Hyderabad raised the issue of pay parity of JAO and AF&A.O. He was informed that the matter has already been taken up at the appropriate forum at the Council.

CONCLUDING REMARKS OF AS&FA, DARE/ICAR

In his brief concluding remarks the AS&FA, DARE/ICAR asked the Finance Officer to function diligently and in a transparent manner. They must endeavor to enforce financial discipline in their respective institutions. He nevertheless also cautioned them that they must not become confrontationist but should put across their view in a polite manner and must not delay things. They must perform efficiently and effectively to ensure that the objectives of the institutions are met and at the same time rules and regulations are also followed in letter and spirit. Lastly, the AS&FA, DARE/ICAR observed that the performance of South Zone institutes was better than other zones for which he appreciated the officers for the effort made by them and also exhorted them to perform better to achieve better results.

The meeting ended with the vote of thanks to the Chair.


(R. Sahay)
26/09/2016
Sr. F. &A.O.

Distribution:

1. Assistant/Senior/Finance & Accounts Officer of participating Units.
2. Director, ICAR Institutes of participating ICAR Units.
3. Deputy Director (Finance) I/II, ICAR Hqrs.
4. Sr. F. &A.O. I/II/III, ICAR Hqrs.
5. F&A.O. I/II/III/IV/V/VI, ICAR Hqrs.
6. HOD/PI-FMS-MIS, IASRI, New Delhi.
7. PPS to AS&FA, DARE/ICAR.
8. PA to Director (Finance)/ ADG (PIM), ICAR.
9. Media Unit, Krishi Bhavan, New Delhi.