

**Record Note of Discussions on the Agenda Meeting
held on 23.11.2016 at 03.00 PM by the Deputy Comptroller and Auditor General with
the office bearers of the National Audit Federation**

1. An agenda meeting was held by the Deputy Comptroller and Auditor General with the office bearers of National Audit Federation on 23.11.2016 at 03.00 PM in Room No. 510. List of the participants, who attended the meeting, is at Annexure A.
2. At the outset, the Deputy Comptroller and Auditor General welcomed the representatives of the National Audit Federation and hoped that the ensuing deliberations would be fruitful and constructive.
3. Discussions commenced thereafter on the agenda items.

ANNEXURE-A

LIST OF THE PARTICIPANTS WHO ATTENDED THE MEETING HELD BY THE DEPUTY COMPTROLLER AND AUDITOR GENERAL WITH THE OFFICE BEARERS OF THE NATIONAL AUDIT FEDERATION ON 23.11.2016 AT 03.00 PM

Dr. P. Mukherjee	Deputy Comptroller and Auditor General
Shri S. R. Dhall	Director General (Exam.)
Shri Khalid Bin Jamal	Principal Director (Staff)
Shri Ranjit Singh	Asstt. Comptroller & Auditor General (N)
Shri Subhan Ullah	Sr. Administrative Officer (JCM)
Shri Amal Kumar Das	President (of the Federation)
Shri Ravi Shankar	Vice President (of the Federation)
Shri L. S. Sujith Kumar	Secretary General (of the Federation)
Shri N. Shiva Kumar	Additional Secretary General (of the Federation)
Shri Ajay Deep Gulati	Assistant Secretary General (of the Federation)

Demand No. 1.: Cadre restructuring – Comprehensive Cadre restructuring shall be done in IA&AD:-

- i. Allow time bound promotion for AAOs on completion of 6 years service.**
- ii. Increase promotional avenues for Group B officers.**

Explanation:

The most recent Cadre Restructuring in Group 'B', 'C' & 'D' cadres conducted in IA&AD was during 1984-87. Since then the workload has increased manifold, but instead of increasing the men in position in the department it decreased by one third. While stagnation in the Group 'B' cadre has increased many times, Group 'C' cadre suffer shortage of staff. Most of the offices are suffering from shortage of staff from MTS to AAO cadre. This has affected the quality of the work as well as the functioning of the field offices.

National Audit federation has been repeatedly demanding for the cadre restructuring in IA&AD since 2006. We had also demanded for the recruitment in vacant posts. Responding to our genuine demands the CAG has directed to conduct a comprehensive cadre review of Group 'B' and 'C' cadres in the year 2008. Also started recruitment in vacant posts from 2011-12.

Restoration of recruitment in lower cadres, creation of non IA&AS Group 'A' service cadre/Audit Manager, recruitment in Senior Auditor/Senior Accountant cadre etc. were some of the proposals that came out of the comprehensive study conducted by CAG. But, till now the cadre review in IA&AD has not progressed.

During the last seven years, major departments under the Government of India viz. Central Secretariat Services, Central Board of Direct Taxes, Central Board of Excise & Customs, Indian Railways etc. have restructured their cadres more than once. Those cadre restructurings have resulted in upgradation of their cadres, creation of thousands of posts and quickening of promotional avenues to the officers and staff in the respective departments.

In the recommendations of the Seventh Pay Commission, it was observed that "SAOs are the feeder cadre for induction into IA&AS. It is also noticed that both SAOs and the entry level pay of IA&AS is GP 5400(PB-3). There is no scope therefore for enhancing the pay scales of AAO/AO and SAO, which are feeder cadres for AO/SAO and IA&AS, respectively. In this backdrop, the commission recommends replacement pay levels for AAOs, AOs and SAOs".

The Sixth CPC has also observed that "the post of SAO constitutes a feeder cadre for induction into IA&AS. The entry grade for IA&AS is presently `8000-13500 which is

identical to the scale of SAOs. Upgrading their pay scale any further will place them in a higher level than the entry grade of IA&AS which is a promotion post. This will be anomalous. The existing pay scale of SAO will, therefore, need to be maintained”.

Recently, CAG has proposed to increase the quota for promotion to the cadre of IA&AS to 50 per cent instead of 33 ¹/₃. This is certainly a welcome move from the CAG but will not neutralize the stagnation in AAO/AO/SAO cadre. Hence **we request for a comprehensive cadre restructuring of the department. We also request to create separate promotion channel (Non-IA&AS) for AO/SAO in order to neutralize the stagnation in the department. We strongly believe that a comprehensive cadre restructuring only can solve most of the cadre wise issues in the department.**

The official response to the demand:

*Recruitment across cadres is being done since 2013. Recruitment to AAOs cadre is being undertaken by the SSC through CGLE-2016. A requisition of 1000 dossiers has been placed with the SSC. Since 2013, **60** Junior Hindi Translators, **2863** Auditors, **866** Accountant, **1426** Data Entry Operators and **97** Stenographers have joined.*

Regarding cadre restructuring, DAI advised the Federation to submit a comprehensive proposal which can be examined in due course along with the views of all Associations.

*Proposal for **approval of RR** to the post of Audit Manager has been sent to the Ministry of Finance. Matter is being pursued with Ministry of Finance. A reminder D.O. to Joint Secretary (P), Ministry of Finance has been issued vide dated 25.11.2016.*

Demand No.2: Review of Sector wise Reorganization of Audit Offices.

Explanation:

Sector wise re-organization of Audit offices under IA&AD was implemented w.e.f. 01-04-2012. It is noticed that the List of Major and Minor Heads (LMMH), which classifies various departments under each Sector, was not strictly followed during implementation. The sector wise re-organization in field offices witnessed tug-of-war between the Accountant's General transmitting the momentum to the employees upto the lower level. If in some offices sharing of resources, premises and personnel were major issues, some other offices faced issues relating to sharing of departments (auditee institutions). There is no uniformity in the implementation of sector wise re-organization in various states.

Hence, ***we request for a review of the implementation of Sector wise re-organization of Audit offices and to initiate rectification of lapses. The departments shall be distributed in an unvarying manner strictly on the basis of LMMH. The scheme shall be implemented uniformly in all the offices as it was envisaged.***

The Director General (Central) offices have created lot of misconceptions among staff working under various AG offices. Hence, ***it is also requested to abolish the Director General (Central) offices.***

The official response to the demand:

It was informed that the re-organization of Audit offices has been done following a detailed and well thought of exercise.

The Auditee units have been divided keeping in view the LMMHs, the expertise of offices and as far as possible to avoid dislocation of staff. Moreover, the restructuring exercise done w.e.f. 01.04.2012 has attained a state of finality and cannot be revisited at this late stage.

*The Agenda Item may be treated as **closed**.*

Demand No.3: Grant Grade Pay 5400 (6th CPC) to all those at GP 4800/- as per para 11.12.140 of 7 CPC recommendations.

Explanation:

It is noticed that the demand for grant of GP 5400 to all those at GP 4800 after four years is silent in the recommendations made by 7th CPC against the cadres in IA&AD in chapter 11.62. However, The 7th Central Pay Commission has observed (para No.11.12.140) that there is no justification for excluding officers in the organized accounting departments who are at GP 4800 from the dispensation given to similarly placed officers of the central secretariat. Hence, it was recommended that all officers in organized accounts cadres (in the Indian Audit and Accounts Department, Defence Accounts Department, Indian Civil Accounts Organization, Railways, Post and Telecommunications) who are in GP 4800 should be upgraded, on completion of four years' service to GP 5400 (PB2), viz. Pay level 9, in the pay matrix.

We request the CAG to grant 5400 to all those at GP 4800 (6th CPC) to 5400 in PB2 after four years service.

The official response to the demand:

Federation was informed that a reference seeking confirmation regarding applicability of the recommendation of 7th CPC for grant of Grade Pay `5400/- to AAOs with 4 years of service has been made to the Implementation Cell and the Ministry of Finance. The reply to the same is awaited.

Demand No.4: Grant parity to Sr. Auditors with Assistants of Central Secretariat.

Explanation:

Parity of Senior Auditors with Assistants of Central Secretariat is a long pending issue. We have won the case filed for parity in many courts around the country but finally the Supreme Court of India viewed that the issue has to be addressed by an expert body like the Central Pay Commission. However, we have convinced the 6th CPC but after implementation of the CPC recommendations, the government has revised the pay of Assistants in the CSS. This issue was discussed at length in the recommendations of the 7CPC in para 7.1.4. It was observed by 7CPC that “the recommendations of successive Pay Commissions with regard to pay of Assistants, even if initially implemented, has invariably been modified at a later point and they have been placed at one higher level”. The Commission, then strongly recommends parity in pay between the field staff and headquarters staff up to the rank of Assistants.

We request the CAG of India to issue directions to restore the lost parity with Central Secretariat Services.

The official response to the demand:

Federation was informed that 7th CPC has already given its view (vide para 11.62.17) that posts belonging to two different services performing distinct functions cannot be treated at par merely for the reason of being in identical pay scale at some point of time.

*Hence, the Agenda Item may be treated as **closed**.*

Demand No.5: Direct recruitment in Sr. Auditor Cadre-Merge Auditor with Sr. Auditor Cadre and Grant Grade Pay 4600/--Increase Promotional avenues.

Explanation:

Recently, proposal was forwarded to the Finance Ministry by the CAG for the recruitment in the Senior Auditor cadre through SSC. It was stated that the scheme of direct recruitment in the Senior Auditor cadre is being introduced to bring the cadre at par with the Assistants of the central secretariat. We welcome this positive initiative.

As per present system under CAG, those who clear SAS examinations will only get their career advancement to the cadre of AAO. This will create a situation where many of the Senior Auditors may not get their first promotion, if not cleared the SAS examinations. This situation is clearly denial of natural justice.

Whereas in Central Secretariat Service, in 2009, the Government of India have amended the recruitment rules for various posts. As per the revised rules, the post of Section Officers grade shall be filled fifty percent through Limited Departmental Competitive Examination and fifty percent by appointment of persons included in the select list for the Section Officers' grade. In Assistants Grade, seventy five per cent of the regular vacancies shall be filled by direct recruitment of graduates through SSC, fifteen per cent through seniority and ten per cent through Limited Departmental Competitive Examinations.

It is therefore demanded that, ***CAG should also derive a similar system for appointment/ promotion to various cadres in the department. It is also demanded to merge Auditor/Senior Auditor cadre and grant GP 4600 (6CPC).***

The official response to the demand:

Federation was informed that while forwarding Memorandum to 7th CPC, it was proposed to grant high Grade Pay (i.e. 4600) to Sr. Auditors. However, the same has not been accepted by the 7th CPC.

It was informed that the proposal to revise the RRs for the post of Sr. Auditor has been forwarded to the Ministry of Finance containing the provision for Direct Recruitment at Sr. Auditor level.

The Federation was also informed that as per the RRs to the post of AAO only the SAS passed officials are eligible for appointment through promotion.

Demand No.6: Supervisor Cadre-Regularize temporary promotions (additional 6%) given in the cadre. Reversion should not be made to those who already promoted. Create supernumerary posts.

Explanation:

The strength in Supervisor cadre in the field offices were increased by 6 per cent of the sanctioned strength of AAO cadre as a temporary measure, in addition to the existing 4 per cent, taking total strength in Supervisor cadre to 10 per cent of the regular sanctioned strength of AAO. Earlier in a meeting with the DAI it was ensured that the reversion will not be given to those promoted to Supervisor Cadre on temporary basis. But, it has now been reported from some offices that these temporarily promoted Supervisors are being reverted to the post of Senior Auditors in order to accommodate SAS passed candidates. Reversion from Supervisor cadre to Senior Auditor cadre will affect the morale of these well experienced employees and make them mentally and financially weak at the verge of their retirement.

In the circumstances, ***we demand for regularization of temporary promotions given by increasing the sanctioned strength in the Supervisor Cadre. It is also demanded that till then all the promoted Supervisors, who are under the threat of reversion, shall be allowed to continue on supernumerary basis.***

The official response to the demand:

- i. Federation was informed that the sanctioned strength in the cadre of Supervisor has been fixed at 4% of the total strength of AAO cadre. Further, this office has permitted additional 6% posts of AAO's cadre by promoting eligible officials in the cadre of Supervisors in those offices which have shortfall 15% or more in AAOs cadre.*
- ii. Accordingly, whenever, the vacancies in AAO's cadre fall below 15%, this scheme would cease to exist and no further promotion to the additional post of Supervisor would be made.*
- iii. Keeping in view the huge vacancies, reversion of Supervisor is unlikely. However, if specific proposals are received to create a supernumerary post from any office, the same will be examined.*

Demand No.7: Grant Grade Pay 5400/- to Hindi Officer.

Explanation:

In accordance with the recommendation of the 6th CPC, similarly designated posts existing outside the Central Secretariat Official Language Services (CSOLS) Cadre in various subordinate offices of the Central Government have been granted the same scale as those granted to CSOLS. Various Ministries, Controller General of Defence Accounts etc. already revised the pay scales of official language posts in line with the above orders and the Cadre of Hindi Officer was granted Grade Pay `5400 in PB3 but the same was not implemented in IA&AD.

During a discussion with the Dy. CAG of India on 25-07-2012, it was replied that this issue would be examined if any such order will be submitted by the Federation in this regard. However even after producing the requisite orders/documents, the same has not been implemented till date. ***Hence it is demanded to grant Grade Pay `5400 to Hindi Officers without delay.***

The official response to the demand:

Federation was informed that a reference proposing GP of `5400/- to Hindi Officers has been made to Ministry of Finance vide Headquarters letter dated 09.06.2016. Reply from Ministry is awaited.

Demand No.8: Departmental Examinations:-

i. SAS Examination.

ii. Allow SAS passed candidates from Audit Officers to exercise option for posting in offices of their choice as per Recruitment Rule.

iii. CPD/RAE/Incentive Examinations

Explanation:

i. Provide model question papers, remove negative marking scheme, reduce pass marks to 40 and allow unlimited chances.

ii. As per column 10 of the RR for Assistant Audit Officers, the mode of recruitment is by Promotion failing which by deputation or absorption failing both by direct recruitment.

Deputation or absorption clause under column 11 says, Officers under the Cadre Controlling Authority in the Indian Audit and Accounts Department or in any Organized Accounts Cadre under the Government of India: (i) holding analogous posts of Assistant Audit Officer or Assistant Accounts Officer in Pay Band -2, Pay Scale of `9300-34800 with Grade Pay of `4800; or (ii) who, has passed the Subordinate Audit Service or Subordinate Accounts Service Examination under other Cadre Controlling Authority in the Indian Audit and Accounts Department or an equivalent examination in any Organized Accounts Cadre under the Government of India.

Presently, SAS passed candidates from Accounts & Entitlement offices are allowed for deputation and eventual absorption in any of the Audit offices of their choice. This benefit has not been extended to the AAOs/SAS passed employees from Audit side though column 11 of recruitment rule permits Assistant Audit Officers or Subordinate Audit Service Examination passed staff from any other Audit office of the Indian Audit and Accounts Department as first choice. CAG is also recruiting AAOs directly through SSC/UPSC which is only the last option when both the above options are failed. By not allowing the AAOs/SAS passed employees from audit offices for absorption in offices of their choice, is flouting of the conditions of the approved Recruitment Rule and also injustice to such employees who are already denied the option for Unilateral Transfer.

We therefore strongly demand for the promotion of SAS passed candidates from Audit stream to any Audit office of their choice based on Deputation/Absorption clause under column 11 in Recruitment Rules for the post of Assistant Audit Officers.

iii. The above examinations are primarily meant for updating the knowledge of the officers and equipping with the latest audit techniques. Hence, restricting to limited number of chances is not justifiable. Officers in their busy schedule of work and after attending their family obligations, get very limited time for preparation and study. Even then they are attending the examinations with utmost dedication and enthusiasm. In such circumstances, some of them could not clear the examinations in the limited number of chances. Restricting the officers with limited number of chances will defeat the intention of the conduct of such examinations. Hence **we strongly demand to allow un-limited chances to clear CPD/RAE/ Incentive examinations.**

The official response to the demand:

i. Federation was informed that in the demo test of SAS/RAE/CPD-I, available at CAG's website, 3-5 question of each paper are available to familiarize the candidates with the pattern of question papers. However, the DAI stated that the demand will be re-examined.

In respect of removing negative marking it was explained that in all exams in MCQ format negative marking is essential to reduce the scope of guess work. Therefore, award of negative marks would continue. The Agenda item may be treated as **closed**.

Providing unlimited number of chances to candidates gives rise to casual approach on the part of the candidates. To check non-seriousness, number of attempts has been decided as six. Further, four additional chances have been allowed to those who have passed 5 papers out of 9 papers. Therefore, 10 attempts should be sufficient to clear 9 papers. The Agenda item may be treated as **Closed**.

ii. Federation was informed that as per the RRs, after passing SAS examination, officials are eligible for promotion in their cadre controlling offices. Since 2013 fresh candidates from A&E Offices are not allowed to appear in the SAS (Audit) Examination. Further, due to large scale vacancies in Audit offices, the SAS (Civil Audit) exam passed officials from the Audit Offices get promoted in their own offices as per the first mode of appointment in RRs i.e. Promotion. Hence the question of permitting such officials to proceed on deputation to any other office does not arise.

iii. In CPD/RAE/Incentive examination there are two papers in each. Therefore to pass two papers six attempts are sufficient. Hence, the number of chances cannot be increased.

The Agenda Item may be treated as **Closed**.

Demand No.9: UN Audit-Dies-Non shall not be treated as ineligibility for applying to overseas deputations including UN Audit.

Explanation:

In the directions issued by the Hqrs. Office for the recommendation of the names of SAO, AO and AAOs for considering for empanelment for the audit of UN and its agencies, it was clarified that the officials falling under certain categories are not eligible to apply. Accordingly under clause (d) it is mentioned that the officials for whom penalty is imposed/administrative action taken such as suspension, dies-non and criminal charges in the past, even though they are clear from vigilance/disciplinary angle are not eligible.

Clarification for dies-non has not been provided by the Headquarters and because of this many of the officers could not attend the selection test. Dies-non is a minor penalty imposed to officers on account of minor lapses. **Hence, we request “Dies-non” shall not be treated as ineligibility for applying to overseas deputations including UN Audit.**

The official response to the demand:

Federation was intimated that dies-non is a penal action taken by the Administration for absence from duty and it has been decided to treat this as a disqualification for assignment of UN Audit.

*The Agenda Item may be treated as **Closed**.*

Demand No.10: Restore unilateral Transfer.

Explanation:

New recruits are leaving IA&AD and joining low profile jobs at their home States only because of the ban on Unilateral Transfer. The effort and resources put in by the officials in IA&AD (both at Hqrs office and field level offices) has thus become a national waste. Man hours spent for the scrutiny of dossiers/records, postage expenses, time and expenditure towards training of new recruits etc. become unproductive when they quit the job even without completing their probation period. Those who are left out in the department are dejected and disheartened as there is no hope for them to reach their home State. Lifting of ban will certainly boost the morale and build confidence among the new recruits. Hence ***we request the CAG to lift the ban on unilateral transfer in a phased manner to avoid erosion of manpower and to give the newcomers a hope/chance to return to their home State in near future.***

The official response to the demand:

Federation was informed that the unilateral transfer within IA&AD and from outside Ministries/Department to IA&AD had been dispensed with since 1997. It was further informed that it would create a wide gap in the manpower availability in offices located in different regions. DAI stated that it will not be appropriate to reintroduce the scheme of unilateral transfer.

*The Agenda Item may be treated as **Closed**.*

Demand No.11: Allow promotion for DEOs to auditor Cadre.

Explanation:

This issue was discussed in an agenda meeting with DAI on 13-11-2014. It was told that *“As per the proposed Recruitment Rules for the posts of Auditor/Accountant, the DEOs would be eligible for promotion to the posts of Auditors/ Accountants under examination quota”*. But even after a lapse of two years, the same has not materialized. In field offices MTS with three years service were allowed to appear for the Limited Departmental Competitive Examination for Auditors. Many of them have already cleared the examination and promoted as Auditors while DEOs with more than five years service could not get a chance to appear for the examination and thereby denied their promotion. Hence, ***we request to fulfill the promises made by DAI on 13-11-2014 without further delay.***

The official response to the demand:

Federation was informed that in respect of promotion of DEOs to the post of Auditors under examination quota, revision of RRs is in process and on Notification of RRs, DEOs will become eligible to appear in the Departmental Examination for Auditors.

Demand No.12: Sports quota recruitment-include the game of Volley ball also in the recruitment list.

Explanation:

Permission for the local recruitment of eligible outstanding sports/games personnel was granted by CAG. Many of such employees were recruited in five listed disciplines viz. Cricket, Football, Shuttle, Hockey and Table Tennis during the last five years. When, a demand for recruitment in Volley-Ball was raised in the last meeting with DAI on 13-11-2014 was made, it was replied that *“the choice of the discipline in which field office intends to make recruitment rests with the field office and it is the field offices which propose to the Headquarters which sport is considered and approved. However, it was agreed that the demand for each field office to be allowed to choose one extra discipline in which to make recruitment board as local talent can be considered”*. But it is noticed that even after a lapse of two years, no directions were issued by the Hqrs. Office to allow field office to choose one extra discipline. ***We again request to communicate the decision taken by DAI to the field offices without delay.***

The official response to the demand:

Federation was intimated that as per the approved policy of the department on sports quota, recruitment in only five disciplines (Cricket, football, hockey, table tennis and badminton) has been included. This is aimed at excelling in few selected sports. Therefore, the demand to include Volleyball in the recruitment list is not feasible.

*The Agenda Item may be treated as **Closed**.*

Demand No.13: Merge Local Fund Audit with Civil Audit in Jharkhand and West Bengal office.

Explanation:

For the purpose of the Audit of Local Fund Accounts, separate Local Audit Wings are in operation in three states viz. West Bengal, Bihar and Jharkhand under the Indian Audit and Accounts Department.

In the Office of the Accountant General (Audit) Jharkhand, Ranchi, Local Fund Audit (LFA) is still a separate entity headed by the Examiner (through Cadre controlling authority is PAG/AG). But in Bihar, LFA has been merged with civil audit wings. The promotional avenue in LFA is much better than the civil wing hence most of the junior AAOs in that wing were promoted to the post of AO much before their counterparts in civil wing. SS-I & SS-II wings were created as per the restructuring guidelines issued by the CAG in 2012 by merging civil audit with LFA, but the cadres in both the wings were not merged. Hence, junior officers with less audit experience from LFA are now leading the audit parties in these wings. This is creating lot of problems to the much experienced senior AAOs. It is also true that both the wings (LFA and Civil) are doing audit with combined efforts. Hence, ***it is demanded to merge LFA wing with civil wing and to maintain a single gradation/seniority list.***

The official response to the demand:

Federation was informed that the sanctioned strength of LAD cadre is separate from Civil Wing so appointment and promotions are made separately. Separate paper on local audit is to be passed by officials for promotion/absorption in the LAD cadre. The issue will be examined in due course.