Government of India  
Ministry of Railways  
(Railway Board)

No. 2016/AC-II/20/9  

FA&CAOs  

All Zonal Railways and Production Units.  

Sub:- Minutes of FA&CAO’s conference held on 23/8/2016 (Tuesday).

Minutes of FA&CAO’s conference held on 23.8.2016 is enclosed. A feedback on the 
action taken may be advised in a month’s time.

DA: As above

(B.B. Verma)  
Adviser/Accounts  
Railway Board.
Minutes of the FA&CAOs Conference held on 23/8/16 (Tuesday)

Minutes of the FA&CAOs’ held on 23/8/16 (Tuesday) held in the office of GM, Northern Railway are as under. List of participants is at Annexure-1.

1. **Inaugural Address by Adviser/Accounts**
   - While welcoming the participants, Adviser/Accounts mentioned that the agenda items for the Conference is more oriented towards consolidation of recent initiatives taken by Railway Board towards implementation of IPAS, 7C Apportionment, Internal Audit, Accounting Reforms, pension updation, etc.

2. **Address by Additional Member/Budget**
   - Railways facing turbulent times and all the Zonal Railways/Production Units must gear up and work in unison to tackle it effectively.
   - There is a shortfall in earnings and if this trend is continued, it would be difficult to achieve the targets and targeted fund balances. Similarly, expenditure control mechanism needs to be strengthened.
   - FA&CAOs should concentrate in contributing earnings towards non-fare box segment.
   - Mentioned that FA&CAOs should keep advising Board’s office about any decision taken and that need review/problems being faced by them.
   - Clearance of Audit/Draft Para should be given top priority.
   - Stressed the need for timely submission of statistical returns that form the basis for taking policy decisions. This was also in reference to return of train speed for ‘RAFTAR’.

3. **Address by Additional Member/Finance**
   - While welcoming the participants mentioned that challenging times are ahead due to impact of VII CPC recommendations and cautioned that we have to face the situation with concerted efforts and to work like a team. He also congratulated for their good work done by them against odd times.
   - Cautioned that dilution of finance function should not be allowed and no shortcuts should be adopted while clearing finance proposals. The executive counterparts needs to be convinced that major decisions should not be taken without involving finance.
   - Complimented FA&CAOs for speedy implementation of IPAS on 16 zonal railways due to which it has become possible to pay salary & allowances on VII CPC scale along with arrears in one go.
   - Stressed the need for mapping of pension data. Mentioned that FA&CAOs should highlight the achievements by organizing meeting with pensioners or by giving advertisement in news papers.

4. **Address by Financial Commissioner/Railways**
   - While welcoming the participants congratulated them for maintaining the spirit of the cadre.
   - Stressed the need for more interaction with junior finance officers so that they can develop dedicated approach towards Railways. For this purpose more training programmes are to be organized for them.
   - Cautioned about shortfall in earnings and stressed the need to arrest the trend and achieve the targets.
Complimented Railways about adopting techniques that contribute earnings through non-fare box.
Mentioned that proposals involving ROBs/RUBs should be examined expeditiously.
Proposals for Siding and private terminals be expeditiously cleared so that more revenue could be generated.
Stressed the need for correct assessment of impact of implementation of VII CPC recommendations, at RE Stage during current financial year, so as to plan Budget accordingly.
Mentioned that benefits of recommendations of VII CPC be passed on quickly to staff and pensioners.
Mentioned that pension circulars be put on web-site, hot-line should be established and more publicity needs to be given by way of advertisement in news papers, so that grievances of pensioners are eliminated.
All modules in IPAS should be implemented so that integrated system is established.
Mentioned that we should arrange regular meeting with bank officials to avoid unnecessary harassment of pensioners by banks for one reason or the other.
Asked FA&CAOs to give response for references made by AR Dte and stressed the need to have concurrent communication.
Abstract Estimate should be more accurate that there is no case of huge variation during Detailed Estimate.
Works Programme proposals to be processed quickly keeping in view RoR @ 12%.
Stressed the importance of Productivity test in the context of formation of Joint Ventures in executing the projects.

5. Discussion on Agenda Items

5.1-Review of Earnings, Expenditure & CAPEX to end of July 2016 (Approx).
FC(Rlys) directed all the Zonal Railways to analyse the impact of Traffic due to Traffic rationalisation policy. All the GMs should be advised of this review. The commodity wise OD flows now available on FOIS should be put up to GM.
Adv/Finance mentioned about major decisions taken recently i.e. (i) doing away with port congestion charge, (ii) doing away with dual pricing in Iron Ore, (iii) allowing concession in short lead traffic and (iv) doing away with terminal charge for short lead traffic. He further mentioned that the current parcel rates have been frozen not to be increased for 3 years. After 3 years and 5 years the rates will be increased by 10% per year. This should help in attracting more parcel traffic.
In respect of leasing of SLR, EDF/C mentioned that 43 commodities have been identified for implementing station-to-station rates for which instructions will be issued shortly. This should lead to increase in goods earnings.
FA&CAO/SER mentioned that analysis of short lead traffic made has shown that there has been a loss of Rs.1.09 crore. Similarly on ECR, PRS earnings has decreased whereas on the other hand non-PRS earnings has increased. FC desired that cause for this may be investigated properly.
EDF/C mentioned about the data given by railways on incremental earnings. FC desired that this may be given to Rlys for taking up with CCMs.
EDF/C mentioned about the need to monitor UTS facility to tackle ticket less travel.
EDF/B mentioned that almost all the Railways are lagging behind in achieving other coaching earnings targets.

For OWE, FC mentioned that excess needs to be tackled cautiously. The expenditure under Demand No-10 and Demand No. 12 be reviewed immediately. Under Demand No. 12, operating Demands Payable should be discontinued during the year, as the same is operated during the year end only. Accounts Dte to review the excess expenditure under Demand No. 12 and give a report.

FC mentioned that feedback on all the MOUs entered by Zonal Railways be analyzed in financial & physical terms so that the position could be put up to Hon'ble MR by 1st week of September 2016.

AM/F mentioned that all the issues needs to be highlighted in time for apprising the position to MR. He further mentioned that Construction Budget should also be reviewed by FA&CAO/OL.

FC (Rlys) mentioned that Central Road Fund (CRF) cannot be used for Repair, Renovation and Maintenance purposes. However, Track Renewal Expenditure, where a stress is laid afresh could get covered to be funded out of CRF.

5.2 IPAS related issues.

Adviser/Accounts gave a presentation on the implementation of IPAS. The progress of implementation of IPAS was reviewed and the Railways which are lagging behind have been advised to adhere to the targets. CRIS has also been asked to adhere the targets so that the application could be adopted in a time bound manner on all the Railways.

FC mentioned that security of data in IPAS has to be ensured by FA&CAOs through proper coordination with Data Administrator.

FA&CAO/ECR mentioned that CRIS should take steps for standardization of all allocations.

FA&CAO/NFR had some reservations on implementation of Pension module of IPAS as ARPAN has stabilized on NF Rly. This was amply clarified by Adviser/Accounts. FC directed that all Railways/Production units must implement all the modules of IPAS without any exception.

AM/F mentioned that while Stores function could be carried out in iMMIS, Bill payments, can be done on IPAS. JPO is being issued by Stores/Accounts Dte shortly on integration of iMMIS and IPAS.

Adviser/Accounts laid down the road-map for implementation of other modules viz., Reconciliation of Remittance into Bank, Cheques and Bills, Budget, etc, besides other value added utilities.

5.3 Pension-Sanitisation of Data.

Adviser/Accounts mentioned that ARPAN will have legacy data and will be utilised for Post Check of Pension payments, Grievance redressal mechanism, etc. Mismatch of pensioner’s master data as advised by Western Railway in ARPAN portal should be checked by the Railways and corrected as per target date. FC mentioned meeting with Bank officials should be done regularly to resolve these issues.

Adv/A mentioned that provisional payments for all pensioners prior to August, 2016 is being done by the Banks. The actual revision will be done through ARPAN for which WR is already finalising software programme.
Physical verification of old pensioners above 80 years of age are to be carried out in close coordination with paying bank and respective CPPC and cases of overpayments are to be recovered from the Banks.

5.4 **Apportionment of Earnings (Statement no. 7-C)-Presentation by FA&CAO/Western Railway.**

- FA&CAO/WR gave presentation on apportionment of earnings and generation of 7-C statement both for regular and diverted traffic. She stressed the need that there are some issues on distances which needs to be sorted out and requested other Railways to respond immediately.
- FC directed FA&CAO/WR to get a manual/write-up prepared for the Apportionment system so that the same is kept in view and codified.

5.5 **Issues related to Accounting Reforms.**

- Adv/AR gave presentation on implementation of AR project. FC desired that all Railways should give the names of AR Team to Adv/AR by 10/9/2016.

5.6 **Internal Audit-Progress on targets for 2016-17 and revision of Accounts Code/Vol-II**

- EDF/C gave presentation of status of submission of internal audit reports by Railways. Some of the Railways have not submitted internal audit report in respect of topics assigned to them or have submitted only one report. FC directed that Internal Audit Report as advised to them should be given latest by 30th September, 2016.
- EDF/C mentioned that the Accounts Code/Vol-II has been revised completely in view of current scenario. Changes that have taken place in generation of revenue have been incorporated and hoped that the final version of the Code would be printed soon.
- FC(Rlys) further directed that F(C) Dte shall compile the 'Handbook for conducting Internal Audit'.

6. **Review of appraisal methodology for Projects**

- Adv/F gave presentation on appraisal methodology for Projects. On the basis of recommendations of the Committee formed for the purpose, he mentioned that projects which have RoR @ 12% can be selected while reviewing Works Proposals.
- A detailed instructions to all the Zonal Railways will be issued in this regard.
- Parallely, the revision in Accounts Code Vol. I will also be undertaken.

7. **Vote of thanks**

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

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