

**All India Institute of Medical Sciences  
Ansari Nagar, New Delhi- 110029  
Finance Division (MSU)**

**No. FD/IA/Conc. Audit/Circular/2023-24/01**

**Dated 1<sup>st</sup> May, 2023**

**Sub: Internal Audit Advisory on maintenance of records of procurements, payments, assets & inventory registers in Centres / Departments / Divisions / Facilities etc. in AIIMS, New Delhi.**

Director's Office and Finance Division keep issuing Oms / Instructions / Guidelines citing provisions of General Financial Rules, & need of same by Audits. Despite the same, it is observed that the instructions are generally not adhered to "*in-toto*". During the Concurrent Audit by the MSU in Finance Division, several risk areas have been identified which are susceptible to irregularities in utilisation of public money.

The following are re-iterated for awareness, better resource management, optimum utilisation of funds and transparent procurement process:

**1. Maintenance of Procurement files in Stores Section / Departments**

It is observed that the procurement files in the stores sections are not maintained in proper / prescribed form i.e. all documents right from the receipt of need/indent / admin approval for tendering AA&ES / Sanction / placement of SOs / delivery challan / CRACs / payments / issuance / utilization and processing of bills to accounts section in one file. The documentation of the procurement files need to be placed in one single file for easy access of the records

**2. Vetting of quantity for procurement of stores/consumables purchased under the rate contract**

It is seen that for procurement made under rate contracts, generally the quantities are not ascertained on the basis of a uniform method or as prescribed in Purchase Manual. In some cases it is being done on as and when required basis even where a regular consumption pattern is available. It is advised that the OICs who are entrusted to work out the re-order quantities on the basis of consumption pattern for a specific time. The detailed justification for the quantity demanded with the supporting/relevant consumption details for e.g. extract of stores ledgers/requisitions from the end user point should be placed on file. The quantity vetting for orders under rate contracts should also be done by the respective accounts section while concurring the proposals/clearing the cases for funds booking.

**3. Fixing the estimated cost and benchmarked price**

It is observed in cases of procurement of M&E items that Estimated Costs are either not worked out on most recent basis/LPP/market survey or not matched with technical specifications. It is more prudent to have a benchmark price before tendering. These estimates should be strictly adhered to and

factors affecting the cost escalation/decrease need to be brought on file if proposal takes significant time to reach at AA&ES stage.

**4. Procurement of Medicines and Consumables under the Lowest available rate contract prevailing at the time**

It is seen that the medicines/surgical stores are being procured under various rate contracts by all centres and main hospital. Apart from the specific rate contracts for a particular medicines/group of medicines, there is a general rate contract with vendor(s) on flat discount rates on MRP. During the concurrent audit, it is observed that a number of medicines/surgical items are being procured under various old rate contracts, wherein the contracted prices are on a lesser discounted rates. This may be because these rate contracts are quite old and price trends for them are on a decreasing pattern. It is strongly advised that while procuring these medicines/surgical items, OICs / Store Officers must ensure that procurement is being done with lowest available Rate Contract.

**5. Annual Stock Verification**

As envisaged in para 211 to 215 of GFR 2017 and instructions issued vide FD AIIMS circular no F No. 7-1/2022-23/MSU/PV dated 09-05-2022; annual stock taking of all kind of stores is to be carried out and an endorsement to the effect is to be entered in relevant stock registers. It is observed that the same has not been carried out. All PICs / OICs & store officers need to carry out the Physical Stock Verification for FY 2022-23 by 7<sup>th</sup> May 2023 and a report is to be sent to respective accounts section and Internal Audit section of FD, AIIMS. Such exercise & report must also be part of Handing/Taking over at the time of transfers of store keeper & in-charges. The routine surprise checks endorsements are also to be carried out by Chiefs / HoDs / MSs / PICs / FICs / OICs / Store Officers regularly and endorse in the respective registers whenever performed.

**6. Non availability of Records of specimen signatures in Accounts section**

As already circulated, the instructions have been issued by FD, AIIMS that the specimen signatures of the Officers releasing / communicating financial documents viz. Expenditure Sanctions/ Counter signing the vendor claims / bills / Inspection Notes / CRACs are to be sent invariably by the Stores Section to Accounts Section and matching of the same with bills and vouchers while passing the bills/vouchers by the Accounts Section. It is seen that the same is not being done. It is once again reiterated that such specimen signatures record should be made available to Accounts section and while processing the bills and vouchers for audit and payment thereof, the signatures of authorities responsible for processing the claim of vendors from stores in charge/ PIC on Bills need to be verified from the list of specimen signatures held on the record by the respective task holders in accounts section and an endorsement should be made on the bill that such signatures have been verified before passing the payment order.

**7. Monthly reconciliation of Payments made by the Accounts Section with the Stores Section**

The payment details of vouchers need to be shared by the Accounts section with the respective stores section on monthly basis to avoid any lapse and suitable orders/instructions have been issued in this regard by FD time and again. It is observed during the audit that such reports are though being sent to stores section from accounts section on regular intervals but the same is not being acknowledged by their respective stores section or departments except in NCI, Jhajjar. It is emphasized upon that Store Officers / departments should reconcile the details i.e. SO-wise quantities initiated by them and payments reports sent by the respective accounts section and acknowledge the same without delay. The Accounts section should keep a record of such reports and acknowledgements from stores section. A copy of all such payments released by the Accounts sections should invariably be sent to Internal Audit Section also. All may note that not adhering to such regular reconciliation & record keeping led to adverse instance like in RPC.

**8. Timely Processing of files for Extension of Delivery Period**

It is observed that the case files wherein the delivery schedules are to be extended are processed by the stores section much after the expiry of initial