

Comprehensive Cadre Review of Divisional Accountant Cadre

Introduction: Divisional Accountant/ Divisional Accounts Cadre is part of Indian Audit and Accounts Department (IAAD) which perform specialized functions of Works Accounting and Public Procurement of Works, Goods, Services including Consultancies in various State Public Works divisions. In 2012, while disposing a writ petition questioning the mandate of Comptroller and Auditor General, to carry out reviews of policy matters, Supreme Court in a widely hailed judgement remarked that **“C&AG is not a Munim (Accountant)”** in an apparent recognition of functions being performed by C&AG on matters other than accounts and audit. Though it would be preposterous to equate functions of high constitutional office of C&AG with functions and duties of a Divisional Accounts Officer, it is indeed an apt analogy to draw attention to various spheres of duties of our cadre in field of Public Procurement other than Public Works Accounting of which there is generally more public awareness. It is not the intention of our cadre to claim credit of all the procurement activities taking place in the division, but to seek acknowledgement of the role played by us in fiscal prudence, internal audit, fund disbursement, budgetary planning, vendor performance monitoring, Bidding process, contract management etc among other things which fall under the scope of Public procurements. Though these procurements are not done directly in our name, but it expected that Divisional Accountant/ Divisional Accounts Officer is the ultimate knowledge resource/ authority for any clarification related to the subject. We merely seek acknowledgement of the same.

Currently Manual of Procurement published By Ministry of Finance, Department Of Expenditure, 2017 defines Procurement as following:

“Procurement” or “public procurement” (or ‘Purchase’, or ‘Government Procurement/ Purchase’ in certain contracts) means acquisition by way of purchase, lease, license or otherwise, either using public funds or any other source of funds (e.g. grant, loans, gifts, private investment etc.) of goods, works or services or any combination thereof, including award of Public Private Partnership projects, by a Procuring Entity, whether directly or through an agency with which a contract for procurement services is entered into, but does not include any acquisition of goods, works or services without consideration, and the term “procure” or “procured” shall be construed accordingly;

Whereas, Oxford Dictionary describes **“Accountant”** as **‘A person whose job is to keep or inspect financial accounts’**. Thus, designation description of Divisional Accountants is in fact a misnomer as Accounting is just a minor function in the day to day working of the cadre and does not reflect the true extent of duties of cadre in respect of Procurement Planning, E-procurements, Budgetary control, Supplier performances, Audit compliances, Contract management, Auctions, Governmental Receipts, Taxation Issues, Project Management and Human Resources Management of Office staff under their disposal

among other duties assigned from time to time. But it informed with regret that sometimes people are not fully aware of true sphere and extent of our duties. With exponentially rising public expenditure, this cadre's contributions cannot be overemphasized as public procurement of India is now close to 30 % of GDP. In light of this substantial increase in Public procurement, to align the objectives of this cadre to emerging challenges and to meet new public expectations from this cadre, a comprehensive cadre review is in order which not only prepares this cadre for new age Public Works Accounting, but also envisages making fundamental changes to system, in order to provide higher caliber public service expected out of custodians of public finances. In fact this cadre review presents an opportunity to comprehensively overhaul the cadre structure and bring it in conformity with best international procurement and accounting practices as being adopted by organizations like United Nations, World Bank etc.

Background:

Traditionally, the post of Divisional Account is considered analogous to that of Sub Divisional Officer as per extant codal provisions, but it has been observed more in breach than in practice. This has been an old demand of All India Federation of DA/ DAO's Associations (hence forth referred as AIF) that parity of post has not kept up with the functional requirements. It is widely accepted principle that salary and perks are associated functions of responsibility entrusted to the post. However, there has been a considerable deterioration in commensurate standing of this cadre vis-à-vis

a) Technical staff of division: The office of C&AG in its recommendations to successive Pay Commissions has advocated grant of appropriate scale for Divisional Accountants on the basis that *'The position of Divisional Accountant has historically been considered to be analogous to that of a Sub Divisional Officer and the Divisional Accountants were to be treated as senior member of establishment.'* Attention was also drawn to increased public works activity of state governments and subsequent revisions in pay scale of state government employees. This problem is more pronounced in case of Divisional Accountants and Divisional Accounts Officer, Grade-II, which undermines their authority in a state division and has a pronounced bearing in day to day working of these officials. Hence, it is imperative that the pay and status of initial post is raised at earliest to maintain functional efficiency of the cadre. There have been occasions frequently, when Junior Engineers (a post with relatively junior parity) workings in state engineering departments during the course of their service have gone on to become Superintending or even Chief Engineers, whereas a Divisional Accountant has remained relatively stuck with virtually no change in professional trajectory.

b) Other IAAD posts: There is a historical tendency among various IAAD cadres like Auditors/ Accountant/ Senior Auditors and Senior Accountants to seek parity with our cadre, even when there is no functional correlation and compatibility with Divisional Accountant Cadre. They are neither trained nor have necessary domain expertise to deal with the role performed by Divisional Accountants/ Divisional Accounts Officers. It is a travesty that every time our cadre seeks a just upward

revision, it is needlessly clubbed with these posts to our detriment. Therefore, it is high time that delinking of Divisional Accountant/ Divisional Accounts Officer cadre from these cadres is done for once and all. It is requested that all reference for this nonexistent parity are revisited and removed from Recruitment rules, Manual of Standing Orders, Codes and other recommendations.

Deteriorating Parity with other comparative posts selected through Combined Graduate Level Examination (CGLE) conducted by Staff Selection Commission (SSC):

Posts of Divisional Accountant cadre are generally filled through Combined Graduate Level Examination conducted by Staff Selection Commission. It has been observed that generally candidates selected for this post are consistently amongst the brightest ones who have achieved relatively higher cut off marks in comparison to the other posts on offer under the same examination. But, as this post is currently notified as Group B with grade pay of 4200 only (Level -6 of 7th CPC), as per pre revised pay scales, the ability of this cadre to attract even higher scoring candidates is hampered/ compromised.

It is also a matter of grave concern that current pay scales of Divisional Accountant post has fallen behind in relation to other posts being selected through this very examination. A quick glance on chronological relative pay scales of Divisional Accountant with various posts of Inspectors in Income Tax Department, Central Excise, Examiner, Preventive Officer, Inspector of Post and Central Bureau of Narcotics, Sub Inspector in CBI, Assistant Enforcement Officer will reveal the fact that while pay of Divisional Accountant post has remained stagnated, these other post being recruited through same CGL examination have seen extensive up gradation.

It is also a fact that SSC examination is conducted on a pan India level, but many bright and promising candidates do not join cadre as possibility of candidates securing state of his preference is very less on account of:

- a) Limited number of states Under C&AG, unlike other post
- b) Vacancies being reported by state AG's under various categories
- c) Current ***ban on Unilateral Transfer*** in this cadre, even when the Individual is willing to forego his/ her seniority on grounds of an archaic policy which is not applicable in other Government of India Offices as on date. It may be understood that at the end of the day even an official is a human being with family and social ties. It is common knowledge that this post comes with pressures associated with procurement from contractors, politicians among others and to deny the even basic comfort of families as respite from this work pressure is cruelty of highest order. Social fabric of some members of this cadre has been ripped apart by this policy. It is humble request that during the cadre review, a humanitarian view may please be adopted and bar on Unilateral transfers may be lifted as it is not always possible to find candidates for mutual transfer in desired states. As and when new vacancies arise opportunity may be given for Unilateral Transfers at least once in service.
- d) Unlike, other posts advertised through CGL examination, as of now, this is essentially a field posting for all his service in a state government department, where the incumbent officer is expected to give his opinion/ decision on the spot without any opportunity for onsite guidance from immediate Superiors.

Also, of late some bright candidates have left this cadre even after joining for better pastures, as they did not find remuneration commensurate with the duties and stress associated with this post. It is tremendous loss of talent and this trend needs to be reversed at earliest. AIF suggests that a study may be undertaken with the objective of quantifying losses to government on this account.

Cadre structure: This cadre is currently organized in four tier structure as Divisional Accountant, Divisional Accounts Officer, Gr –II, Divisional Accounts Officer, Gr –I and Senior Divisional Accounts Officer. In a radical departure from existing structure, it is now proposed to club two mid tiers in one and introduction of three new tiers above Senior Divisional Accountant as **Deputy Director (Finance and Procurement)**, **Director (Finance and Procurement)**, and **Executive Director (Finance and Procurement)** in Level 12, 13 and 13A respectively to be selected through a competitive exam conducted by C&AG. This exam may be offered to members of cadre with minimum five years service in their respective state as Divisional Accounts Officer Grade –I and all Senior Divisional Accounts Officers. Post wise details are as follows:

Divisional Accountant: To bring initial cadre post to its rightful parity it is proposed that post of Divisional Accountant may be upgraded to Level 8 with change in nomenclature as **Divisional Accounts Officer (Accounts and Procurement)**. This post would constitute 20 percent of cadre strength in line with IAAD guidelines of 20:80 ratio. Benefit of MACP should also be given to officers by giving them pay level 9 after 04 years from their date of joining. .

Divisional Accounts Officer, Grade –II: It is proposed that this post may be merged with Divisional Accounts Officer, Grade-I as there is hardly any difference in working of these posts.

Divisional Accounts Officer, Grade –I: It is proposed that after merger with Divisional Accounts Officer, Grade-II, This post should constitute 40% of the cadre strength. Nomenclature may be revised as Divisional Accounts Officer, Grade-I (Accounts and Procurement) and upgraded to Level 9 in revised pay scales.

Senior Divisional Accounts Officer: Currently, Senior Divisional Accountant is the top tier in the cadre. Nomenclature may be revised as Senior Divisional Accounts Officer, (Accounts and Procurement) and upgraded to Level 11 in revised pay scales. This post should constitute 40% of the cadre strength.

Deputy Director (Finance and Procurement): Promotion for this newly created post in pay level-12 should be carried out by a rigorous exam conducted by C&AG. Entry should be restricted only to Divisional Accounts Officer Grade –I with minimum five years service and all Senior Divisional Accounts Officers from their respective states. He should be responsible for budgetary, financial and accounting compliances, Scrutiny of procurement proposals between pre described financial thresholds, Formulation of Standard Bidding Document etc. He should generally be posted at Chief Engineer's Office. He should be given authority to provide guidance and advice to cadre members under his jurisdiction in some official capacity. Some posts may also be reserved for working in proposed Central Institute and AG Offices where they can be given additional responsibilities of Works Accounting Branch,

Human resource Management specific to Cadre Management including Transfers, promotion , Disciplinary issues of cadre.

Director (Finance and Procurement): promotion post from in pay level 13after at least three years as Deputy Director (Finance and Procurement). He should supervise all Deputy Directors (Finance and Procurement) of a state, including those working in AG Office. He should be competent enough to offer advice on subjects of procurement and works accounting to state government on behalf of AG and authorized to issue directions to Cadre members on policy and service matters. Under his guidance / supervision Office of state AG should maintain a repository of Government Rules, Resolutions, and also function as compiler of changes to codes and manual. He is also entrusted with Management Information Systems to monitor Divisional Finances. He should be responsible for manning of divisional offices through transfers/ promotions in cadre. He should work independently but directly reports to AG of the state

Executive Director (Finance and Procurement): There should be one post of Executive Director (Finance and Procurement) to be appointed by C&AG from a panel selected from posts of Director (Finance and Procurement) for a fixed tenure of two years or attaining the age of 60 years, whichever is earlier. He should be overall head of this cadre in pay level 13A. He would report to C&AG through a Deputy C&AG. His duties should include maintaining knowledge repository for cadre, dealing with disciplinary matters of Cadre, International Exchange programmes, Professional Accreditations, deputation and cadre management amongst other responsibilities. He may also be involved running of Training Institution of cadre in a advisory capacity. He may be assisted by members of cadres drawn from states.

Tier	Post	Current Pay Scales GP (pre revised)	Proposed Pay Scales and pre revised Grade Pay	Percentage or Sanctioned number of posts	Suggestion
1	Divisional Accountant	Level 6 4200	Level 8 4800	20	May be Renamed as DAO (Accounts and Procurement)
2	Divisional Accounts Officer, Grade -II	4600	Level 9 5400	40	May be merged with DAO-I and renamed as DAO (Accounts and Procurement)
3	Divisional Accounts Officer, Grade -I	4800	Level 9 5400		Merged with DAO-II and renamed as DAO-I (Accounts and Procurement)

4	Senior Divisional Accounts Officer	5400	Level 11 6600	40	Renamed as Sr DAO (Accounts and Procurement)
5	Deputy Director (Finance & Procurement)	New Creation	Level 12 7600	Specific numbers may be sanctioned by each AG in addition to requirements at C&AG and as faculty in training institute	New Post
6	Director (Finance & Procurement)	New Creation	Level 13 8700	Specific numbers may be sanctioned by each AG in addition to requirements at C&AG and as faculty in training institute	New Post
7	Executive Director (Finance & Procurement)	New Creation	Level 13A 8900	One in office of C&AG	New Post

Current Recruitment: Recruitment of Divisional Accountants is through direct mode conducted by SSC through CGLE for vacancies communicated to it by various state Accountant Generals through Office of Comptroller and Auditor General of India. Though recruitment for the posts also has provision of deputation, and certain vacancies were indeed filled on deputation earlier for short period, this experiment was short lived and system of deputation was discarded in favour of present setup of filling posts exclusively through direct recruits to ensure quality by the Office of Comptroller and Auditor General. It is pertinent to remind that both Divisional Accountant and accountants of AG offices are recruited through CGLE, there is a significant difference in cut offs which is often reflected in academic abilities of candidates.

Also, SAS qualified **Accountant** is one of the qualification of deputationists for DAO-I, However, AIF is of view that SAS is essentially a limited departmental examination which can not considered for filling post where original incumbents have been recruited through Open Competitive Examination. Also, direct recruits to this cadre receive specialized training along with practical training to manage affairs of divisions and they are progressively eased into heavier divisions relative to expenditure incurred. Current SAS qualified

personnel, without Divisional Accountant background are not adequate to the demands of the profession.

Even though, currently provisions exist for deputation in Recruitment Rules, AIF strongly suggests that these need to be eliminated right away as they compromise the Cadre quality and performance. It is requested that the department utilizes the cadre review as opportunity to weed out obsolete rules and regulations (Codes, Manuals, Recruitment Rules, MSO's) to impart a new direction to this cadre.

Training and Exam: Currently different states are adopting varied methodologies and schedules for imparting training to direct recruits. It is suggested that initial training may be done centrally under the aegis of C&AG. ***Possibility of a specialized central full time in-house training institution for cadre*** may kindly be explored on a priority basis. This institute should also be entrusted with the responsibility of providing knowledge tools to the members of cadre, refresher courses, carry out research on procurement issues, publish studies on key focus areas through journals.

Current syllabus is outdated and is in need of an urgent review. New subjects need to be introduced to accommodate new areas of knowledge and to build institutional capability. It is felt that assistance in form of both course material and faculty from reputed institution like Indian Institutes of Management (IIM), National Institute of Financial Management (NIFM), The Institute of Cost Accountants of India, (ICMAI), etc may be taken to devise new syllabus and study material. Also, on successful completion of this examination, Cadre members may be allowed to apply for some approved International Accreditation in Public Procurement, subject to government rules, so that even if they leave service at a later date, they can contribute in nation building in their private capacity.

Current examination scheme of Divisional Accountant Grade Examination (DAGE) has now begun to show certain inadequacies. AIF has full faith in the academic ability and capability of its new recruits and believes that future of this cadre is in safe hands and can undertake more rigorous examination either at par with SAS or of a standard even higher than SAS Examination currently being conducted by Office of C&AG. AIF suggests that DAGE has outlived its utility and further proposes introduction of a specialized SAS examination (Procurement and Accounts) in lieu of DAGE held every six months strictly **restricted to only direct recruits of the cadre to prevent dilution in academic and professional excellence expected from the candidates**. Other IAAD personnel would not be eligible for this examination. Number of chances should be restricted to four or five to clear this examination within a specified period with may be one more chance in case of exceptional circumstances. Failure to clear examination in specified period should result in either Termination or absorption in lower post.

Annual Performance Appraisal Report (APAR): Currently, APAR in respect of Divisional Accountant/ Divisional Accounts Officer is written by Executive Engineer in Divisions as Reporting Officer and reviewed by Deputy Accountant General in the office of state Accountant General. But as Internal Auditors performing preliminary checks, cadre

members are often required to record their objections as part of constructive statutory processes which can occasionally be misperceived as '*adversarial*' by some Executive Engineers, to borrow a term from former C&AG Shri Vinod Rai. At times, APAR gets misused as a measure to 'get even' or pressurize Divisional Accountant/ Divisional Accounts Officer. Misuse of APAR by reporting officer can be derail career prospects of honest and upright officers. Therefore, there is a need to abandon this provision of Executive Engineer as Reporting Officer in favour of both Reporting and Reviewing Officers from IAAD.

International Affiliation: Comptroller and Auditor General is Supreme Auditing Institution of India and also a member of international forum like INTOSAI and AIF suggests that Office of C&AG should use its good offices in establishing an international forum for officials engaged in public works expenditure of various countries. It is further suggested that international exchange programmes may be instituted for this cadre. This will allow to the cadre to work in international procurement organizations like UNO, WHO, World Bank, World Trade Organization, United Nations Conference on Trade and Development etc, where India is currently unable to offer its public procurement expertise, broaden cadre horizon, replicate that experience in India, evolve new international standards and expose cadre to best practices being adopted worldwide.

Critical Analysis: For a cadre with origins in pre independent India, the systemic decline in prospects of this cadre has been due to the fact that our cadre functions do not draw as much attention as Audit and Accounts functions. Often the significance of this multi faceted cadre gets lost to people. For an office which is known for generating vast volumes of reports and studies every year, it is requested that some specific studies devoted to increase efficiency of this cadre, may also be undertaken on priority. It is still governed by antiquated rules and new advances in field have made many state accounts code and manuals obsolete which were written decades ago. The office is requested to issue advisories/ bulletins on new developments, new age learning and information dissemination for benefit of cadre members. It has been noticed that there is a singular focus to ensure accounting aspects are looked after but performance in other spheres of our work has not been recognized. Unlike other streams of IAAD which focus on rigid audit and account functions, we as a cadre are facilitators for faster, transparent, fair and economical execution of procurements within bounds of fiscal prudence. Also, there have been occasions, when interests of our cadre have been hurt as it currently does not have direct representation in office of AG's and C&AG and affairs of this cadre are looked into by non cadre members who often lack empathy with cadre and unaware of challenges faced by the cadre.

Full time Training Institute: C&AG already has two world renowned institutions at its disposal, i.e. International Centre of Environment Audit (iCED) at Jaipur and International centre for Information System (iCISA) at NOIDA. These institutions already have mandate for training Group A and B officials of IAAD with requisite infrastructure. AIF would be indebted to the authorities, if these great institutions could be persuaded to impart training to cadre members. It is suggested that services of these world class institution may be availed till a full time dedicated training institute comes up to create a cadre which is envy of the world and source of pride for entire nation.

Financial Implication:

Salaries of this cadre are paid through state accounts and thus there is no financial burden as such on C&AG on that account. Posts which are proposed to be working in offices of AG and C&AG can be treated as deputation posts with salaries debitable to their respective allotted States.

Conclusions:

- a) Divisional Accountant / Divisional Accounts Officer cadre is in a dire need of a **radical Cadre review**, necessitated due to new expectations and duties expected from it, keeping in mind, role it plays in Public Works Accounting as well as public procurement.
- b) **Nomenclatures** of various posts of this cadre currently do not adequately reflect the role of cadre in Procurement function and need to be revised. AIF has offered suggestions on same.
- c) Though the codal provisions put post of divisional accountant on **a status at par with a Sub Divisional Officer** with grade pay equal to 4800 in pre revised scales, the same has not been granted so far, in spite of this being a long outstanding demand. It is a matter of concern that some similarly placed Divisional Accountants (JAO) in central government offices like CPWD are already drawing these pay scales while we have been denied the same. Also, the cadre has remained stagnated in comparison with other similarly placed posts recruited by SSC. There have been instances when many bright candidates have left this cadre as they don't find remunerations commensurate with the effort they have to put in. Right pay levels along with adequate growth potential will go a long way in drawing right candidates to this cadre, as currently, the cadre has been rendered subservient to Division in perpetuity.
- d) **Parity** with posts of Accountant /Senior Accountant/ SAS qualified personnel of AG Office has to be delinked once and for all as ours being an ex cadre post with different functions cannot be clubbed with them as we have no functional commonality with them. Authorities are requested not to entertain any such references in future.
- e) Ban on **unilateral transfers** may be lifted at earliest as it is an arbitrary policy with disregard to humanitarian cost inflicted on affected personnel. This policy is taking a toll on family relationships and puts cadre members under tremendous strain. A favourable decision in this regard will go a long way in uplifting morale of cadre.
- f) The present **cadre structure** needs an urgent relook. AIF has proposed **merging of two** current middle tiers of Divisional Accounts Officer Grade –II and Divisional Accounts Officer Grade–I. It further proposes introduction of **three new tiers** after a Senior Divisional Accounts Officer, with the initial post of Deputy Director (Finance and Procurement) promoted through a **competitive exam conducted by C&AG** amongst Divisional Accounts Officer Grade–I with at least five years service and All Senior Divisional Accounts Officers. Those selected as Deputy Director (Finance and Procurement) are promoted to Director (Finance and Procurement). At the pinnacle of the cadre there shall be an Executive Director (Finance and Procurement) working under the Office of C&AG. Introduction of these posts will bring seamless integration of cadre with offices of State Accountant General and C&AG.

- g) AIF proposes that provisions to fulfill cadre posts through **Deputation** may be withdrawn as there is no comparative functional parity of cadre with deputationists in order to prevent dilution in academic and professional excellence expected from the cadre.
- h) There is urgent need to carry out **review of rules**, regulations, Manual of standing Orders (MSO's), and other policies governing working of this cadre as they have become outdated and are not in sync with today's reality.
- i) Introduction of a new intensive **examination in lieu of Divisional Accountant Grade Examination** which now has become obsolete on account of out dated syllabus and inability to test the candidates on all domains of their duties. New examination can be a specialized SAS examination for this cadre or any other examination with higher standards than SAS examination **restricted to direct recruits** of this cadre with limited number of chances. These high standards will allow authorities to weed out candidates who are not up to mark and also maintain professional excellence in the cadre. AIF has full confidence in ability of our recruits to subject themselves to such rigorous examination and yet emerge triumphant.
- j) **Current procedure of Executive Engineer of the Division writing Annual Performance Appraisal Report (APAR)** of Divisional Accountants/ Divisional Accounts Officer as Reporting Officer makes cadre vulnerable as they are often required to note down their opinion / objection in course of performance of their duties against decisions of Executive Engineer. Sometimes, these are not taken in right spirit and viewed as obstruction or hindrance in their working. AIF therefore proposes to dispense away with provision of Executive Engineer as Reporting Officer and instead submits that both Reporting and Reviewing Officer should be from IAAD.
- k) AIF feels that cadre members should be able to compete with world's best in their abilities and knowledge. An **international accreditation** will go a long way in keeping members up to date with best practices and at the same time allow exposure in international organizations like United Nations, World Bank, UNCTAD and WHO etc on deputation thereby building world class institutional capability.
- l) A need for a dedicated **Central Training Institute** for this cadre has been felt for a long time. It should serve as a knowledge repository and mandated to design new training, syllabus and examination for cadre. If required inputs may be sought from institutions like IIM's, NIPM and ICMAI etc to devise new study material for fresh recruits as well as in-service training. In absence of such an institution, training of new recruits is non standardized across states. C&AG already has two world class institution iCISA, NOIDA and iCED, Jaipur under its control which are actively engaged in academic activities. It is requested to utilize either of these institutions for training purposes till a new dedicated Central Training Institute for this cadre comes up.