

IFA SARANSH

Quarterly Newsletter of Integrated Financial Advisors in Defence

Vol. 20

April 2016



Foreword

It gives me a great pleasure to release the XXth Edition of e-news letter “IFA SARANSH”. The magazine serves as a common platform to share our day to day experiences in the field of finance. I hope that the contents of the publication will reach new heights in near future.

I am confident that the IFA SARANSH will help the IFAs to implement the rules & regulations in the right perspective and also in strengthening the IFA System in Defence.

(N. NEIHSIAL)

Addl. Controller General of Defence Accounts

New Delhi
Dt : 07th April 2016

Comments and suggestions may be mailed to cgdaifa@gmail.com or sent by post to IFA Wing,

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ULAN BATAR ROAD (PALAM ROAD), DELHI CANTT-110101. FAX-011-25674779

CAS-IFAs INTERFACE MEETING

“Interface Meeting of Chief of Air Staff and Integrated Financial Advisor(s) was held on 12th Feb, 2016 at Air HQrs New Delhi. Around 50 senior functionaries from Indian Air Force and Defence Accounts Department attended the conference.



Air Chief Marshal addressing the CFAs-IFAs

CAS, in his welcome address thanked the CGDA, and other officers of Defence Accounts for the excellent work done in notification of One Rank and One Pension (OROP) and mentioned that it will be a great moral booster for the services, especially veterans. He also mentioned that in Air Force side the IFAs are truly integrated. He emphasized the need for sensitizing the Finance on issues like security threats in the context of the recent attacks in Pathankot. He also advised the IFAs to understand the need of the services so that operational capabilities of Air Force could be strengthened to effectively deal with such forces. He further suggested that such an interactive conference should be held once in six months.

Smt. Shobhana Joshi, CGDA lauded the initiative of CAS in starting the Interactive Forum with IFAs and stressed that IFAs

should be aware of the security perceptions of Services. As advisors their role should be to provide solutions to meet the operational capabilities of Air Force. Piecemeal observations should be avoided and no file should be returned more than twice. Being integrated advisors issues should be resolved by discussion across the table.

The other issues viz, Visit by nominated IFAs to units, TD & Leave of IFAs, Hiring of Casual Labour, Porting of Non-logistics Code Head into IMMOLS, Prioritised Procurement Plan, Training of field IFAs on Works Procedure, Rate Contract for commonly available items, Shortage of dedicated IFAs, Issue of PAC in routine manner, Processing of cases through IMMOLS, Implementation of FIS, Rationlisation of POV/Estimated Rates , On line Purchase, SOP on e-Procurement and Outsourcing of Vegetation Clearance etc. were discussed in the meeting.



Air Chief Marshal & Addl. CGDA in conversation on the sidelines of the meeting

Shri N.Neihsial, Addl CGDA thanked the CAS for arranging the conferences and also mentioned that DAD is proud of the achievements made by the Air HQrs.

Awards/Commendations

Shri K. Binu, AAO serving in the office of IFA (SNC) Kochi has been awarded a commendation certificate and a disc by the FOC-in-C (South) for his outstanding and meritorious services rendered to the Southern Naval Command in his capacity as Junior Finance Officer.

Training/Workshop on IFA System

In pursuance of provisions of DFPDS-2015 four batches of training courses on “**IFA System for Gp ‘B’ Officers**” at DTC Gurgaon have been conducted during the QE 03/2016. Total 86 Officers were trained during these courses.

Wishing Happy Birthday to :

Sh Jagtar Singh, Dy. IFA (7 BRD)	01 st April
Smt. Nirupama, Jt. CGDA (Fin)	18 th April
Sh B S Negi, IFA (MAP)	20 th April
Sh S N Jamdade, Dy. IFA (SC)	23 rd April
Sh Mohan Lal , Dy. IFA (1 Corps)	26 th April
Sh. V. Mani, ACGDA, IFA Wing	25 th April
Sh Dhiraj Kumar, Dy. IFA (FOGA/FONA)	29 th April
Sh Pankaj Upadhyay , Dy. IFA (CC)	01 st May
Sh S K Mehta, Dy. IFA (SWAC)	4 th May
Sh R K Singh , IFA (Coast Guard)	9 th May
Sh Amit Prasad, IFA (MC)	19 th May
Sh D S Bansal, Dy. IFA (ARTARC)	27 th May
Sh G L Bhambere, Dy. IFA (12 Corps)	01 st June
Sh S H Sansare, Dy. IFA (MHOW)	02 nd June
Sh A K Jena, IFA (Capital-Army)	13 th June
Smt Maushumi Rudra, IFA (P-75)	23 rd June
Sh Inderjeet Malhotra, Dy. IFA (IMA)	10 th June
Sh S K Singh, IFA (ARTRAC)	25 th June

Wishing Happy Retired Life:

Sh L S Negi, Dy.IFA (2 Corps)
Sh Jagdish Prasad Sharma, Dy.IFA (15 Corps)

Sh Naseem Ahmed, Dy.IFA(WAC)
Sh H S Solanki, (WNC)

Welcome to IFA Set Up:

Smt. Maushumi Rudra, IFA (P-75 & Varsha)
Sh Sandeep Kumar Yadav, Dy.IFA (Pr.IFA Army/O)
Sh Hansraj, Dy.IFA (HQ 2 Corps)
Dr S Venugopal, Dy.IFA (SWAC)
Sh B Senthil Kumar, Dy.IFA(ENC)
Sh Bhargava Isukapatla, Dy.IFA (ENC)
Sh D C Rajath kr, Dy.IFA(Karwar)
Sh Lehana Singh, Dy.IFA (BR)

INSTRUCTIONS/CIRCULARS

Clarification regarding AMC/Post Service Contracts

Under the provisions of Para 3.9 Part-B to DFPDS-2015, it is stipulated that CFAs can approve extension of existing AMC/Service Contracts Cases with same terms and conditions, prices provided a) the combined value of original contract & extended contract falls within their powers and (b) it is certified that there is no downward trend in prices.

Therefore, a doubt has been raised with regard to determination of CFAs in the proposals relating to extension/renewal of AMC.

The issue has been examined in consultation with MoD (Fin) and it is clarified that **only AMC cost of original contract plus the current AMC proposal may be combined to arrive at the total AMC cost and CFA should be determined on the basis of this value.**

(Instruction No. 01 of 2016)

Vetting of AON & AEs by IFAs

One of the IFA has raised the issue that though the powers of the CFA is Rs. 250 Lakh, the authorization given to JTS/STS

level officers (designated as IFAs) vide I.O No. 9 of 2015 to accord concurrence on works cases up to Rs. 500 Lakh will lead to misuse of concurring proposal beyond the CFAs powers. However, in all probability, there may not be any situation as mentioned by the IFA, as IFAs will exercise the powers available to CFA only.

However, in order to clear the air of ambiguity, it is clarified that the JTS/STS level IDAS officers designated as IFAs have been authorized to accord concurrence on works cases having financial implication upto Rs.500 Lakh & Rs. 5 Lakh for Authorized Work & Special Work respectively or upto the financial powers of the CFA, whichever is lesser.

(Instruction No. 02 of 2016)

Revised instructions relating to submission of Monthly Progress Reports

A review of the Monthly Progress Reports submitted by all PIFAs/IFAs including PCsDA, CsDA functioning as the Nominated IFAs to HQrs. Office was carried out and it has been decided with the approval of the Competent Authority that henceforth the Command IFAs/PCsDA/CsDA will collate the MPRs received from all below Command level IFAs/Nominated IFAs pertaining to the whole Command and forward one consolidated MPR for the Command to HQrs. Office by 10th of the following months on the revised proforma.

The new procedure will be implemented w.e.f FY 2016-17. The MPR to be forwarded to the HQrs. by 10th of every month.

Revised instructions relating to submission of Quarterly Activity Reports

It has been decided with the approval of the Competent Authority that furnishing of QARs by the below Command level IFAs to Jt. CGDA (IFA) may be discontinued.

Henceforth the QARs will be furnished by the below Command level IFAs/Nominated IFAs to Command IFAs/PCsDA/CsDA. Command IFAs/PCsDA/CsDA will furnish one consolidated Quarterly Activity Report demiofficially to the CGDA, duly highlighting the issues pertaining to the whole Command worth attention of the CGDA, by 10th of the month following the quarter on the revised format . The first QAR for Quarter ending March 2016 may be submitted to this HQrs. by 10.04.2016 positively.

(Instruction No. 03 of 2016)

Involvement of IFA rep in TPC/CNC (below Rs. 5 Lakh in value) post DFPDS-2015

As per provisions of Para 6 of DFP-2006, all purchases exceeding Rs 5.00 Lakh in value will be made on the advice of the Tender Purchase Committee to be constituted by the CFA and will include the IFA or his rep as a member. As such IFA or his rep was not involved in TPC/CNC for purchase proposals valuing less than Rs. 5.00 Lakh. Post issue of DFPDS-2015, procedure for Procurement Committee (PC) was evolved in which finance rep will be a member irrespective of the value of proposal.

Further, in terms of Para 5 of Addendum 1A of DFPDS-2015, the CFAs have been allowed to dispense with the PC mechanism in certain situation and follow the earlier procedure of tendering i.e through file

noting/CNC. However, it has not been made clear in DFPDS-2015 as to whether the threshold value of Rs. 5.00 Lakh for association of IFA or his rep in TPC/CNC still to be followed or not.

A doubt has been raised with regard to association of IFA or his rep in the cases valuing less than Rs. 5.00 Lakh where CNC procedure is followed, as was earlier in vogue i.e. DFP- 2006.

The issue has been examined and it is clarified that in such cases there is no need to depute representative of IFA but concurrence if required as per Delegation of Financial Powers to the CFA can be accorded. Correspondingly for all cases above Rs. 5 Lakh, IFA may depute Rep/participate in the TPC/CNC and accordingly accord concurrence as per Delegation of Financial Powers available to the CFA i.e. inherent powers or delegated powers as the case may be.

(Instruction No. 04 of 2016)

Command and Control IFA System: Link Officers Arrangement.

During CAS-IFA interface meeting held at Air Headquarters on 12.02.2016, it has been highlighted by the Executive Authorities that while proceeding on leave/TD etc. prior intimation is not being given by the PIFA/IFAs to their CFAs with regard to the details of the officers who will look after the work in the absence of the regular incumbent under the leave chain arrangement.

In this context, though necessary instructions have already been issued by HQrs, IFA Wing however, to have a better coordination between CFA and IFA and to avoid

hampering of work in the PIFA/IFA offices during any kind of absence of the PIFAs/IFAs it has been decided that besides the instructions issued earlier vide IFA Wing letter dated 01.05.2009 following guidelines were issued to PIFA/IFAs for necessary compliance -

- Copies of the instructions relating to the existing link arrangement circulated by the HQrs. Office may be forwarded to all CFAs.
- While applying for leave for sanction of the CFA, PIFAs/IFAs may invariably mention the name of the link officer who will look after the work in their absence on account of leave/TD etc.

(Instruction No. 05 of 2016)

Delay in processing of Financial Proposals by below Command level IFAs

Some instances of delay in concurrence of financial proposals at the level of below the command level IFAs have been brought to the notice of this Hqrs office. The issue has been examined and it has been decided that to overcome such eventualities and to ensure timely processing of the financial proposals by the below Command level IFAs, the following guidelines may be followed by the Command Level IFAs.

- (i) Whenever the Command IFAs feel that the proposals are being delayed by any particular below the Command IFA under their administrative control, the reasons thereof may be identified and timely clearance of the proposals by below the Command level of IFA may be ensured.
- (ii) However, if the delay still persists and below the Command level IFAs do not give positive response, the Command IFAs, may

call for such files to Command IFAs offices for examination and may be got disposed of from their offices.

(iii) Similar action may be taken by PCsDA/CsDA in respect of nominated IFAs below Command level. Under no circumstances the proposals may be allowed to accumulate at the level of the below Command level IFAs.

(Instruction No. 06 of 2016)

Online maintenance of Register of Financial Proposals.

It has been decided with the approval of the Competent Authority to switch over to Online Maintenance of “Register of Financial Proposals”.

A software (Sifa) for Online Maintenance of “Register of Financial Proposals” has been developed by HQrs. Office and user manual is made available in Sifa software on WAN .

In the First Phase it has been decided that the Online Register will be maintained at in the office of PIFAs/IFAs at Service HQrs./ Command HQrs & Nominated IFAs w.e.f 01.04.2016. In the second phase, it will be implemented in the offices of below the Command level IFAs. PIFAs/IFAs/Nominated IFAs were therefore requested to obtain the User ID & Password from IFA Wing of the HQrs as online maintenance of Register is mandatory for all PIFAs/IFAs/Nominated IFAs. The Command IFAs and the Nominated IFAs, therefore, need to ensure that the WAN connectivity is made functional in their subordinate Offices on priority basis.

(Circular No. 02 of 2016)

CASE STUDIES

Proposal for AE for Construction of Bomdila Bye Pass on Road Balipara Charduar-Tawang from Km 130.350 to Km 138.870 to NHDL specifications in the state of Arunachal Pradesh at the estimated cost of Rs. 5283.17 lakh.

IFA (BR), on scrutiny of the AEs, observed that there were a number of deficiencies in drawing up the AEs, the major ones being as under:-

Centering shuttering material authorized as per DGBR SSR was for 10 times use. Being steel plates, it was felt that these can be used more than 10 times, as is being done in various other jobs.

Excavation work was being carried out in formation work through Hydraulic Excavator and in permanent work through manual labour/tools. The nature of work was same but carried out by different methods and it was observed that handling charges of excavation work for formation work are lower than that of permanent work. Hence, it was suggested that for working out road lift charges purpose only, the cost of excavation work which pertains to permanent work may be considered under formation work's road lift charges. The same was also considered in various other cases like Job No. G-1807/01 (Swastik) etc.

On the advice of the IFA, AEs were rectified and re-drawn and proposal was concurred for RS. 5097.96 lakh against the initial amount of RS. 5283.17 lakh. Hence as a result of the advice given by the IFA, savings to the tune of Rs. 185.21 lakh was achieved.

(Courtesy: IFA (BR), New Delhi)

Proposal for according concurrence relating to procurement of winding wire of various types under indent no. 12BQEC140 dt. 25.12.2012 for an expenditure amounting to Rs. 84,06,365 for 12 indent lines.

The indent was proposed for concurring rate contract for three years being ASD critical item (for 12 indent lines) .

AIP was accorded for Rs. 84,06,365 for conclusion of rate contract on 07/09/2012.

After September 2012, the indent was resubmitted in June 2014 for converting the proposal from rate contract to LTE citing that prices of metallic products are subject to massive variations and firms may not honour their rate contracts.

Proposal was examined by the IFA, and the following clarifications were called for.

- a. Reason for not processing the proposal in time.
- b. When the proposal was initially submitted for according concurrence, it was stated in the noting that the procurement of these said items is critical. In light of same it was enquired as to how the requirement of the item was met during the above period.
- c. It was also advised to revise the PQ as the indent was of vintage 2012.

The case was resubmitted stating that , the indent was pending due to technical fault . Further PQ in r/o item at Indent Line 06 was reduced from 49,665 mtrs to 25,000 mtrs. Thus bringing the proposed expenditure from Rs.32,88,816 to Rs.16,55,500. (for Indent Line -06) resulting into saving to the tune of Rs.16,33,316.

The original Indent was for conclusion of the Rate Contract for three years and accordingly, PQ was considered for three years requirement. Whereas the present proposal was being converted from Rate Contract to LTE , hence requirement of only one year was required to be considered. Hence it was advised to revise the quantity also.

On the basis of the Financial advice rendered by FA to (MS) , the quantity was reduced from 3 Longcast to 1.5 Longcast thereby reducing quantity of each item by almost 50%.

To check the correctness of the revised proposed quantity, the availability of stock was verified with ILMS system. It was found that the quantity of 25,216 mtrs in r/o Indent Line-06 was available in stock . Hence it was advised that the necessity of procurement of 25,000 mtrs in r/o Indent Line-06 was not considered justified.

As a result of the above advise by FA to MS , the entire quantity in respect of Indent Line-06 was deleted and case was resubmitted for accord for AIP/AON for revised expenditure amounting to Rs. 25,20,117/-. Proposal was concurred for AON for Rs.25,20,117/- on 18/09/2014.

TE was issued on OTE basis, L1 quoted for an expenditure amounting to Rs.31,71,798/- . L1 firm was called for negotiations. During negotiations the L1 offered a discount of 1% on its quoted rate, bringing down the expenditure from Rs.31,71,798/- to Rs.31,40,080/-.

As a result of the financial advice rendered by FA to MS in the above case at post AON stage the expenditure on the proposal was

brought down by 63% i.e from Rs. 84,06,365/- to Rs. 31,40,080/- Hence **resulting into overall savings to the state to the tune of Rs. 52.66 lakh (Rs. 52,66,285/-).**

(Courtesy: IFA (WNC), Mumbai)

The Directorate of IT, Air HQ (VB) proposal for Office Application Software i.e MS office Professional Licenses for 923 Desktop PCs. The amount proposed was Rs.1,98,69,421/-.

The Directorate purchased 923 PCs through DGS&D channel. The Proposal for MS office Professional Software like Word, Excel and Power Point etc for entire PCs was mooted. The AON for the case was approved by VCAS in consultation with PIFA through OTE based on the budgetary quote received from the supplier having OEM (MS Microsoft) certificate. The CNC was held with L1 and the placement of supply order for Rs. 1,95,17,503/- was recommended after getting Rs. 50,000/- discounts offer by the vendor. The case was submitted for EAS.

During the EAS stage, PIFA scrutinized the proposal and the following observations were raised with a request to review the proposal afresh about the actual requirement of the proposed high end software having substantial financial implication.

(a) The requirement was projected by Directorate of AFNET to implement centralized PKI and ADRMS enabled applications from the Data Centers. The requirement of the very high end software based on cloud computing for which Internet connectivity is required is not clear since the

software is to be loaded on AFNET run PCs only.

(b) Therefore, it was asked whether all the 923 PCs would require MS Office Professionals. It was asked to review the requirement of MS Office Professionals in a view of earlier procurement of cheaper version of MS Office to facilitate usage of PKI enabled application.

(c) Since majority of the 923 PCs were procured against BER/downgradation feasibility of using the MS Office License Key already loaded in the downgraded PCs was asked to looked into.

(d) It was also pointed out that many of the advance features may be disabled by system administrator due to security reasons and may not be of much use.

Accordingly, the proposal was reviewed by Dte of IT in consultation with Branch Computer Centre and the requirement of MS Office Professionals was revised to quantity 373 against the earlier proposal of Qty 923. Again the case was scrutinized and it was revealed that actual requirement was for quantity 125 Licenses only since the requirement was projected by Directorate of AFNET to implement centralized PKI enabled from the Data Centre. On the basis of the comments of Directorate of AFNET, ACAS(COMN) finally agreed for the requirement as 125 only.

As a result of carefully scrutiny carried out by the PIFA, the requirement of Licenses was reduced from 923 to 125. Accordingly the Expenditure Angel Sanction was accorded for Rs. 26,43,215/- inclusive of all taxes thereby **achieving a saving of Rs. 1,72,26,206/-.**

(Courtesy: PIFA(Air), New Delhi)