

*Office of the Controller General of Defence Accounts
Ulan Batar Road, Palam, Delhi Cantt. -110 010*

No. IFA/140

Dated: 09.09.2010

To

1. Shri A.N. Saxena, IDAS
Pr.IFA (Air HQrs), New Delhi
2. Shri Jacob David, IDAS
IFA (WAC), Delhi Cantt.
3. Shri M. Anjaneyulu, IDAS
IFA (HQrs) SWAC, Gandhinagar
4. Shri Alok Chaturvedi, IDAS
IFA HQrs, Training Command, Bangalore
5. Shri Rakesh Sehgal, IDAS
IFA (MC), Nagpur
6. Shri T.K. Hangzo, IDAS
IFA AHQ. EAC, IAF.
7. Shri Rajiv Ranjan, IDAS
IFA HQrs CAC (IAF), Allahabad

Sub: Seminar/Presentation on IFA system.

Ref: This office letter No.IFA/140 dated 18.8.2010 & 6.9.2010

The presentation on IFA system has been re-scheduled on 18 October, 2010. It is requested that the PIFAs/IFAs may forward their considered views on the enclosed agenda items and any other significant issues that merit discussion. These views may be forwarded to HQrs Office by 20 September, 2010.

The discussion will be held on 18 October 2010 from 1100 hrs to 1300 hrs at Kautilya, CGDA, New Delhi. You are requested to make a detailed and well structured presentation on the functioning of IFA system, significant issues involved, areas of concern, intervention required from the CGDA's office or MoD(Fin) or Service HQrs and any other important issues. The presentation may be of 20 minutes duration and may be prepared in close coordination with each other. The presentation will be followed by discussion and lunch.

**(MAYANK SHARMA)
Jt. CGDA (IFA)**

Note: Soft copy of presentation may be provided.

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Ulan Batar Road, Palam, Delhi Cantt. -110 010*

No. IFA/140

Dated: 09.09.2010

To

1. Shri N. Neihisial, IDAS
Pr. IFA (Navy)
2. Shri R.K. Arora, IDAS
IFA (Coast Guard) New Delhi
3. Smt. Vandana Kumar
IFA (WNC) Mumbai
4. Shri S. S. Pendharkar, IDAS
IFA (SNC)Kochi
5. Shri K. Ravikumar, IDAS
IF (ENC), Vizag

Sub: Seminar/Presentation on IFA system.

Ref: This office letter No.IFA/140 dated 18.8.2010 & 6.9.2010

The presentation on IFA system has been re-scheduled on 19 October, 2010. It is requested that the PIFAs/IFAs may forward their considered views on the enclosed agenda items and any other significant issues that merit discussion. These views may be forwarded to HQrs Office by 20 September, 2010.

The discussion will be held on 19 October 2010 from 1100 hrs to 1300 hrs at Kautilya, CGDA, New Delhi. You are requested to make a detailed and well structured presentation on the functioning of IFA system, significant issues involved, areas of concern, intervention required from the CGDA's office or MoD(Fin) or Service HQrs and any other important issues. The presentation may be of 20 minutes duration and may be prepared in close coordination with each other. The presentation will be followed by discussion and lunch.

**(MAYANK SHARMA)
Jt. CGDA (IFA)**

Note: Soft copy of presentation may be provided.

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Ulan Batar Road, Palam, Delhi Cantt. -110 010*

No. IFA/140

Dated: 09.09.2010

To

- | | |
|--|--|
| 1. Smt. Priti Mohanty, IDAS
Pr. IFA (Army/M), New Delhi | 2. Smt. Bindu Agnihotri, IDAS
IFA (Army/O), New Delhi |
| 3. Shri D.K. Sharma, IDAS
IFA (Army/Q), New Delhi | 4. Shri R.K. Nayak, IDAS
IFA (SWC), Jaipur |
| 5. Shri, Navneet Verma, IDAS
IFA (NC), C/o 99 APO | 6. Shri G.D. Pungle, IDAS
IFA (SC), Pune |
| 7. Shri D. R. Negi, IDAS
IFA (WC), Chandimandir | 8. Shri R.K. Arora, IDAS
IFA (CC), Lucknow |
| 9. Shri Santosh Kumar, IDAS
IFA Border Road, Delhi Cantt-10 | 10. Shri K.V.R. Murthy, IDAS
IFA (R&D), New Delhi |
| 11. Shri Kamal Chowdhery, IDAS
IFA ARTRAC, Shimla | 12. Shri Sanjay Kumar Singh, IDAS
IFA (EC), Kolkata |

Sub: Seminar/Presentation on IFA system.

Ref: This office letter No.IFA/140 dated 18.8.2010 & 6.9.2010

The presentation on IFA system has been re-scheduled on 20 October, 2010. It is requested that the PIFAs/IFAs may forward their considered views on the enclosed agenda items and any other significant issues that merit

discussion. These views may be forwarded to HQrs Office by 20 September, 2010.

The discussion will be held on 20 October 2010 from 1100 hrs to 1300 hrs at Kautilya, CGDA, New Delhi. You are requested to make a detailed and well structured presentation on the functioning of IFA system, significant issues involved, areas of concern, intervention required from the CGDA's office or MoD(Fin) or Service HQrs and any other important issues. The presentation may be of 20 minutes duration and may be prepared in close coordination with each other. The presentation will be followed by discussion and lunch.

(MAYANK SHARMA)
Jt. CGDA (IFA)

Note: Soft copy of presentation may be provided.

1. Coordination between PIFA/IFA, PCDA/CDA & CFA

Instructions have been issued from the HQrs office vide letter No. AT-Coord/13393/Coord-Cont(Vol-II) dated 29.3.2007 and No. PIFA/Coordinating Controller dated 11.7.2007 regarding establishing a coordination mechanism among the PCDA/CDA PIFA/IFA and the CFA. However, substantive results have not been achieved as no regular feed back is reported to the HQrs Office on important issues. With extensive delegation of powers to the CFAs at various levels and their further enhancement shortly, more responsibility now devolves on the PCDA/CDA and PIFA/IFA to play a crucial role in proper defence expenditure management. Additionally this interaction should result in adoption of uniform approach, mutual learning from each other experiences and for sorting out differences of opinion. Also interaction between PCDA/CDA and PIFA/IFA is essential for identification of higher audit issues, systemic problems and suggestions for corrective actions. The XIV Report of the Second Administrative Reforms Commission has clearly brought out the role and responsibility of internal audit and IFA. With the posting of SAG level IFAs at Command level and HAG level PIFAs at service HQrs level, issues relating to financial advice can be easily addressed by directly interacting with CFAs at appropriate levels.

There is a need to formalize this interaction and devise a structured approach to enhance better financial management.

2. Issues relating to implementation of DGL on IFA system and CFA system.

Recently Ministry of Defence (Finance) has issued a DGL on CFAs powers and the office of CGDA has proposed a DGL on IFA system. The copies of both these draft DGLs is enclosed. Actionable issues relating to both DGLs having a direct bearing on the functioning of IFAs need to be identified and discussed.

3. Issues raised by the Services.

The Services have raised some issues relating to the functioning of IFAs. These are enclosed as annexure 'A'. The PIFAs/IFAs need to discuss each issue and suggest measures to address them.

4. Creation and sharing of data base amongst IFAs

Presently there is no standardized format for creation and maintenance of data base in the PIFA/IFA offices and its sharing to support the decision making process. Instructions have been issued from the HQrs offices for maintenance of shadow files, data base on vendors, prices of different items, inventory etc. However, during inspections it has been found that no uniform and effective data has been maintained and its sharing has not happened.

It is, therefore advised to design an appropriate and useful data base and mechanism for its sharing amongst various IFAs to help them in taking correct decision.

5. Implementation of MEIT Lot – 7 IFA module.

The MEIT Lot 7 has to be implemented in the IFAs office in a time bound manner. Pilot run was conducted in 20 IFA locations and a review was done in March 2010. 25 other locations have been identified for conducting the second round of pilot run and training. Despite efforts from the HQrs office the system has not been effectively implemented in those 20 offices where pilot testing was done.

While implementing the MEIT Lot 7 it is important that IFAs also establish a direct compatibility with the existing automation system in the three services like IMMOLS in Air Force and ILMS in Navy and CICP in Army to share their data base.

It is suggested that a time bound action plan may be formulated for implementation of MEIT Lot 7 system on IFA set up.

O/o the C.G.D.A., Ullan Batar Road, Near Palam Air Port, Delhi Cantt-10
IFA Wing
(Tel-011-25674817, FAX 011-25674779)

Sub: Role & Functions of IFAs-need for a Government letter.

Ref: MoD(Fin) ID No. 10(14)/c/08 dated 6th May 2010.

As recommended by the Defence Expenditure Review Committee (DERC) in the report of 2009 and as desired in the above mentioned letter, a Draft Government Letter(DGL) on Integrated Financial Advice (IFA) System in Defence Organisations is forwarded herewith for favour of approval, please.

CGDA has been consulted.

-----sd/-----
(Mayank Sharma)
Jt. CGDA(IFA)

Sh. Amit Cowshish, IDAS
JS & Addl FA(A)
Room No. 132 B,
Ministry of Defence (Fin.)
South Block, New Delhi-11.
UO NO. IFA/2 (DGL) Dated 09.08.2010

DGL

No.....
Govt. of India
Minsitry of Defence (Finance)
New Delhi-110011
Dated :

To

The Chairman, Chiefs of Staff Committee
The Chief of Army Staff
The Chief of Naval Staff
The Chief of Air Staff
The DG (R&D), DRDO
The CISC HQ IDS
The DG Border Roads
The DG Indian Coast Guard
The CGDA

Subject: Integrated Financial Adviser (IFA) System in Defence Organisations.

1. In conformity with the Scheme of Integrated Financial Adviser as notified vide MoF Department of Expenditure OM No. 5(6)/L&C/2006 Dated June 01, 2006, I am directed to convey the sanction of the President for implementation of the Integrated Financial Adviser (IFA) System in the Defence Services/Organizations at the Headquarters Integrated Defence Staff/Integrated Headquarters of the MoD (Army/Navy/Air Force), Command Headquarters and lower formations in these organizations, R&D Organisation, Border Roads and the Indian Coast Guard. While exercising the delegated financial powers the Competent Financial Authorities (CFAs) shall strictly follow the Standards of Financial Propriety as per Rule 6 Chapter II of Financial Regulations Part I Volume I. Instructions and detailed modalities are contained in various IFA Manuals, Government letters issued from time to time, DPP & DPM etc. The Defence Expenditure Review Committee , in its report for 2009 had also emphasized the need to address various issues concerning the role and function of the CFAs and the IFAs, as also the infrastructure and facilities for the IFA set up at various levels. In view of the above, the following consolidated instructions are issued for the guidance of the CFAs and the IFAs.

1.1 Normally purchase of stores and services in Defence is sanctioned by the Head(s) of Commands and Fighting Formations at various levels. These sanctions are thereafter acted upon by specialist service arms like the ASC, Ordnance, EME and MES based on appropriate norms and scales. Finance and audit cover under this system is given by the Controllers/ Principal Controllers of Defence Accounts at various locations. While this system adequately addresses compliance and propriety issues in the expenditure of public money, it sometimes involves considerable time in file processing and does not adequately take users preference into account.

1.2 The concept of Authority-Cum-Responsibility Centres (ARCs) was adopted, inter-alia, to address these lacunae. Under this concept, powers for both sanction and procurement of stores and services vest with the “Competent Financial Authority” (CFA) who is usually the Head of the Directorate/Command/Formation/Unit. The CFA takes purchase decisions based on the advice by a committee of officials representing various stakeholders e.g. users, technical experts, quality control etc. He/She also keeps in view the operational exigencies. He/She is supported by an Integrated Financial Adviser who advises him/her on the financial propriety, conformity and acceptability aspects of the procurement.

2. Objectives of the IFA System

2.1 Objectives: To provide independent financial advice to the designated Competent Financial Authorities at various levels for correct and effective exercise of delegated financial powers with a view to enhancing the combat preparedness of Defence forces and to ensure speedy decision making and corresponding accountability.

3. Definitions

3.1 “Competent Financial Authority” (CFA) means the authority who is competent to sanction the expenditure under the delegated financial powers.

3.2 Additional Controller General of Defence Accounts (IFA) means an IDAS officer who has been designated as in-charge of IFA Wing by the CGDA and who is responsible for overall supervision and proper functioning of the IFA system.

3.3 Principal Integrated Financial Adviser (s) (PIFAs) / Integrated Financial Adviser (s) (IFAs) means officers of the Defence Accounts Department entrusted with the responsibility of rendering Financial Advice to the designated CFA(s) in

respect of proposals having financial bearing and falling within the delegated financial powers of the CFA(s) and to be exercised with the concurrence of PIFA (s) / IFA (s).

3.4 Financial Concurrence means the concurrence of the PIFA (s) / IFA (s) to a proposal having financial bearing.

4. Organizational Structure for Functional/Administrative Responsibilities

4.1 The Additional CGDA (IFA), will be the incharge of the IFA Wing in the office of CGDA and will be responsible for its proper functioning and co-ordination, to the Secretary (Defence Finance) through the CGDA

4.2 He/She will seek direction (s)/guidance from the CGDA and the Secretary, (Defence Finance) through the CGDA in regard to all functional responsibilities to be discharged by the PIFA(s) / IFA(s).

5. Charter of Duties

5.1 Charter of Duties of the IFA Wing is placed at Annexure 'A'.

5.2 Role of PIFAs/IFAs is placed at Annexure 'B'.

6. Positioning of PIFAs / IFAs

6.1 The CGDA shall position and designate officers at appropriate levels from the Defence Accounts Department to function as PIFA(s) / IFA(s) to the CFAs/Group of CFAs.

6.2 Only the designated PIFA(s) / IFA(s) will render financial advice to the CFA (s) in exercise of their delegated financial powers.

6.3 In the eventuality of designated PIFA (s)/ IFA (s) not being available, for any reasons, link officers nominated by the CGDA office from time to time will perform such function (s).

6.4 There is no provision under the delegated financial powers to obtain ex-post-facto concurrence of integrated finance. Such cases where prior concurrence is not obtained though required as per delegation of financial powers, would be referred to

the next higher CFA for regularization. Such regularization will be subject to concurrence of IFA to the next higher CFA.

6.5 Where a proposal is approved, with or without the concurrence of integrated finance, by an authority not competent to sanction that proposal as per the delegation of financial powers, ex-post facto sanction may be accorded by the appropriate CFA with or without the concurrence of the IFA, as the case may be, as per delegation of financial powers.

7. Operating Guidelines

7.1 PIFAs/IFAs will function as per the role and responsibilities given in MoF No. 5(6)/L&C/2006 dated 1.6.2006, DPM, DPP, Respective IFA Manuals, and other instructions issued by the Government of India / CGDA from time to time.

8. Clarifications sought by PIFAs/ IFAs

8.1 Clarifications required by PIFAs/IFAs on all functional and administrative matters will be co-ordinated by the Addl. CGDA (IFA) in the CGDA office.

9. Cadre Management

9.1 The officers of IFA establishment will be from the Defence Accounts Department and will be provided by the office of the CGDA. The staff below the Assistant Accounts Officer (AAO) level will be provided by the concerned Defence Service Organization with whom PIFA/IFA is attached at scales laid down in Annexure-C

9.2 The CGDA shall be the Cadre Controlling Authority for officers and staff from the Defence Accounts Department posted in the IFA set up. He/She shall be responsible for their transfer, posting, arrangement of substitutes during leave period, promotion and other administrative matters. The seniority record and service books etc. shall be maintained by the CGDA.

9.3 The officers from the Defence Accounts Department positioned in the IFA set up will be governed by CCS Conduct Rules and CCS (CCA) Rules 1965. The CGDA will be the disciplinary authority for all disciplinary cases.

9.4 Designated CFAs will be the competent authorities to sanction Temporary Duty moves (within their command/jurisdiction)/leave to PIFAs/ IFAs. Link

officer(s) will be informed by the PIFA(s)/IFA(s) before going on T/D/leave. The PIFAs/IFAs will be the Competent Authorities for sanction of Temporary Duty moves/leave etc in respect of all officers and staff subordinate to them.

9.5 The APARs of the PIFAs/ IFAs and their officers will be initiated and reviewed as per instructions issued by the GoI, MoD (Fin) letter No. 1042/Addl.FA (V) dt. 21.09.2004 for respective services (as amended) or as per letters/instructions issued by the MoD (Fin.) or the CGDA from time to time.

10. Administrative and Financial Powers of the PIFAs / IFAs

10.1 The PIFA(s) /IFA(s) will be delegated administrative and financial powers, as available to the officers of the Defence Accounts Department at equivalent levels. Necessary orders in this regard will be issued by the CGDA.

10.2 The PIFA (s) / IFA(s) of SAG level and above will be declared as 'Head of the Department' by the CGDA in respect of their offices as per the Delegation of Financial Powers Rules 1978.

10.3 The IFA(s) below the level of SAG will be declared as 'Head of Office' for their respective offices by the Command IFA / the CGDA as per rules.

11. Payment and Accounting

11.1 Office of the PCsDA/CsDA/Accounts Office/Area Accounts Office/Pay Accounts Office as designated by the CGDA, will pay, account for and monitor the expenditure under various heads as per the existing rules & instructions of the CGDA.

12. Logistic Support

12.1 PIFA(s)/IFA(s) and their officers/staff shall be provided with well furnished office accommodation by the respective Defence Service Organisation. Residential accommodation shall be provided to all officers and staff of the PIFA(s)/IFA(s) establishment by respective Defence Services / organisations as per their respective entitlement (s) by creating a dedicated pool. PIFA(s)/IFA(s) shall be provided an Appointment House on par with officers of the status of the HAG/SAG level PSO in the Service HQ/Command HQ. of the concerned Service. IFAs of lower level at

Corps/Area/Depot/, etc. shall also be provided residential accommodation as per their status.

12.2 A dedicated vehicle of appropriate status, as provided to the PSOs in Service HQrs/Command HQrs shall be provided to PIFA/IFA of HAG/SAG level by the respective Defence Services / Organisations. Appropriate transport shall be provided by the respective Defence Services/Organizations to IFAs at lower level at Corps/Area/Depot etc.

12.3. The concerned Defence Organization(s) shall provide Identity Cards/Security Passes for personnel and vehicles of PIFA(s)/IFA(s) establishment.

13. Functional Linkage between CFA& PIFA/IFA

13.1 There shall be regular one-to-one interaction between the CFA(s) and PIFA(s)/IFA(s) to discuss important functional issues and to sort out bottlenecks.

13.2 The concerned organization shall ensure that PIFAs/IFAs are provided due protocol in all official and social functions /gatherings.

13.3 The PIFA(s)/ IFA(s) will provide financial advice/concurrence in writing based on regular noting on file. Proper briefing papers, with the approval of the CFA will be made available to the PIFA/IFA/PCDA/CDA etc. sufficiently in advance, in any case one week in advance, of the meeting/discussions/or on file. However, in cases of extreme urgency, where time does not permit floating of regular files, decision can be taken in meetings/discussions held after adequate notice. Detailed deliberations/minutes will be recorded in such cases. All such cases should be followed up immediately by regular noting on file where the decisions taken during meetings/discussions and financial advice will be recorded in writing. In order to minimize cross-notings and back references, proposals initiated on files should be comprehensive and self contained and should include all relevant facts and data pertaining to the case. The administrative authorities should make available any information, data, file or document relevant to the case which is called by PIFA/IFA for rendition of financial advice.

13.4 In matters within the delegated powers, it will be open to the CFA to overrule the advice of the PIFA / IFA by an order recorded in writing containing reasons for overruling the advice. In such cases it will be open to the concerned PIFA / IFA to report the matter to the next higher PIFA / IFA for pursuing the matter further with the higher CFA or drop it as deemed fit. However, the ongoing

procurement need not to be stopped or delayed(particularly if the requirement is operationally urgent or delay is likely to have adverse implications) unless the CFA decides to seek approval of the higher CFA before proceeding further with the case. The sanction letter issued will clearly indicate that the advice of the IFA has been overruled and a copy of the order of the CFA overruling the finance advice mentioned above, will be endorsed along with the CFA sanction to the PCDA/Paying authority for release of payment and for the purpose of audit. A quarterly report will be submitted by the PIFA/IFA to the CGDA in such cases where the advice of the integrated finance has been overruled by the CFA to whom he/she is acting as the Integrated Financial Adviser. This will form part of the feedback on all sanctions issued under the delegated financial powers of these CFAs exercised with or without consultation of PIFA/IFA.

13.5 Commercial Negotiation Committee (CNC) may be chaired by an officer one rank below that of the CFA. While PIFA/IFA would normally attend the CNC himself, he may also nominate an officer junior to him to attend the CNC if the same is chaired by an officer who is lower in rank than the PIFA/IFA or due to unavoidable reasons; PIFA/IFA is not able to attend the CNC.

14. Computerisation

14.1 The computer system of PIFA/IFA establishment shall be designed so as to integrate with the system of the respective Defence organization to ensure access to the database required by the PIFA/IFA for discharge of his/her duties.

15 Issue/audit of sanctions

15.1 A copy of the sanction letters issued by the CFAs under the delegated financial powers, when exercised with or without concurrence of PIFA/IFA, will be endorsed to the PCDA/CDA for undertaking audit of sanctions and to the Pr.IFAs/IFAs for linking with their concurrence. The administrative authorities should make available any information, paper, file or document relevant to the case, which is called for by the Defence Accounts Department (DAD) for this purpose.

16. Residual Matters

The Secretary (Defence Finance) may issue appropriate instructions in consultation with the CGDA and Services HQs in matters not covered in this order for effective functioning of the IFA system.

17. This issues with the concurrence of Ministry of Defence (Finance) vide UO No.....dated

(.....)
Under Secretary to the Govt. of India

Copy to:

1. CGDA
2. DGBR
3. DG DRDO
4. CISC/VCOAS/VCNS/DCAS
5. Addl. Secretary (T)
6. DCOAS (T&C)/DCOAs (P&S)
7. MGO/QMG/E-in-C/AG
8. DGOS/DGEME/DGST/SO-in-C
9. All PSOs at Service HQrs.
10. JS (G), JS(O), JS (Trg), JS(ESW), JS(N), JS(Pre), JS(APO), JS(Air), Director (AF/Eqpt), DFA (AF Org)
11. All Addl. FAs
12. Director General Audit (Defence Services)
13. All Principal Controllers / Controllers / PIFAs / IFAs

Annexure 'A'
(Refer Para 5.1 of DGL)

CHARTER OF DUTIES OF IFA Wing in the office of the CGDA

The IFA Wing shall be the repository of all domain knowledge relating to IFA system and will be responsible for:-

- (i) Aiding and advising the Integrated Service Headquarters, Ministry of Defence i.e. Army, navy and Air Force, Headquarter Integrated Defence Staff, HQrs. R&D & DRDO HQ Indian Coast Guard, Border Roads, for effective functioning of the IFA System.
- (ii) Financial Advice and Coordination in relation to the working of IFAs in the Integrated Service Headquarters, Integrated Defence Staff, PCsDA/CsDA entrusted with IFA Functions, IFA (Border Roads), IFA (R&D) HQrs., IFA (R&D) Project -75 and IFA (Coast Guard)
- (iii) Discharging administrative responsibilities relating to the functioning of IFA system as may be assigned by the CGDA from time to time.
- (iv) Seeking directions and guidance from the CGDA & the Secretary Defence Finance in matters related to functional responsibility of IFAs.
- (v) Nominating leave duty relief of IFAs in consultation with CGDA. Processing of cases for the temporary duty move of concerned IFAs to places other than own Command jurisdiction.
- (vi) To Initiate, Review or Accept Annual Performance Appraisal Reports (APARs) in respect of IDAS officers and Sr Accounts Officers/Accounts Officers posted in the dedicated IFA set up as per instructions issued by MoD (Fin.) vide its letter No. 1042/Addl.FA (V) dated 21.9.2004 amended from time to time.
- (vii) To institute appropriate Management Information (MIS) systems for proper monitoring and reporting by PIFAs/ IFAs to the CGDA and Secretary (Defence Finance).

- (viii) Circulating all Government orders and instructions relevant to the functioning of PIFA(s)/IFA(s).
- (ix) Ensuring exchange of information, best practices, knowledge and experience amongst PIFA(s)/IFA(s) in the same Service or across the three Services.
- (x) Drawing up operating manuals/instructions, where necessary.
- (xi) Monitoring, supervision, direction, coordination and reporting in respect of functioning of IFAs at various levels.
- (xii) It will coordinate the following:-
 - (a) Training aspects of IFAs and their staff.
 - (b) Issues related to manpower planning.

Annexure 'B'
(Refer Para 5.2 of DGL)

ROLE OF PIFA(s) / IFA(s)

A. Planning and Budgeting activities

- a. Priority Procurement Plans will be routed through PIFA (s) / IFA(s), who will vet it from necessity angle.
- b. PIFA (s) / IFA (s) will be fully involved in budgeting exercise. All the budgetary reports will be routed through them for their vetting.
- c. To the extent possible, PIFA (s) / IFA(s) will be involved in macro planning issues and ops related issues, which are directly or indirectly related to future procurement and expenditure.

B. Procurement powers

- a. Acceptance of Necessity (AON) stage – IFA will scrutinize, vet and concur following areas at AON stage:-
 - (i) Necessity angle justification;
 - (ii) Quantity vetting;
 - (iii) Estimation of cost;
 - (iv) Determination of correct CFA;
 - (v) Mode of tendering;
 - (vi) Vetting of draft RFP & its subsequent amendments/ extensions.
- b. Tender Evaluation & Negotiation (TEN) stage – IFA will scrutinize, vet and participate in following areas at TEN stage:-
 - (i) Procedural aspects related to issue, receipt and opening of tenders;
 - (ii) Rendering advice on TEC report if asked by CFA;
 - (iii) Vetting of CST;
 - (iv) Participation in CNC activities – Benchmarking of reasonable rate, strategy for negotiations, actual negotiations, vetting of minutes.
- c. Expenditure Angle Sanction (EAS) stage – IFA will scrutinize, vet and concur following areas at EAS stage
 - (i) Decision for acceptance / Re-tender
 - (ii) Decision for Apportionment
 - (iii) Funds' Availability confirmation
 - (iv) Allotment of UO No.
 - (v) Vetting of Draft Supply order/ Contract
- d. Post Contract Management (PCM) stage

- (i) Amendment in contract / supply order
- (ii) Delivery extension with or without LD
- (iii) Invocation of contractual clauses like price variation, FE variation, etc.
- (iv) Termination of contract, Risk & Expense, Force Majeure, etc.
- (v) Project monitoring

C. Administrative powers - Those administrative power cases, where financial implications are involved and which are notified by Govt. to be done with IFA's concurrence, will be seen by IFA. An illustrative list is given below-

- a. Foreign travel of Defence services
- b. Rotation of Defence personnel in UN missions
- c. Award payments based on MACT orders/Lawyers fees/legal charges
- d. Any other administrative powers having financial implications and as mandated in the concerned Govt. letter of delegation.

D. Non-Procurement powers – Those non-procurement cases, where financial implications are involved and which are notified by Govt. to be done with IFA's concurrence, will be seen by IFA, An illustrative list is given below-

- a. Scaling of items
- b. Pre-provisioning activities like issue of Tasks, Rate of Effort, Forecast Factor
- c. Regularization of losses
- d. Regularization of audit objections, vetting of draft paras, audit reports etc.
- e. Any expenditure not covered under rule
- f. Vetting of AEs. Admin Approval and Financial concurrence cases in Civil Works
- g. Declaring stores as surplus/obsolete
- h. Disposal of salvage and fixing their MRP
- i. Issue of stores
- j. Issue of items on loan
- k. Issue of technically life expired items

Annexure 'C'
(Refer Para 9 of DGL)

Scales to be provided by Services for IFA offices

Each PIFA/IFA office at Service HQrs. / Command level shall be provided with following staff by the respective Defence Service organization.

Personal Secretary	-	1
Steno	-	1
Clerical Staff	-	1
Multi Tasking Staff	-	2

IFA offices at lower level i.e. Corps/Area/Depot/Workshop/Hospital etc. shall be provided with the following staff by the respective Defence Service Organisation

Steno	-	1
Clerical Staff	-	1
Multi Tasking Staff	-	1