



Report

Of the

Training Material Review Committee

- **Shri T.C. Joshi, Principal IFA
Chairperson**
- **Shri J Natarajan, Principal CDA(CC)
Member**
- **Dr. Jaipal Singh, IFA (CC)
Member**

On

IFA System

DAD Training – IFA Module

Training constitutes one of the major elements of personnel management system aimed at raising the productivity within an organization. In achievement of its overall goal of performance improvement, training must contribute to the enhancement of professional knowledge, understanding and skills both at individual and collective levels and equip them for appropriate response to emerging challenges. It should be able to inculcate qualities of responsiveness, commitment, awareness, accountability and scientific temper among trainees.

2. In compliance with the directions of the CGDA during the review of the functioning of training activities in the department, select Training Material Review Committees (TMRCs) for specific areas of work in the DAD had been constituted vide the CGDA DO No. TD/3188/Trg Mat/Std dated 05 June 2006. The TMRC on the IFA Training Module consists of the following officers:

Shri T.C. Joshi, Principal IFA

Shri J. Natarajan, Principal CDA (CC)

Dr Jaipal Singh, IFA (CC)

3. Following general terms and references have been given to the TMRC.

- To make use of exhaustive guidelines laid down in the Training and Development Policy (P/36-38);
- To follow directions on the subject as elaborated in the Committee Report of July 2002 on training in DAD (P/31-33) of Shri Arun Sedwal, PCDA New Delhi (Retired Addl CGDA) and Shri V.K. Mishra, PCDA (Pensions) (now Secretary (Def Fin));
- To follow the guidelines in the minutes of the meeting taken by the CGDA on 20th March 2006;
- Consider the feedback and specific inputs received from trainees in their respective RTCs.

Guidelines as per Training and Development Policy

4. As per policy, RTCs have been declared as Centre of Excellence for various functions in the Department. So far as IFA Module is concerned, the RTC Lucknow along with the RTC, Pune was designated as the Centre of Excellence. Comprehensive guidelines exist in said policy document for the preparation, up gradation and maintenance of training material. The course material may include simplified reading material in terms of Compendium of Rules/Orders, Training Manual, Advanced Reading Material, Job Description Sheets, Case Studies, Question Bank, CBT, Interactive Multi-media, Role Playing Games etc.

Sedwal and Mishra Committee Recommendations

5. Following important recommendations are relevant in the context of the Training Material on IFA Module.

(1) Emphasis to be laid on a comprehensive review of all available material subject/course-wise, lecture-wise and standardize the best available material on each topic for use by all the RTCs as well as Controller's offices. It was recommended to set up Task Forces to complete above task.

(2) All training material may be periodically reviewed in the light of specific inputs received from trainees through open house sessions, feedback forms or interaction during specific sessions. The work requires farming out among RTCs/CsDA with the concept of a nodal point.

(3) Need for a Quiz-based training.

(4) Training material to be made accessible at a DAD intranet.

The CGDA Minutes dated 20 March 2006

6. Following directions have been *inter alia* given by the CGDA as per the record of discussions so far as IFA training is concerned.

(1) Task Forces/Committees to be set up to examine, identify and standardize the training material, best practices for adoption.

(2) The IFA Training Module should be looked into by the Principal IFA sub-committee. Sub-Committee would also decide on what type of training would be required including contents, the

modes of presentation, pedagogic skills, practical papers, multiple choice papers, multi stage evaluation modules etc.

(3) Standardized module of each function may be reviewed by the custodian Controller every two years.

Methodology Adopted

7. The Committee adopted following methodology.

(1) A set of questions/topics was issued to all IFAs to obtain their views and existing material on IFA training available with them and RTCs. Input from PCsDA/CsDA/IFAs was particularly sought on the following areas:

- a. Areas of training to be covered in the IFA Training Module and suggested topics.
- b. Different levels at which training is required.
- c. Training material on IFA available with their offices
- d. Case studies/illustrative material.
- e. Suggestions for improvement of the existing system.

(2) Existing curriculum/training schedule and available training material on IFA system as in vogue in the respective RTCs and some CsDA/IFAs. Training Division of the CGDA also partially supplied some material.

(3) Deliberations of the Committee was held in the broad framework of the guidelines of the DAD training policy,

recommendation of Sedwal & Mishra Committee and recent directions of the CGDA.

(4) Guidelines for training given in the National Training Policy was also considered.

(5) Formal and informal consultation with some of the field IFAs of three Defence Services in the context of working level training was carried out.

8. Based on suggestions and material obtained from RTCs and IFAs, several rounds of deliberations were held by the Committee at New Delhi and Lucknow. The RTC Lucknow and Shri Sanjai K. Singh, Director RTC assisted the Committee to compile the training material and other necessary secretarial assistance.

8. Different level at which training is required

Target Groups

The Defence Accounts Department

- IDAS officers in Time Scale and Junior Administrative Grade
- SAOs/AOs/AAOs/SOs(A)

Defence Services Officers

- Army officers of the level of Major to Brigadier and their equivalents in the Air Force and Navy
 - Services Headquarters
 - Field Formations including the Command Hqrs

Level of Courses

At the Training Division, Brar Square, Delhi Cantt

- Contract and Budget Management (2 – 3 days)
 - for Senior IDAS Officers (JAG/SG JAG/SAG)
- Defence Financial Management Programme (5 days)
 - for IDAS Probationers
 - for Services Hqrs (Army, Navy, Air Force) Middle level officers of the rank of Major to Brigadier and their equivalents – separate programme for each Service

At the Regional Training Centres

- Course on Integrated Financial Advice System (5 days)
 - for Time Scale IDAS Officers/SAOs/AOs/AAOs/SOs(A)
- Joint workshop on IFA System for Time Scale IDAS Officers/SAO/AO/Maj/Lt Col (and their equivalents in Navy/Air Force) (3 days)
- Defence Financial Management Course (5 days)
 - Service Officers of Army, Navy and Air Force (Major to Brigadier and their equivalent)

Suggested schedules for various courses are in enclosed Annexure

I to VI.

10. Areas of Training to be covered in the IFA training

I. General Topics (Common to all)

- Government Financial System
 - Broad organization and functions
 - Concept of Associated & Integrated Finance
 - Role and Functions of Integrated Finance
 - Organization and functions of the Ministry of Defence
 - Organization and functions of the Ministry of Defence (Finance)
- Introduction of the Defence Services Estimates and Appropriation Accounts of the Defence Services
- Budgetary Control and Monitoring
 - Preparation, allocation and execution
 - Expenditure control and monitoring (focus on Defence Budget)
 - Overview of Army, Navy and Air Force Budget
 - Overview of Ordnance Factories and DRDO Budget
 - Overview of Civil Estimates of MOD, Defence Pensions, allied departments/organizations
- Defence Plans (Annual, Five Years and Fifteen Years Perspective Plans): Formulation, approval and implementation thereof
- **Defence Procurement Procedure (DPM 2006)**

Defence Procurement manual mainly catering for the Revenue procurement was issued in April 2005 fulfilling a

long felt need. It was further updated keeping in view GFR 2005 and other developments and the revised Defence Procurement Manual issued in August 2006. Officers dealing with procurement need to keep abreast and update their knowledge of various provisions in the Procurement Manual with particular emphasis on following:

General

- Objective and Policy of Defence Procurement
- Indigenous Procurement
- Foreign Procurement
- Product Reservation, Price Preference
- Purchase Preference

Sourcing and Quality

- Vendor evaluation and Registration of firm
- Specifications

Tender Process

- PAC and Single Tendering
- Limited and Open Tendering
- Earnest Money Deposit
- Format of RFP/TE
- Two Bid System
- Technical and Commercial Evaluation
- Resultant Single Vendor Situation
- Retendering

Approval Process

- Individual and Committee CFA
- Acceptance of Necessity/Indent Approval
- Price Negotiations
- Repeat Order
- Recording of Minutes
- Vetting of Supply Order

Contract Management

- Type of Contract
- General/Standard conditions of contract
- Special conditions of contract
- Security Deposit/Performance bank Guarantee
- Liquidated Damages
- Payment terms/Advance Payment
- Option Clause
- Risk and Expense purchase
- Force Majeure
- Arbitration

Foreign Procurement

- Reference of Quantity vetting
- Financial concurrence
- Tender enquiry (limited tenders, Global tenders, PAC tenders, single tender without PAC)

- TPC/PNC
- Allotment of UO No. against draft sanction letter
- Contract vetting
- Release of FFE

Post Contractual Developments

- Amendment to Contract for loading under option clause
 - Delivery period extension
 - Exercise of option clause, Repeat order clause and Re-fixation of Delivery Period
 - Imposition of LD (definition, quantum of LD, full LD/Token LD, waiver of LD)
 - Cancellation of Supply Order
 - Without financial implications
 - With risk and cost
 - Standard terms and conditions
 - Banking Instrument
 - Letter of Credit (LC) – Forms of LCs, procedure for opening and payment through LCs, Documents of seller
 - Direct Bank Transfer – Mode of payment and advantages thereof.
- CVC Guidelines

- Guidelines and updates of instructions on purchase and tendering process, lowest tenderer, advance payments and bank guarantees etc.
- Tender Purchase Committee, Price Negotiations
 - Role of Convener/Presiding Officer
 - Role of Finance Member
 - Composition and Functions of TPC/PNC
 - Preparing for Negotiations - essential requirements and pre-requisites including background data

- Provisioning Review and Procurement
- Provision Review
 - Objective of provision review
 - Types of reviews with periodicity (periodic, review, intermediate review and special review)
 - Authority by whom initiated
 - Time limitation for initiation
 - Data for review
 - Provision factors
- Quantity Vetting and Acceptance of necessity
 - (a) Different types of quantity vetting with examples of items covered under different types
 - (b) Wastage pattern
 - Shelf life
 - No of calls (cancellation of dues out)
 - Selection of AMU

- MOD factor
- Working of liability figure and reserves
- Special issue and special dues out
- Assets – MSP, other receipts (LP), source of receipt, LPP (rate)
- Source of procurement & financial effect (LPP)
- Life cycle concept
 - All time buy special stoking guide (SSG) and its basis
 - Nature of items covered under life cycle concept
 - Periodicity
 - Details of working out liability
 - Assets
 - Working of demands and year wise distribution
 - Source of procurement and financial effect
- Class ‘A’ and Class ‘B’ Stores (based on MISO system)
 - Different types of stores covered
 - Qty vetting of different types of vehicles, Discard policy
 - Periodicity
 - Details of working out assets
 - Details of working out liability (maintenance, store margin, repair pool, WWR, AHQ reserve, pre-operative, operative, post operative I & II)
 - MISO for UE and UH
 - List of items in the group with status. Types of status and its implication in procurement.

- Ammunition
 - Periodicity
 - Type of scale and its applicability (intense, normal, first line, second line, training scale)
 - Assets (serviceable, repairable, dues –in)
 - Working of liability (reserve liability, training requirement)
 - PRF (Provision Review Form)- source of figure filled in it and utility of same in APR working sheet.

- NMS/FMS under Army, Navy and Air Force
- Knowing Defence Accounts Department
- Ex-Servicemen contributory Health Scheme
- Married Accommodation Project
- Vetting of Priority Procurement Plan

II. Army Specific Topics

- Origin and evolution of IFA System in Army
- Overview of Army Budget, Budget Formulation, allocation and Monitoring
- Priority Procurement Plan under various Grants
- New Financial Management strategy - Delegation of Financial Powers and Procedure for procurement of AOC/EME stores

- Financial Powers and Procurement procedure of ASC Stores - Dry rations and fresh items.
- Financial powers and Procedure for hiring of Civil Hired Transport
 - Transport Services – Regular Contracts
 - Hiring of Civil Transport for movement of Troops, equipment & freight for Ops duties
- Financial Powers and Procurement Procedure for Information Technology equipment/stores
- Special Financial Powers of Army Commanders for procurement of equipment and stores for Ops requirement, counter insurgency, Internal Security, Siachin Glacier and Aid to Civil Authority.
- Defence Works Procedure 1986 for MWPs/AWPs
- Financial Management at Units level – ACG, ATG & other Misc (Rule 58(A))
- Financial Powers and Procedure of procurement under Telephone Administration Grant
- Military Farms
- Sports & Adventure Grants
- Common Deficiencies in proposals seeking financial concurrence.
- Financial Powers and Procedure to sanction write off of losses of cash/stores due to theft, fraud or gross negligence and other reasons

III. Air Force Specific topics

- Origin and evolution of IFA System in Air Force
 - Air Force Budget, Budgetary Control and Monitoring
 - Priority Procurement Plans
 - Financial Powers and procedure for the purchase/procurement of stores
 - Purchase of stores (Local)
 - Purchase of ATG/MTG items
 - Purchase of AOC/PHU/NCM items
 - Issues of Direct Purchase Orders
 - Limit of obtaining tenders
 - Financial powers to sanction indents, contracts and purchases
 - Financial powers of Accepting of Necessity, Administrative approval in respect of Defence Works Procedure, 1986
 - Special Financial Powers and Procedure for Information Technology Projects
 - Financial Powers and Procedure for hiring of transport from Civil Sources.
 - Financial Powers and Procedure for incurring expenditure on objects enumerated in Rule 58 (c)
 - Financial Powers and Procedure for regularization of/write off of losses on account of theft, fraud, or neglect, and other reasons

- Financial Powers and Procedure for provisioning Review, Special Review, AOC/PHU/MCM etc.
- Expenditure angle concurrence Procurement and connected activities
- Post contract management
- Disposal of Surplus & obsolete stores.

IV. Navy Specific Topics

- Indian Navy - Overview
- Origin and evolution of IFA System in Navy
- Financial Powers and Procedure of Procurement in Naval Dockyards
- Introduction to Organization of Navy and Naval Commands - similar other services
- Charter of responsibilities and duties of IFA in Naval Hqrs, Command Hqrs and Dockyards
- Introduction to Defence Procurement Manual & Procurement objectives/sources of procurement and tendering process.
- Budget and Budget Control, Expenditure analysis
- Priority Procurement Plans
- Role of PCDA (Navy) and Internal Audit
- Procurement procedures for OPS/Emergent requirements/local purchase procedures,
- Conditions of contract and legal aspects

- CVC Guidelines/Test Audit Observations
- PNC/TPC and Foreign procurements; LCs, Exchange rate variations
- Provisioning and procurement procedures by material organizations and ILMS
- Familiarizing with offloading repair/refit cases of ASD(V) & Contract management of refit contracts.
- Information Technology
- Taxation aspects in procurement
- IFA system in Works
- Protocol in Armed Forces
- Guidelines for negotiation
- Provisioning review-scales of items-scales of accommodation: the sources of information can be brought out
- Interaction with service officers and finance

Recommendations for Improvement in Training Method

11. The most common and conventional mode of training includes classroom lectures using visual aids in the form of 'Power Point' presentations. It is considered that this method will continue to be a preferred mode of training in the years to come. Following aspects are important in this regard for continual improvement of training.

- ✓ the contents

- ✓ the modes of presentation
- ✓ the pedagogic skills
- ✓ practical papers
- ✓ multiple choice question papers
- ✓ multi state evaluation modules

Emphasis is required to educate Trainers of in-house faculty in regard to the contents, modes of presentation and pedagogic skills. Training for trainers in known institutions may be of considerable use. Similarly, RTCs particularly at Lucknow and Pune utilize their resources to prepare practical papers, multiple choice question papers and multi-stage evaluation modules for the use of all and to disseminate knowledge through evaluation process.

12. It may also be necessary to organize two to three days joint workshops with the participation of both finance and executive working level officers with focus on a particular theme or function and practical orientation through case studies, audio-visual aids and practical papers. A few years ago, such workshops were organized successfully in the RTC Lucknow and feedback from participants was found very encouraging.

13. Apart from the above, the following suggestions are made to improve quality of training on the IFA system and day-to-day discharge of IFAs functions in various offices.

- (1) Compendium of rules and orders should be maintained for the use of DAD and Services and should be regularly

updated. Designated RTCs or PCsDA/CsDA offices could assume nodal responsibility in this regard.

(2) Office of the Principal IFA may be a nodal point to provide updates in regard to the relevant orders, rules and procedures, clarifications etc. Based on this, Director, RTC Lucknow may ensure that the existing training material is regularly updated, circulated and uploaded on their website for common use. Where necessary, professional assistance may be taken from the co-located IFA i.e. IFA (CC) Lucknow. Responsibility for making the updated IFA material available on the CGDA website would rest with the office of the Principal IFA.

(3) Interactive seminars/conference of executives and IFAs should be periodically held to familiarize with the working and latest knowledge and development in their respective areas of functions.

(4) The concept of the Centre for Excellence already exists in the Training & Development Policy of the DAD. The RTCs at Lucknow and Pune had been declared as Centres for Excellence a few years back. The concept of the Centre of Excellence should continue and the RTC Lucknow may serve as repository of rules and orders, SOPs, systems & procedures, updated reading material, checklists, case studies etc. relating to the IFA System.

- (5) Officers with sufficient experience and knowledge of IFA function should be identified, their bio-data including area of specialization circulated and utilized for in-house Faculty.
- (6) Till MEIT System on IFA is put in place, each IFA should maintain database on equipment/item details, price details, vendor details etc. in their respective areas. Further, till a system for sharing of this data bank is put in place, information may be manually exchanged on regular basis. In this context, the database system being evolved by Shri Raja Reddy, JCDA under the guidance of the CGDA may be implemented during the interim phase.
- (7) The interactive learning video/audio packages need to be evolved. Initiative may be taken by the RTC Lucknow under the overall guidance of the Principal IFA.
- (8) A manual on IFA System is the need of hour.
- (9) Common deficiencies and observations on procurement cases should invariably be part of training curriculum on IFA module.
- (10) A regular DAD-Services interaction through seminar, workshops, training capsules may go a long way in achieving commonality of approach and equitable assessment of proposals. A regular interaction among IFAs horizontally and vertically in each service may be of considerable help.
- (11) Practical exposure could be given to trainees by detailing them to Depots, Dockyards and material Organizations as also to HAL/Defence PSUs to familiarize

with the system and equipment. This will help them to understand their functioning and needs.

(12) All IFAs need to adopt a proactive approach to get involved with the vetting/approval process of the priority procurement plans of the Defence Services and budget control and monitoring functions. This will help in better formulation, processing and implementation of cases as well as optimal utilization of resources. Accordingly, due emphasis need to be given in imparting training on these topics on IFA System.

(13) Committee also felt that there is also a need for adopting best financial practices in the developed countries like USA, Australia, Western Europe. This could be achieved by utilizing available information in reputed publications, Internet etc. The possibilities of short visits for the purpose for the spot study could also be explored.

14. **Nodal Authority**

- RTC Lucknow should be reiterated as nodal center for excellence in IFA matters and PCDA (CC) as nodal authority. Since office of the IFA(CC) is nearest in geographic vicinity, they should regularly be associated for consultation and professional inputs.

14. **In-House Expertise**

- A concerted effort is required to draw on expertise and knowledge gained by the IDAS officers in finance matters to develop dedicated in-house faculty. A pool of Senior IDAS officers be identified on various themes in finance function and their services may be utilized for the respective training. Respective RTCs may take action in this regard.

15. **Training Strategy**

- Traditional role and functions of the Defence Accounts Department have been Payment, Accounting and Audit. With the large scale financial delegations to the Service HQrs and Lower formations during recent years, the Finance role is gaining importance and has been increasingly given to the officers of the DAD. Hence there is a need to impart continuous training to the officers and staff to impart requisite expertise and knowledge so as to enable them discharge their assigned duties in a more professional and productive manner. Continuous efforts are also required in helping to train our clients i.e executive authorities who have inadequate and poor infrastructure base for such training at their end. The department is already active in this direction by selectively organizing short financial management courses and workshops for services offices at some places, which should continue.

16. **Periodicity**

The existing approach of three to five days courses for IFA training should continue. Courses focused on giving foundation knowledge such as DFMC should be of 5-6 days duration. On the other hand, theme based seminar, workshops etc with vertical and horizontal mix of participants should be of 2-3 days.

17. **Balanced content**

Special care must be taken to ensure this viz a viz duration of the course. A constant feedback from participants would be of considerable use in this regard.

18. **On-the jobs training**

This especially is useful because IFA training aims at improving the skill of the trainee/performer. Also it is more relevant to the cutting edge level functionaries viz; AAO/AO/ACDA/DCDA in DAD and Major/Lt Col/Col and equivalents in three Defence Services.

19. **Case studies and Incident Studies**

These are based on real life cases/incidents. Trainees experience the situation as though they have been actually involved. Data used must be brief, precise and pointed to training purposes. This is an on-going process and offices of the IFAs and CsDA as IFAs should regularly prepare case studies and enrich/share it with the respective RTCs.

20. **Class Room Methods**

This is the most conventional and accepted mode of training for enhancement of knowledge and conceptualization. The main shortcoming, however, is that it presumes the trainer and training to be on the same wavelength. It tends to ignore that the participants follow their own pace in learning, have different background and, therefore, different degree of assimilation to the same material being disseminated in the classroom. Notwithstanding these shortcomings, this will continue to remain as the most popular mode in the years to come. Hence sufficient attention is required to create requisite facilities and infrastructure in the department.

21. **Individual learning**

They promote cross-fertilization of ideas among participants who come from different professional backgrounds, but have some common underlying perception and interest to bind them together. They help to clarify many hazy ideas, for instance the multi-dimensional nature of issues and promote a spirit of tolerance for other people's ideas and viewpoints.

22. **Distance Learning Method**

It has immense potentialities. It can reach to a much larger clientele without much cost, time and efforts. Most important of all, it allows participant to remain on jobs and learn at his own

pace. A few such packages were evolved in late nineties in a few Controllers' offices. But the activity could not be sustained and renewed efforts are required. RTCs Lucknow and Pune in collaboration with respective Controllers may be given the task of identifying and developing appropriate themes on IFA Module.

Review of the Existing Training Material

23. The mandate of the Committee was to review the existing IFA training material to further improvement it. The Committee has, accordingly, endeavored to collect and review the existing IFA training material available in the various RTCs and offices of the IFAs/CsDA organizations. In the process, existing Government orders, SOPs, Procurement Manuals, reading material, job description sheets, checklists, case studies etc. have been received from various sources.

(1) It was observed that basic orders have been amended from time to time and even superceded with the issue of comprehensive enhanced delegation of powers through Government letters in April 2002 and July 2006. Committee is of opinion that all basic orders and their amendments need to be compiled in a compendium in a chronological sequence and retained for record and reference. So far as IFA training material is concerned, it will be suffice to refer to the latest Orders with connected Schedules for reference and common use. Accordingly, a volume of such orders issued in July 2006 for three Services have been compiled.

(2) It was observed that SOPs have been issued in areas like IT, TAG and ACSFP in Army and all important areas of procurement in Air Force. On Navy side, the Committee could not lay hands on any SOP. Instead, they are largely relying on the detailed Naval Instructions issued from time to time. With the issue the DPM 2006, even the existing SOPs in the Army and Air Force side need revision. In this backdrop, it was considered by the Committee that the provisions of DPM 2006 are mandatory and comprehensive and should be included in a volume as part of the IFA Training Material for ready reference and use.

(3) Comprehensive checklists have been recently prepared for the Army but similar checklists for Navy and Air Force are required. Checklists for the Army have been retained as reference material in a separate volume.

(4) It was found that the Job Description Sheets in IFAs/CsDA organizations is available only for a few jobs and cases are mostly examined with reference to the Government orders, GFR/FR, DPM 2006, SOPs and checklists in various disciplines. Hence compilation of Job Description Sheets has not been attempted.

(5) Reading material available on various topics have been revised and compiled in four different volumes for the General topics and Army, Navy and Air Force specific topics.

(6) A separate volume has been compiled with case studies, which are only illustrative, and constant efforts need be made to populate it further.

24. The revised training material for the IFA Module is submitted with this Report in the following volumes.

- | | | |
|--------|---------------------------------|--------------|
| (i) | Delegated Powers July 2006 | Volume One |
| (ii) | General Study Material | Volume Two |
| (iii) | Reading Material - Army | Volume Three |
| (iv) | Reading Material - Navy | Volume Four |
| (v) | Reading Material - Air Force | Volume Five |
| (vi) | Defence Procurement Manual 2006 | Volume Six |
| (vii) | Checklists - Army | Volume Seven |
| (viii) | Case Studies | Volume Eight |

25. The Committee acknowledges contribution made by various IFAs and CsDA in terms of supplying existing course material and case studies on the subject. The Committee also acknowledges the professional assistance and secretarial support given by the RTC Lucknow and its present Director Shri S. K. Singh, Addl CDA.

May 2007.

(J. Natarajan)
Principal CDA(CC)

(Dr Jai Pal Singh)
IFA(CC)

(Tara Chandra Joshi)
Principal IFA

DEFENCE FINANCIAL MANAGEMENT COURSE (Army)

(For Army Hqrs Officers)

(Five Days)

- Role & Functioning of IFA - Delegation of Financial Powers & their Management
- Overview of Army Budget & Budgetary Process
- Formulation of Budget, Prioritization, Re-appropriation & Programme Based Budgeting
- Planning & Processing the cases for Financial sanctions in MOD/MOD(Fin)
- Procurement of Information Technology Equipments
- E-procurement
- Resource Management Process (DPP, DPM & Post Contract Issues
- Excise/Customs duty, Service Tax with regard to Defence Procurement
- Composition & Duties of TPC, TEC & PNC
- Foreign Procurement, Letters of credits and Bank Guarantee
- Advance Payments, Imports related Provisions & FEMA Exim Policy, Forex rates & remittances
- New Management Strategy/financial Management Strategy in respect of AOC/EME
- Contract Procedure and Price Negotiations
- Audit mandate & methodology of C&AG's Audit, Draft Para and related Procedure

DEFENCE FINANCIAL MANAGEMENT COURSE (Navy)

(For Naval Hqrs Officers)

(Five Days)

- ❑ Role of IFA Navy & Delegation of Financial Powers
- ❑ New Management Strategy and relevance of NI/1/S/2006
- ❑ Contract Procedure and Price Negotiations
- ❑ Role and Functions of PCDA (Navy)
- ❑ Navy Budget, Budgetary Control and Monitoring
- ❑ Naval Logistics Committees and its functions
- ❑ E-procurement
- ❑ Defence Procurement Manual & Defence Procurement Procedure
- ❑ Audit mandate & methodology of C&AG's Audit, Draft Para and related Procedure
- ❑ Sales Tax, Customs/Excise Duty, Service Tax – Exemption thereof
- ❑ Advance Payment Provisions of Imports & FEMA, Exim Policy, Forex rates
- ❑ Letters of Credit & Bank Guarantee
- ❑ Case Studies

DEFENCE FINANCIAL MANAGEMENT COURSE (Air Force)

(For Air Force Hqrs Officers)

(Five Days)

- Role & Functioning of IFA - Delegation of Financial Powers & their Management
- Overview of Air Force Budget & Budgetary Process
- Formulation of Budget, Prioritization, Re-appropriation & Programme Based Budgeting
- Planning & Processing the cases for Financial sanctions in MOD/MOD(Fin)
- Procurement of Information Technology Equipments
- E-procurement
- Resource Management Process (DPP, DPM & Post Contract Issues
- Excise/Customs duty, Service Tax with regard to Defence Procurement
- Composition & Duties of TPC, TEC & PNC
- Foreign Procurement, Letters of credits and Bank Guarantee
- Advance Payments, Imports related Provisions & FEMA Exim Policy, Forex rates & remittances
- Overview of Forex Rates, RBI & BOP
- Important aspects of CVC Guidelines with special reference to contract clauses
- Contract Procedure and Price Negotiations
- Audit mandate & methodology of C&AG's Audit, Draft Para and related Procedure

Annexure-IV

Contract and Budget Management

(For HAG/SAG/JAG IDAS Officers)

(Two Days)

- Government Financial System - Broad Organisation and Functions.
- Overview of the Defence Budget, Budgetary Control & Monitoring.
- Introduction to the Outcome Budget and Performance Budget – Contemporary practices & procedures world wide in relation to Defence.
- Overview of Tendering and Approval process of Defence Contracts – DPM & DPP 2006.
- Contract Management – Type of contracts, General and Special conditions of contracts.
- Foreign Procurement including Banking instruments - Letter of Credit (LC) and Direct Bank Transfer (DBT)
- Case Studies.
- Panel Discussion

Annexure V

Defence Financial Management Course Army Officers Command and Lower Formations (Major to Brigadier level) (5 Days)

- ❑ Association of Finance, Concept, Role and function of IFA, Area of involvement of IFA
- ❑ Govt. Financial System: Organization role of MOD (Fin), Budgetary control and Financial Reports.
- ❑ Overview of Army Budget, Budget formulation and review, Allocation of funds, Role and functions of the FP Dte.
- ❑ An overview of Defence Procurement Procedure.
- ❑ Role of finance member in TPC/PNC, Function and composition of TPC/PNC and Negotiations.
- ❑ Financial powers and Association of Finance for procurement of ASC stores and Procedure for hiring of Civil Hired Transport. Case studies on ASC/CHT
- ❑ Financial delegation for acquisition of IT equipment with reference to enhanced financial powers.
Case Studies on IT
- ❑ Procedure for works sanction under Defence Works Procedure with particular reference to delegated financial powers.
Case studies on works
- ❑ Procedure for procurement of AOC Stores (NMA/FMS), Delegation of powers in procurement of ORD/EME Stores.
Case studies
- ❑ Financial delegations and procedure for acquisition of stores under Army Commander's Special Financial Powers.
Case studies

- ❑ Contract procedures and Contractual Management including Project implementation Core group and Acceptance Test procedures and post contractual actions on default of/contractor.
- ❑ Financial Management at Unit level, TAG, ATG, ACG & Stationery etc.
- ❑ Budget control and Monitoring at Command level
- ❑ Common deficiencies in proposals seeking financial concurrence
- ❑ Open House

Optional Topics

- ❑ Pay Accounts System of JCOs/OR and overview of DAD
- ❑ An overview of Ex-servicemen Contributory Health Scheme
- ❑ Role and Functions of Regional CDA

Note – At present such courses are common on the Army side only. Similar courses, if required for Navy and Air Force, could be designed with common general topics and specific areas relevant to respective Services.

Defence Financial Management Course
(For IDAS Probationers)
(Five Days)

- ❑ Evolution of IFA System, Role and functions of IFA as defined by Ministry of Finance
- ❑ Organization and Functions of MOD and MOD(Fin)
- ❑ Government Financial System
- ❑ Formulation of Defence Budget, prioritization and re-appropriation
- ❑ Budgetary control over Defence expenditure
- ❑ IFA System in Army, Delegation of Financial Powers upto Command & lower Formations level
- ❑ IFA System in Navy, Delegation of Financial Powers upto Commands and Dockyards level
- ❑ IFA system in Air Force, Delegation of Financial Powers upto Commands and Self Accounting Units
- ❑ Need for programme based budgeting in Defence & methodology for its implementation
- ❑ Contracts Procedure and Management, their legal implications
- ❑ Defence Procurement Manual and Defence Procurement Procedure 2006
- ❑ Strategic Command & Nature of Joint Staff Organisation
- ❑ Overview of Forex rates & Uniform Customs & Practices for Documentary credit, Letters of credit and Bank guarantee
- ❑ Remittances, advance payments provisions relating to Imports & FEMA
- ❑ Case Studies
- ❑ Open House

Joint Workshop on IFA System (Army)

(Time Scale IDAS officers, SAO, AO / Maj/Lt col/Col)

(3 days)

- Introduction to IFA System. Role, Charter and duties.
- Defence Procurement Manual-Overview and Delegation of special financial powers to Army commanders.
- Overview of Army Budget & Budgetary Control.
- TPC procedure and guide lines for IFAs attending TPC
- Financial Management at Unit level Delegation of Financial Powers for procurement under Rule 58 A FR I, TAG and ATG
- Procurement of financial powers Ord & EME and delegation of Fin Powers.
- Financial management in IT with reference to enhanced financial powers.
- Married Accommodation Projects: Works Procedure 2003 & CHT
- Acceptance of necessity and vetting of AEs and general; Common drawbacks in AEs/RAEs

- Common irregularities found in proposals seeking financial concurrence

- Contract procedures in ASC for perishable items, local purchase of CP items(other than perishable)

- Case studies.

Note – Such workshops should be theme based with focus on 2-3 areas at a time with practical orientation and case studies.