

IFA SARANSH

Quarterly Newsletter of Integrated Financial Advisors in Defence

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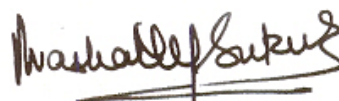


Foreword

It gives me great pleasure to learn that the IFA wing is bringing out a quarterly newsletter on IFA activities, named 'IFA SARANSH'.

It is necessary that IFAs interact and share their experiences with each other since we all get educated in the process. This newsletter would provide that platform. I do hope this newsletter would be an instrument for change as well as act as a voice of field IFAs. But I also hope that this can help provide an attitudinal change in their interaction with the executive authorities and effect a shift from the traditional audit to advise.

Comments & expectations of the readers are invited to make this newsletter more meaningful.



(PN. Sukul)

Addl. Controller General of Defence Accounts

New Delhi
Dt :19th Jan 2017

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

Office of the CGDA,

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

Assumption of Charge

Shri PN Sukul, IDAS of 1982 batch assumed charge of Addl. CGDA (Fin) w.e.f 06.12.2016.

Training/ Workshops on IFA System:-

Two days workshop for IDAS Officers on Role of IFA in Works, Capital Procurement and e-Procurement was organized at Centre for Training and Development (CENTRAD) from 3.11.16 to 4.11.16.

2. Five days course on IFA System for AOs/AOs was organized at OTI Gurgaon from 21.11.16 to 25.11.16.

Wishing Happy Birthday to:-

Sh. Manender, Dy.IFA, (IFA CG N.Delhi)	1st Jan
Sh S.C. Bansal, Dy.IFA, (IFA HQ 10 Corps)	1st Jan
Sh R P Saxena, Dy.IFA, (IFA COD Kandivili)	1st Jan
Sh Sameer Nairantarya, Dy.IFA, (IFA WAC)	2nd Jan
Sh. Jatinder Goswami, Dy. IFA,(IFA NC)	5th Jan
Sh Dinesh Singh, IFA, (IFA SWC)	13th Jan
Sh Puneet Agarwal, IFA, (IFA SWAC)	15th Jan
Sh Manivelan K, Dy.IFA, (IFA TC)	16th Jan
Ms. Navpreet Kaur, Dy. IFA (IFA WNC)	25th Jan
Smt. N.Gohain, Dy.IFA (IFA 10 Wing)	28th Jan
Sh. Prashant Dubey, Dy.IFA (IFA AF Kanpur)	31st Jan
Sh J. Lhungdim, PIFA, (PIFA Army-O)	2nd Feb
Sh Ambarish Barman, Jt.IFA, (PIFA Navy)	3rd Feb
Sh Hans Raj, Dy.IFA,(IFA HQ 2 Corps)	6th Feb
Sh Sandeep Kumar Yadav,Dy. IFA, (PIFA-O)	18th Feb
Sh J P Kukade, Dy.IFA, (IFA COD, Pune)	27th Feb
Sh. T.K. Hangzo, IFA, (IFA EAC)	1st Mar
Sh. R.N. Sarkar, Dy.IFA, (IFA HQ 33 Corps)	1st Mar
Smt. Kavita Sharma, Sr. Dy. IFA(PIFA Army-M)	2nd Mar
Sh. R.K. Bhardwaj, ACFA Fys, (AO HEF Kirkee)	2nd Mar
Sh. B. Bala Jawahar, Dy. IFA (43/44 ED)	4th Mar
Sh. Balram Kumar,Jt. IFA,(IFA IMA Dehradun)	6th Mar
Sh. T. Rambabu, IFA,(IFA WNC)	12th Mar
Sh. V. Ram Babu, ACDA ,(FA to ASD Vizag)	14th Mar
Sh. Sandeep Sarkar, IFA, (IFA Army-Q)	17th Mar
Sh. K.S. Lather, IFA, (IFA Project Seabird)	17th Mar
Sh. Kura Ram, Dy.IFA, (IFA 3 BRD)	20th Mar
Sh. Bhargava Isukapatla, Dy.IFA, (IFA ENC)	22nd Mar

Wishing Happy Retired Life:-

Sh. K Shiv Kumar, DCDA , (FA to MS Mumbai)
Sh. T GopalaKrishnan, Dy.IFA, (IFA DSSC Wellington)

Welcome to IFA Set Up:-

Smt. Kavita Sharma, Dy. IFA, (PIFA Army-M)
Sh. Rahul Choudhary, Dy.IFA, (IFA HQ 4 Corps)
Sh. Rashpal, Dy. IFA, (IFA HQ 16 Corps)
Sh. Irshad Ahmed, Dy.IFA (COD Agra Cantt.)
Smt. Vidhu Aggarwal, Dy.IFA (PIFA Air HQrs.)
Sh. B. Bala Jawahar, Dy. IFA (43/44 ED Secunderabad)
Sh. Prashant Dubey, Dy.IFA (Kanpur)
Sh. Vikram A Doddamani, (FA to MS Vishakhapatnam)

INSTRUCTIONS/CIRCULARS

Guidelines on Monthly Progress Report:

Review of the Monthly Progress Report of financial concurrence for the Month of August 2016 received from PIFAs/IFAs positioned at SHQrs/Command HQrs reveals that the overall percentage of the returned cases is approximately 30% which is considered high.

The reason for the returned cases could be due to many factors including piecemeal observations by the PIFAs/IFAs and deficiencies in documentation, certification and specifications etc.

In this connection it was reiterated that where certain types of shortcomings are recurring in the proposals of particular CFAs, that immediate steps may be taken to inform the CFAs about the shortcomings and the list of checks to be exercised by them before forwarding the case files to PIFAs/IFAs for concurrence to minimize the return cases and optimize the processing time. PIFAs/IFAs should take a proactive role in identifying the reasons/factors and discuss with the executive authorities personally to sort out the problems, if any.

(Instruction No. 14 of 2016)

Regional PCsDA/CsDA and IFAs Interface Meeting

It has been decided by the competent authority that PCDA/CDA-IFA interface meeting may be held on quarterly basis & suitable representative from the Command HQrs may also be invited to sort out pending issues from time and build stronger synergy between the services and the DAD.

(Instruction No. 15 of 2016)

Observations on Technical Specifications

During the recent discussions with the CGDA one of the issues raised by the IFA to go into Technical specification of commodities/items and contesting GSQRs & Other issues rather than restrict themselves to financial prudence.

In this connection, reference is invited to HQrs Office Circular No. 02 of 2011 issued vide IFA Wing letter No. IFA/108 dated 09.03.2011 vide which it was advised to all PIFAs/IFAs that observations on technical specifications of the procurement proposals after TEC reports needs to be avoided except where technical specifications are brand specific, restricting competition or have financial implications.

All the PIFAs are therefore requested to ensure the compliance of above guidelines circulated vide IFA Wing letter No. IFA/108 dated 09.03.2011 and also to disseminate the above guidelines to their respective subordinate offices under their command.

(Instruction No. 16 of 2016)

Implementation of comprehensive end-to-end e-procurement:-

With reference to HQrs office IFA Wing Circular No. 06 of 2014 dated 27.06.2014 orders regarding implementation of e-Procurement in respect of all procurements with estimated value of Rs. 5 lakh or more w.e.f. 01.04.2015 and estimated value of Rs. 2 lakh or more w.e.f. 01.04.2016 issued vide Ministry of Finance, Department of Expenditure OM No. 10/3/2012-PPC dated 09.01.2014 was circulated for necessary action. While examining the QARs received from PIFAs/IFAs, it is observed that e-Procurement either has not been implemented or partially implemented in various units/formations of Service HQrs. Even some of the PIFAs/IFAs have not mentioned/commented on the status of implementation of e-procurement in the units/formations.

All the PIFAs/IFAs are therefore requested to sensitize the issue by taking up the matter with their respective Services HQr/Command HQr for strict compliance of the instructions issued vide, Govt of India, Ministry of Finance OM dated 09.01.2014 and status of implementation of e-Procurement may be monitored and the information as per Performa prescribed in Ministry of Finance letter dated 09.01.2014 may be submitted to HQrs office.

(Instruction No. 17 of 2016)

Authorisation of manpower in the office of Pr.IFA/IFAs : Provisional

Since introduction of IFA system in the Services and allied organizations in 1994, the IFA system has expanded and substantially matured. The financial powers of CFAs at various levels have also increased manifold. During this period the staff has been posted to the PIFAs/IFAs as per the

requirement/requests for which no specific authorization was made. Therefore, a need was being felt for quite some time to fix the authorization of manpower. An attempt has been made to do so duly taking into account various parameters vis-a-vis the functioning of these offices.

The guidelines for working out authorization of manpower in the offices of PIFAs/IFAs, have been approved by the CGDA. The following parameters and appropriate weightage have been taken into consideration while working out the authorization for each of these offices-

- (a) Work handled
- (b) Level of CFA
- (c) Budget handled
- (d) Number of TPC/PNC meeting attended.
- (e) Placement of other units and formation of other services.
- (f) Distance factor (co-location).

This authorization is provisional and valid for two years up to 31st March, 2018. Thereafter, it would be reviewed.

CASE STUDIES

Renovation of DSSC Officer Mess at DSSC Wellington of HQ IDS at an estimated cost of Rs. 393.48 lakh:-

PIFA received a proposal for concurrence of AoN & Adm approval for renovation DSSC officers Mess at DSSC Wellington. Executives catered in AEs Tensile work over head shelter on the terrace having UP VC windows and

urinal points, thereby, converted it into complete first floor which was over and above the scope of work as approved in the AMWP. Further plea of the executives for the work on first to have internal functions of the Mess was not considered. The case file was returned twice for deletion of above expenditure from AEs.

The CFA has agreed to its office advice and revised the AEs to Rs. 373.74 lakh and submitted the file to PIFA office.

Thus as a result of financial advice rendered by PIFA savings to the tune of Rs. 19.74 lakh was achieved.

(PIFA IDS/SFC)

Procurement of Qty. 3450 Prs of Socks Woolen Special (Cat-1 items of the Special Clothing & Mountaineering Equipment (SCME) to be Procured by Empowered Committee):-

14 pairs of Socks Woolen Special per set are authorized to troops deployed at high altitude like Siachen and total of 54702 sets are authorized to Indian army.

Empowered Committee, with MGO as Chairman and Pr.IFA (Army-0) as member among other members, was constituted vide Gol Ministry of Defence letter No. B/82253/2/MGO/EM/GS&C/186/07/D(0-1) dated 3rd August 2007. Mandate of this empowered committee is to meet emergent requirements of Special Clothing items for very high attitude like Siachen.

Case was initiated, in Oct 2015, by Dir EM

(Spl Clo & ECC) for purchase of 3450 pairs of socks woolen Special directly from OEM for wider user trial. Justification for purchase was given that there are only three approved vendors for this item and to ensure wider vendor base, it was proposed to carryout wider trials by procuring Socks Woolen Special under financial powers of MGO.

After scrutiny the case was returned for submitting the case with the following information/papers.

(i) The particular authority empowering the CFA to purchase the item for trial purposes be placed on file.

(ii) The methodology used along with the authority for arriving the Qty of 3450 pairs may be intimated for perusal.

(iii) Particular Schedule of DFPDS-2015 under which the purchases can be made for trial purposes be intimated, please.

(iv) Copy of the user trial report of the samples provided by the firm on NCNC basis may also be placed on file.

(v) The estimated cost of the item for determination of CFA before grant of AON concurrence may please be intimated.

(vi) Further, whether in view with make in India policy which MGO branch is pursuing, would it not be better to look for Indian firm, since already 3 foreign vendors/firms are there.

5. The case was again received with replies to our ibid observations. At this stage the case was again scrutinized with respect to the papers like user trial report etc and returned with observation i.e:

(i) The authority (i.e Schedule of

delegation of financial powers) under which the purchase proposal was initiated was not correct authority for this purchase.

(ii) The methodology for arriving at the figure of 3450 is neither approved by Competent Authority nor any SOP for the same is there.

(iii) As per the user trial report this is not the Socks Woolen as authorized. Hence, this will be introduction of new item which require Govt. sanction.

(iv) The item being proposed for wider user trial the procedure for regularization may be brought on file.

6. Dte. Office then proposed a colligate meeting on 18th Dec 2015 to discuss the proposal for purchase of said item, Since CFA had already approved PIFA (Army-O) was asked to attend the same.

7. Pr.IFA(Army-O) did not agreed to attend the meeting, but advised to present the case in the Empowered meeting, this being matter of purchase of special clothing item for issue to troops deployed in Siachen.

8. The case was not processed further by the Dte. Office.

9. From the above, it is evident that on proper scrutiny by office of Pr.IFA (Army-O) at Quantity vetting stage and repeated insistence for a re-look on the necessity aspect, the case is finally dropped by the Dte. Thereby resulted in saving of least USD 34500.00 (Rs 23,11,500.00) in this case under consideration.

(PIFA Army-O)

**Provisioning of PVMS 020151
Injectable Typhoid Vaccine 0.5 ml**

of Rate Contract for three years:-

A proposal for provisioning of PVMS No. 020151 Injectable Typhoid Vaccine 0.5 ml qty- 487529 vials worked out by DGAFMS on the basis of Stock Information System (SIS) from Command Hospitals and AFMSDs, considering, Monthly Maintenance Figures (MMF), as per special Provision Review Directives (SPRD) for 4,87,529 quantity with estimated financial effect of Rs. 2,87,64,211/- + taxes were received in the office of IFA DGAFMS for according AON and quantity vetting in Nov, 2014.

During scrutiny of the proposal, IFA observed that in Nov, 2012, procurement of the drug under PVMS No. 020151A was made by DGAFMS with strength of 2.5 ml with unit cost of Rs. 106.90/- + taxes = Rs. 113.40 each vial and accordingly DGAFMS was advised that the estimated cost of 0.5 ml @ Rs. 59/- + taxes as worked out in the present proposal appeared to be very high as compared to the rates of Nov, 2012, as such last rates of Rs. 106.90/- +taxes for 2.5 ml for a dose of five injection (0.5 ml each) and this aspect needs to be kept in view while concluding Rate Contract. Based on the above observation of IFA, DGAFMS forwarded the case to Sr. Consultant (Med) to examine the requirement of both the items i.e PVMS 020151 Injectable Typhoid Vaccine 0.5 ml and PVMS 020151A Injectable Typhoid Vaccine 2.5 ml. Sr. Consultant (Med) commented that multiple dose have advantage of easy logistics, easy accounting, ideal for multiple/mass immunization with cost effectiveness. Sr. Consultant opined that Rate contract for single use vial i.e 0.5 ml may not be concluded and

therefore the procurement of Injectable Typhoid Vaccine 0.5 ml may be cancelled.

Proposal was received in the O/o IFA (DGAFMS) for closure and the same was concurred by IFA. The advice of the IFA (DGAFMS) resulted in savings to the tune of Rs. 2,87,64,211/- to the exchequer.

(IFA DGAFMS)

Three proposals of Solar Energy Projects-

(a) Provn of 2 MW Solar Energy project at Dehradun involving financial Rs. 1632 Lakh.

(b) Prov of 2 MW Solar Energy project at Roorkee involving financial Rs. 1637.98 Lakh.

(c) Provn of 1.5 MW Solar Energy project at Roorkee involving financial Rs. 1377 Lakh.

During examination of the above proposals it was observed from the case file that consultancy @ 8% including Service Tax @ 14.5% was catered for in AE Part-1 which had been pointed out and advised to incorporate consultancy as per Gol letter No. 30/69/2013-14/NNSM dated 10.06.2015.

The executive authority agreed to the point suggested by IFA CC Lucknow office to reduce to @ 4% including S.Tax @ 14.5%.

Accordingly, the total cost of proposal has been reduced to Rs. 1575.95/-- lakh, Rs 1582.38 lakh & Rs. 1298.10 lakh. Thus, a saving of (a) Rs. 56.05/- lakh (b) Rs. 55.60/-lakh & (c) Rs. 46.19lakh (total Rs. 157.84lakh) was achieved.

(IFA CC, Lucknow)

Proposal for 'Provn of OTM Accn of 304 FD Hosp at OLD Cantt Allahabad (AWMP 2015-16/List II SER 06), involving financial implication of Rs.1624.87 lakh

IFA received a proposal for 'Provn of OTM Accn of 304 FD Hosp at OLD Cantt Allahabad (AWMP 2015-16/List II SER 06), involving financial implication of Rs.1624.87 lakh. During examination of the same it was observed that Service Tax @ 5.6% amounting to Rs. 86.17/- lakh on total value work was catered for in AE Part-1 & amounting to Rs. 8.96 lakh was catered on account of built in furniture.

The same was pointed out objected to the executive authority and advised to incorporate Service tax as per instruction vide E-in-C Branch letter no. A/95533/22/Poi/E2W/PPC dated Dec 2015.

Accordingly, the total cost of proposal has been reduced to Rs. 1529.19/- lakh. Thus, a saving of Rs. 95.68/- lakh was achieved.

(IFA CC, Lucknow)

Demolition and reconstruction of partly collapsed Stadium at AFA, Hyderabad at a cost of Rs. 454.94 lakh including special item of work for Rs. 23,15,400/-.

The case pertains to collapse of roof of spectator gallery of the Stadium necessitating demolition and reconstruction of the entire roof. Additionally, provision was made in BPs for increased seating capacity, VIP gallery & PA system cubicle, Green open stand for viewing, resurfacing and widening of roads, hard standing, chain link fencing and Special item of

work - DG Set, special light fittings bird proofing, ceramic tiles and special furniture for VIP gallery.

The above proposal was examined and it was stated that while only a porting of roof of the Stadium has collapsed, construction of entire roof structure in RCC is considered justified since the entire structure comes as a single unit. However, provision of following scope of work in addition is considered over-provisioning:-

a. Construction of Roof in RCC structure as well PEB steel structure has been made in AEs, which is a clear case of duplication of scope of work.

b. Green open stands at a cost of Rs. 7 lakh proposed for additional viewing is considered unnecessary since seating capacity is already enhanced.

c. DG set, special light fittings and bird proofing as special item of work is considered infructuous.

d. Road are already existing around the Stadium, as such resurfacing and widening of roads is unjustified.

Based of IFAs advice the works services was reduced to provisioning of RCC roof structure & other related authorized items of work and removal of and unnecessary items of work as stated above were removed. Based on the above changes, the estimated cost of Rs. 454.94 lakh was reduced to Rs. 265.85 lakh, thereby a savings of Rs. 189.09 lakh was achieved at AON and Admin Approval stage.

(IFA HQTC AF)

I Spl Repair with false ceiling, Tiling, Cooler Stand, rewiring and other E&M related works in ILP Building No. T-764, T-774, of 65 Armd Regt and T-682, T-684, T-687, T-689, T-693, T-697, T-698, T-700, T-765, and T-766 of 47 Armd Regt & T-12, T-14, T-28, T-134, T-135, T-163 of 833 Armd Wksp:-

A Proposal of Rs. 97.11 lakh was received from Stn. HQrs Lalgarh Jattan for Spl Repair with false Ceiling, Tiling, Cooler Stand, rewiring and other E&M related works in ILP Building No. T-764, T-774, of 65 Armd Regt and T-682, T-684, T-687, T-689, T-693, T-697, T-698, T-700, T-765, and T-766 of 47 Armd Regt & T-12, T-14, T-28, T-134, T-135, T-163 of 833 Armd Wksp for AON Concurrence.

During the scrutiny of the proposal, it was observed that the rates quoted on the basis of SSR Rate 2010 were not the same in AE Part II enclosed and further Area of Building, Construction year and Cost of Construction and Present Construction are not mentioned and Analysis rates are incorrect. Hence the case file was returned.

The case was discussed with Adm Comdt and GE Lalgarh Jattan. GE and Admn. Comdt Accepted the advise.

As a result, revised cost of proposal was reduced from Rs. 97.71 lakh to Rs. 69.35 lakh due to change in area of Building and reduction in assessed rate. The revised case file for 69.35 lakh was received its office and AON was accorded for Rs. 69.35 lakh. Saving to the tune of Rs. 28.36 lakh was achieved in the case.

II Spl Repair with false Ceiling, Tiling, Cooler Stand, rewiring and other E&M

related Works in ILP Building No. T-647, T-649 to 665, T-672, T-736, & T-763 of 65 Armd Regt and T-676 & T-677 of 47 Armd Regt & T-626 & T-635 of 2 Mech Inf at Lalgarh Jattan:-

A Proposal of Rs. 99.80 lakh was received from Stn. HQrs Lalgarh Jattan for Spl Repair with false Ceiling, Tiling, Cooler Stand, rewiring and other E&M related Works in ILP Building No. T-647, T-649 to 665, T-672, T-736, & T-763 of 65 Armd Regt and T-676 & T-677 of 47 Armd Regt & T-626 & T-635 of 2 Mech Inf at Lalgarh Jattan for AON Concurrence.

During the scrutiny of the proposal, it was observed that the rates quoted on the basis of SSR rate 2010 were not the same in AE Part II. Similarly rates of certain items were based on Market Rates whereas Price List/Supporting documents were not placed in file. Further Area of Building, Construction Year, Cost of Construction and Present Construction Cost was not mentioned in the correctness Certificate.

Hence the case file was returned. Simultaneously the case was also discussed with Adm Comdt and GE Lalgarh Jattan. GE and Adm Comdt. accepted the advise and revised cost of proposal arrived at Rs. 69.27 lakh due to change in area of Building and reduction in assessed rate.

The revised case file for Rs. 69.27 lakh was received and AON was accorded for Rs. 69.27 lakh. Saving to the tune of Rs. **30.53 lakh** was achieved in the case.

(IFA HQ 10 Corps)