

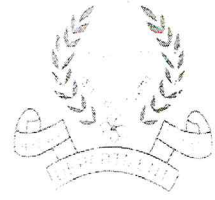


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Dated 23 Oct 2017

To

All PIFAs/IFAs
(Through CGDA Website).

Sub: Standard *Operating* Procedure on Inspection of PIFA/IFA offices.

A copy of standard *Operating* procedure on inspection of PIFA/IFA office is forwarded herewith for information and necessary action please.

This issues with the approval of Addl. CGDA (Finance).

Encl: As above

(Hari Har Mishra)
Jt. CGDA (Finance)

STANDARD OPERATING PROCEDURE ON INSPECTION OF PIFA/IFA OFFICES

1. Introduction:

- 1.1 Ministry of Finance vide their OM No. F.10(3)/E(Co-ord)/67 dated 18.10.1968 introduced the scheme of Internal Financial Adviser, according to which the IFA appointed by the Administrative Ministry was made in charge of the Budget & Accounts Section and was required to be consulted in all matters of exercise of delegated financial powers.
- 1.2 In pursuance of the policy to delegate enhanced financial powers to the Administrative Ministries, to match their responsibilities and to improve their competence in the field of financial management, a scheme of Integrated Financial Adviser was drawn in consultation with Department of Personnel and Administrative Reforms. In the new scheme which was introduced vide Department of Expenditure OM dated 6th October, 1975; the financial adviser was responsible both to the administrative ministry and to the MOF.
- 1.3 In the Ministry of Defence, IFA Scheme was introduced in Department of Defence Production and Supplies and DRDO under Govt letter dated 06.05.1976.
- 1.4 IFA system was introduced in the Department of Defence with effect from 1st August 1983.
- 1.5 A major step forward in the direction of delegation of enhanced financial powers was taken by the Committee on Defence Expenditure constituted in 1990 which recommended substantial delegation of financial powers to the Services except for creation of posts and import of stores and introduction of new scales.
- 1.6 In light of recommendations of the Committee on Defence Expenditure, in November 1991, the Ministry of Defence decided that the exercise of the

Delegated Financial Powers should be with the advice of the local Financial Advisors.

1.7 Accordingly Integrated Financial Advisors (IFAs) were positioned in 1994 in the Services HQrs vide under mentioned Govt Orders:

- MoD No. 665/Addl FA (C) dated 04.04.1994 - IFA Air HQrs
- MoD No. AN-I/1179/1/VKPC-XXV dated 17.08.1994 – IFA Army HQrs
- MoD(F) No. 840/Addl FA(J)/94 dated 22.09.1994 - IFA Naval HQrs

1.8 Further, IFA was positioned at HQrs DGBR also in 1995 vide BRDB No. F 731/C18/BBDB/BWA/94/Delegation dated 23.03.1995.

1.9 Consequent upon enhanced delegation in April 2002 to executives, IFAs at Command level were posted.

1.10 In July, 2006, enhanced delegation of financial powers was made by MoD to Services below Command for the first time. Keeping in view the enhanced delegation of financial powers to Services, dedicated IFAs were provided at HQrs Corps level.

1.11 Five IFAs positioned at Service HQrs naming as IFA(O), IFA (M), IFA (Navy), IFA (AF) and IFA (IDS/SFC) were upgraded into Pr. IFA vide MoD letter No. F.1(1)/2008 dated 26.05.2009.

2. EXISTING IFA OFFICES IN IFA SET UP

2.1 Since 1994 the number of PIFAs & IFAs has increased to 143, who render Financial Advice to the CFAs posted at the Services HQrs and those at Command and unit/formation level.

2.2 Out of 143 – 120 are dedicated IFAs who are co-located with the Competent Financial Authorities (CFAs) and 23 IFAs are nominated IFAs who are discharging the function of IFAs in addition to their own duties.

2.3 There are 5 PIFAs (HAG level) positioned at Service HQrs, 10 IFAs (SAG level) positioned at Service HQrs and 17 IFAs (SAG level) positioned at Command HQrs.

2.4 Services wise details of IFAs are as under:

Service	Dedicated	Nominated	SAO/AO Level	Total
Army	36	18	16	70
Navy	14	0	3	17
Airforce	25	5	2	32
Border Road	1	0	0	1
Coast Guard	6	0	0	6
DGAFMS	1	0	0	1
R&D	1	0	0	1
Tri Services (IDS)	2	0	0	2
Total	86	23	21	130

In addition to the above the following offices are newly opened.

IFAs in Ordnance Factories - 08
(Vide Admin Wing letter No. AN-I/1201/XXIV dated: 19.10.2016)

IFAs in R & D - 04
(Vide Admin Wing letter No. AN-I/1201/XXVII dated: 24.03.2017)

IFA at Corps level - 01
(Vide Admin Wing letter No. AN-I/1170/I/LXXVII dated: 17.03.2017)

Total IFAs – 130 + 13 = 143

2.5 Details of HAG/SAG level IFA Offices are as under:

1. PIFA (Army-M), New Delhi
2. PIFA (Army-O), New Delhi
3. PIFA (IDS/SFC), New Delhi
4. PIFA (Naval HQ), New Delhi
5. PIFA (Air HQ), New Delhi
6. IFA (Army-Q), New Delhi
7. IFA (CAP-Army, Navy, Air Force), New Delhi
8. IFA (MAP), New Delhi
9. IFA (DGAFMS), New Delhi
10. IFA (Project Seabird), New Delhi
11. IFA (P-75 & Varsha), New Delhi
12. IFA (Border Roads), New Delhi
13. IFA (R&D), New Delhi
14. IFA (Coast Guard), New Delhi
15. IFA (ANC), Port Blair
16. IFA NC, Udhampur
17. IFA WC, Chandimandir
18. IFA CC, Lucknow
19. IFA ARTRAC, Shimla
20. IFA SWC, Jaipur
21. IFA SC, Pune
22. IFA EC, Kolkata
23. IFA AF MC, Nagpur
24. IFA AF TC, Bangalore
25. IFA AF SWAC, Gandhinagar
26. IFA AF EAC, Shillong
27. IFA AF CAC, Allahabad
28. IFA AF WAC, Delhi Cantt
29. IFA AF SAC, Trivandrum
30. IFA WNC, Mumbai
31. IFA ENC, Vizag
32. IFA SNC, Kochi

3. BACKGROUND OF INSPECTION IN IFA SET UP

- 3.1 The first inspection of IFA office was carried out in October 2004 of IFA (Army-O) New Delhi.
- 3.2 During the FY 2016-17 inspection of IFA(WC), IFA(ARTRAC); IFA (WNC) and IFA (SWC) have been carried out.
- 3.3 Since 2004 to March 2017 there are 39 inspection of PIFA/IFA Offices (Services/Command HQ) carried out by inspection team nominated by HQrs office. Since the periodicity of inspection once in two years could not be achieved. There is a need to conduct inspection as per prescribed periodicity i.e. once in two years. Accordingly this SOP and Annual Inspection Calendar have been prepared.

4. OBJECTIVES OF INSPECTION

- 4.1 The objective of Inspection is two fold, viz. (i) to enable the CGDA to ensure that his ultimate responsibility for the efficiency and effectiveness of the Department as a whole is adequately discharged, and, (ii) to suggest changes in procedure or introduce new procedures as found necessary.

5. SCOPE:

- 5.1.1 IFA Wing will be responsible for carrying out periodical inspection of PIFAs/IFAs of Integrated Service Headquarters and Command Headquarters offices of all the three services and other organization.
- 5.1.2 Inspection of offices of IFA below Command Headquarters will be carried out by the respective Command IFAs.
- 5.1.3 Inspection of IFAs posted in Main offices of the PCsDA/CsDA will be carried out by Inspection Teams from Headquarters Offices from Audit Wing.
- 5.1.4 Inspection of nominated IFA below PCsDA and CsDA will be carried out by the officers of concerned Pr.CsDA & CsDA offices.
- 5.2 The Inspecting Officers should not carry out a detailed and meticulous audit of all the work done in PIFAs/IFAs' offices. The inspection will rather aim at ascertaining through judicious and careful sampling of various items of work in the offices of PIFAs/IFAs to ensure whether

- Prescribed process of financial concurrence cases has been followed correctly and efficiently
- No recurring and typical mistake have occurred over a wide area of work
- There is no evidence of faulty supervision or lack of effective supervision at any level; and
- If any major weaknesses in systems or procedure exist in a particular office.
- Instructions/Circulars issued by HQrs office from time to time are being followed in its true spirit.

5.3 The Inspecting Officer and the Team members will generally be guided by the Inspection Questionnaire (details given in Annexure 'A'). The particular items of work or documents to be examined and the exact extent and the manner of checks to be exercised will, nevertheless be decided at the discretion of the Inspecting Officer. However, while Inspecting Officers may subject any portion of the work selected for sampling to extensive and detailed scrutiny, they should avoid getting involved in trivial details or cases of isolated lapses, which have no significance from the point of the overall working of the office.

6 PERIODICITY OF INSPECTION:

6.1 Generally PIFAs/IFAs offices headed by HAG/SAG level officers will be inspected once in two years. Below the Command level dedicated IFA offices headed by JTS/STS level officers will be inspected every year.

7 ORGANIZING INSPECTION

7.1 Pr. IFA Offices

Composition of Inspection Team will consist of five to eight officers in the following manner:

- (i) Addl. CGDA (Finance) - Reviewing Officer
- (ii) Jt. CGDA (Finance)/Any SAG level IFA posted in Delhi
- (iii) Dy. IFA from any of the IFA offices
- (iv) Members from other PIFA/IFA offices
- (v) Members from IFA Wing of HQrs office

Exemption:

- (a) Team will be finalized by HQrs office after taking the names from Reviewing officer.
- (b) Reviewing Officer may change the composition of Inspection Team if considered necessary, with intimation to HQrs office.

7.2 IFA Offices (Services/Command HQ)

Composition of Inspection Team will consist of five to eight officers in the following manner:

- (i) Addl. CGDA(Finance)/PIFAs - Reviewing Officer
- (ii) Any SAG level officer
- (iii) Dy. IFA from any of the IFA offices
- (iv) Members from other PIFA/IFA offices
- (v) Members from IFA Wing of HQrs office
- (vi) Members from the offices located at the same station

Exemption:

- (a) Team will be finalized by HQrs office after taking the names from Reviewing officer.
- (b) Reviewing Officer may change the composition of Inspection Team if considered necessary, with intimation to HQrs office

7.3 Below the Command IFA Offices

Composition of Inspection Team will consist maximum five officers in the following manner:

- (i) Command IFA - Reviewing Officer
- (ii) Any JTS/STS level officer
- (iii) Members from other IFA offices under the jurisdiction of Command IFA

8 INSPECTION PROGRAMME

8.1 Annual Inspection Calendar with respect to Services HQ & Command HQ level IFAs (5-PIFA & 27-IFA) will be prepared by IFA Wing of HQrs office. As regard inspection of Below the Command level IFA offices, Command IFAs may draw the inspection calendar in respect of the IFA

offices under their Administrative & Functional control, to be carried out during the next financial year may be submitted to HQrs office by 15th of March every year.

8.2 After receiving the inspection programme from Command IFAs, the same will be merged with Annual Inspection Calendar prepared by IFA Wing and approval of CGDA will be obtained.

NOTE: As per the approved Annual Inspection Calendar the allotted inspection will be treated as target to the officer leading the inspection team and will be reflected in the APAR from the angle of inspection report submitted within the stipulated time.

9. ALLOCATION OF WORK

9.1 The inspection team will work under the guidance of the Inspecting Officer who may be leading the team. Before commencement of work in any office, the Inspecting Officer will allocate duties/areas of work to the members of the inspection team.

9.2 Inspecting Officer will examine Procedures and systems followed in administrative/ working areas of respective PIFA/IFA office and as decided by the Reviewing Officer.

10. PREPARATION OF INSPECTION REPORT & ACTION TAKEN THEREOFF

10.1 The points arising out of the inspection should be discussed by the head of the team with the PIFA/IFA concerned and the results communicated to the Inspecting Officer. Inspecting Officer will discuss such of those items which cannot be satisfactorily settled with the PIFA/IFA. Suggestions likely to be helpful in the improvement of methods and procedures should also similarly be discussed and the outcome embodied in the report, if necessary.

10.2 The inspection report will be prepared by the inspection team. The inspection report should be clear and concise. The report as far as possible

should refer to the relevant rule or order transgressed and mention precisely the nature and extent of transgression.

10.3 The draft inspection report will be shown to and discussed with the PIFA/IFA before closing the inspection and the result of such discussion indicated suitably in the final report.

10.4 The inspection whenever carried, the executives will be called for joint discussion in order to streamline the working of the IFA system.

10.5 A summary of all important matters and outstanding problems will also be prepared along with inspection report to enable the CGDA to have a correct appreciation of the overall situation and efficiency of work in the concerned office. Areas requiring changes/modification of procedures, if any, will also be highlighted in the summary.

10.6 The presentation of working of the IFA office will be given by the concerned PIFA/IFA to the Reviewing Officer, similarly Inspecting Officer will also make a presentation before the Reviewing Officer.

10.7 Inspecting Officer will ensure that the final inspection report handed over to concerned PIFA/IFA offices within 15 days from the date of review of inspection under intimation to Addl. CGDA (Fin).

10.8 Action taken report on the inspection report will be the responsibility of the concerned PIFA/IFA who will ensure to submit the same to HQrs office within a month from the date of receipt of final inspection report.

11.CONCLUSION

11.1 Keeping in view the wide geographical extent of the country, and administrative conditions the application of the SOP in selected areas may be done in consultation with the concerned IFA. The SOP will be reviewed in the context of experience gained over a period of time.

PART-I
QUESTIONNAIRE FOR IFA INSPECTION
 (Information to be furnished by the IFA)

1. Question	Response by PIFA's/IFA's	Remarks of the HQ's Inspection Team
1 Name & Address of the office, with Telephone/Fax No. (Complete address).		
2 Please indicate status of office accommodation, office furniture, PC & peripherals, internet and availability of basic amenities.		
3 Status of Adm/logistic support provided by the Executive authorities.		
4 Whether annual physical verification of dead stock articles/computers hardware and software is being done regularly? If so indicate the last date of annual stock verification done and also indicate the discrepancy noticed, if any, and action taken thereon?		
5 Status of WAN-connectivity		
6 Whether the IFA module has been implemented in your office. If yes, Indicate the report/return/MIS generated on system.		
7 Indicate:- a) Number of AON/EAC proposals and amount thereof received during the last quarter. b) Out of above, how many were processed on application software. c) Reasons, for not processing all the files on application software (wherever applicable).		

8	Mainpower status POST/GRADE HAG/SAG JAG STS/JTS SAO/AO AAO PS/PA/Steno Group C	Auth.	Posted
9	Details of Dir/Br./Unit/Fmn to whom IFA coverage is provided by your office (Please enclose list separately)	Name of the Br/ (by level) Unit/Fmn (As per list enclosed)	
10	Total number of sub offices which:- (a) Inspection carried out during last one year. (b) Any recurring problem, noticed. (c) What corrective /preventive action has been taken?		
11	Office wise number of observation outstanding as on date..		
12	What steps have been taken to bring improvement in the functioning and efficiency of IFA office?		
13	Whether a structured mechanism has been put in place for IFA-CFA interface. a) Major issues discussed during last two meetings.		
14	Whether manuals/Govt orders/instructions/SOPs and check lists relevant to your organization are available?		
15	Whether Govt/CGDA/CVC instructions/guidelines regarding processing of procurement proposals are maintained separately and are being discussed in monthly conference and also circulated to lower IFAs (Wherever applicable)		

16	How are Dak/Case files (both inward and outward) being watched?		
17	Indicate: a) Total No. of case files received during the last one year preceding the month of inspection. b) Out of (a) above file cleared within 7days. c) No. of files cleared with >15 days. d) Reasons for delay, if any.		
18	Are shadow files being maintained as per instructions issued by HQrs office vide IO No.14 of 2008, letter No.IFA/918-1 dated 31.05.10 & Circular No.06 of 2011 dt 06.05.2011.		
19	When was last weeding out of old records done? Is detail of weeded out old records being maintained?		
20	Is receipt of sanction/Supply order with reference to concurrence accorded being monitored and placed in relevant case file.		
21	Whether instructions issued vide CGDA instruction No.3 of 2011 for Delegation of powers to accord concurrence within IFA set-up is being followed. a) No. of cases concurred by Dy. IFA/Jr. IFA/Addl. IFA during last one year. b) No. of cases reviewed by PIFA/IFA c) Any major findings.		

22	Whether Checklist/Check points given in the respective Schedule of IFA Manual and also circulated by Hqs office, from time to time is being shared with Executive as circulated vide CGDA circular No. 13 of 2014.		
23	Mention amount of imprest and periodicity of recoupment of imprest and Problems faced, if any.		
24	Details of fund allotted/Expdr during the current FY up to the date of inspection.	Contingency	Any other
25	How many training programmes / conferences for the officers/Staff of lower IFAs/Services in your Command were organized during the last three years?	2012: 2013: 2014:	
26	Subject of training and level of participation.		
27	How many disciplinary cases/Cour/CAT and AFT cases are pending with oldest date.		
28	Is IFA being involved in preparation of PPPs/Annual Plans?		
29	(a) Whether IFA is involved in the appropriation/re-appropriation of funds allotment position in the organization. (b) How the expenditure against budget allotment is monitored?		
30	Whether provisions of DPM-2009/supplement 2010/GFR-2005/DPP-2013 and other related Govt.orders/instructions regarding in processing of proposals are being adhered to?		
31	Whether availability of items on DGSS&D RC is checked while giving AON concurrence.		

32	Whether instruction issued vide CGDA instruction No.2 of 2010 regarding vetting of CST is being adhered to.		
33	Whether rank structure is being adhered while deputing officer for PNC/TPC as per CGDA instruction No.2 of 2009.		
34	Whether the benchmarking is done before opening the commercial bids by the CNC/PNC to determine reasonability of L1 quote and for conducting negotiation?		
35	Whether the UO No. is being allotted while giving EAS concurrence, as per CGDA Instruction order dated 21 December, 2009.		
36	Whether overruling cases are being processed as per CGDA instruction No.3 of 2014.		
37	Whether the proposals related to extension of delivery period (DP) are being initiated before expiry of the original DP as per provisions contained in DPM 2009. Please also state :- a) No. of cases where DP extension has been processed after completion of original delivery period (Last one year) b) Is validity of PBG covers the extended DP		
38	Whether in option clause/ repeat order cases, it is ensured that: a) The option /repeat order clause has not been exercised as a matter of routine. b) CFA is being determined on the basis of value of original order Qty plus repeat order/option clause Qty. c) PBG is also being obtained for the revised value of the supply order.		

39	<p>Whether in exercising tolerance clause, it is ensured that:-</p> <p>a) It is not exercised as a matter of routine.</p> <p>b) Whether instruction relating tolerance clause issued vide CGDA I.O. No 8 of 2010, is being adhered to.</p>		
40	<p>Whether the Admn. approval by the CFA based on subsequently prepared estimates in respect of works covered under Go Ahead Sanction for urgent works under Para 35 of DWP-2007 has been received within six months after the commencement of works as stipulated in Para.</p>		
41	<p>Whether complaints received, are being recorded in the complaint register. What is the mechanism for monitoring of complaints? How many complaints are pending as on date?</p>		
42	<p>Whether record of Right To Information (RTI) cases is being maintained and replies are being furnished in the stipulated time frame.</p>		
43	<p>Steps taken to promote Hindi in IFA office.</p>		

**SPECIFIC POINTS RELATING TO BORDER
ROADS ORGANIZATION**

44	Whether in Agency/Deposit works cases, copy of MOU and cost acceptance letter is being looked into?		
45	Whether credit on account of retrievable materials and stores available from hard rock excavation is being ensured?		
46	Whether the consolidated lists of items/spares/consumables, for which provisioning review is carried out is available in IFA office.		
	REPAIRS & REFITS (NAVY)		
47	Whether the provisions for repairs are made in the original spares contracts.		
48	Whether copies of offloading plans for repairs/refits are available with the IFA office		
49	Whether offloading plans are prepared catering requirement of two to three years and categorized as per provisions of DPM 2009 enumerated in para 14.4.3.		

PART II

POINTS TO BE SEEN BY THE INSPECTION TEAM DURING SAMPLE CHECKING OF CASES

SI No	CHECK POINTS	Remarks for HQrs office Inspection/Review team
1	Prescribed registers, including EDP and for items purchased from DAD Funds are maintained as per provision contained in IFA Manual, OM Part II Vol. I and II and prescribed by HQrs. office vide letter AT/IX/13381/PC-Registers dated 27.12.2005.	
2	Register of financial proposals has been maintained as per CGDA letter IFA/37/PC dated 16.09.2014	
4	Cash Book is being maintained on the prescribed format for the amounts received and spent.	
5	Comment about the coordination with PCDA/CDA and Executives.	
6	Total No. of case studies submitted to HQrs Office during the current calendar year preceding the month of inspection.	
7	Sample the draft supply orders to verify that the same are prepared as per terms & conditions of DPM and terms agreed in CNC/PNC.	
8	Check that copies of all the sanctions issued with the concurrence of IFA /supply order are being received and recorded in the concerned files.	
9	Check and review the system of monitoring of committed liability for the supply orders placed in the previous financial year.	