

FINANCIAL
ADVICE
STANDARDS
(FAS-I)

APPROACH PAPER TO FAS-I

The Role of DAD as Internal Financial Advisor to the Services has catapulted itself to a new plane of reckoning in recent times, especially with the enhancement of Powers to the Executives, to be exercised in consultation with the IFA.

As in the field of marketing, customer/user focus has become the defining factor for Business Process Reengineering in DAD. It is not merely sufficient to ensure that we render quality services, but it is equally important to gain the confidence of our end beneficiaries as this would ultimately lead to better value for our Services. It would be bold strategic shift to adopt for ourselves, certain processional Standards in our core areas of assigned responsibilities to facilitate harmony and Standardization of work amongst various Offices doing similar functions and also ensure consistency and uniformity within the Department.

Keeping this vision in view, we have embarked on a new venture to set Standards for the Officers entrusted with the responsibility of rendering Financial Advice in Internal Audit.

These Standards are not applicable for Financial Advice rendered in the Course of IFA Functions, for which separate Standards would be formulated in due course.

By these Standards, an attempt is made to sensitize ourselves towards the infrastructure, process, qualifications, code of conduct and reporting methods that form part of our prestigious profession called “Financial Advice”.

FINANCIAL ADVICE STANDARDS FOR INTERNAL AUDIT (FAS-I)

CHAPTER I

INTRODUCTION

1. FORMULATION OF FINANCIAL ADVICE STANDARDS(FAS-I)

- 1.1 The Controllers act as agents or representatives of the Secretary Defence (Finance). The Regional Controllers are Ex-officio financial advisors to the GOC-in-C of Commands as well as to the Area and Independent Sub-Area Commanders in their respective audit areas in respect of the expenditure sanctioned by them. CDA(Navy) and CDA(Air Force) have similar positions in respect of Naval and Air Force commands respectively. The C of FA (Fys) functions as the Financial Advisor to the General Manager of Factories under his audit control. The Controller discharges this responsibility through his Group Officers, Officers-in-Charge of Sections in Main Office and through Heads of Sub-Offices.
- 1.2 The Financial Advice Standards (FAS-I) has been framed in pursuance of the mandate and responsibility of the Department in its role as Internal Auditor and Financial Advisor for the Defence Services and to demonstrate our commitment to quality and transparency in providing services to the Defence Services.
- 1.3 The objectives of these standards are:
 - (a) To translate responsibilities of officers in terms of results rather than activities.
 - (b) To enhance the objectivity of the function by a paradigm shift towards professionalism.
 - (c) As custodians of Tax-Payer's interest, secure real value for the money for the Tax Payers.
 - (d) To assist the Executives in improving their financial administration.
- 1.4 These Standards would be recommendatory in the initial stages until further orders by CGDA.

2. SCOPE AND APPLICABILITY

- 2.1 The FAS-I shall cover all areas of Internal audit and accounting undertaken/ entrusted to the DAD including audit of Cantonment Boards and Military Farms, but shall not cover advice rendered in the capacity as IFA or as his representative for which separate Standards would be framed in due course.
- 2.2 The overall administration of the FAS-I shall be the responsibility of the respective Controllers, who may in turn delegate this responsibility to one or more Officers by name under their organization.
- Provided that any amendment to the FAS-I shall be implemented by the Controller only after obtaining the Views of Other Controllers whose core responsibility is or is directly related to the subject for which amendment is proposed and after obtaining the prior consent of CGDA through an amendment to the FAS-I.
- 2.3 The responsibility for dissemination of knowledge about FAS-I, development of infrastructure for its implementation, administration of training and facilitating interaction between various levels of Officers Intra-organization and Inter-Organization shall vest with the Controller.
- 2.4 It shall be the duty of every LAO/RAO , Officer Passing Bills and every officer-in-charge of section dealing with audit and/or Payment or accounting to ensure that concurrently and continuously with their allotted audit function, the Defence transactions dealt with by them are analyzed from the angle of Financial Advice, in as much as the nature of transaction would offer scope for and also bring to the notice of his immediate Superior, cases which should be processed for rendition of Financial Advice. Whenever an Officer initiates a case for rendering Financial advice suo motto or receives a case for reference as aforesaid, he shall bestow his personal attention for processing it further expeditiously to its finality, through proper channel and shall not abandon or close or defer further action on the case except after recording his specific reasons on file. Details of all such cases shall be furnished as a separate annexure in the quarterly Financial Advice report to be rendered to the FA Section for review at Controller's Office.
- 2.5 These Standards shall be read and implemented in conjunction with various orders or instructions existing in the Codes, Manuals and Regulations and those already issued by CGDA and where the standards are in deviation of the extant orders (and not of practice), specific clarification shall be sought from CGDA for applicability of such standards.

3. BASIC POSTULATES

- 3.1 For the purpose of these Standards the term Financial Advice shall mean any advice or a proposal tendered by an Officer of the rank of Accounts Officer and above, after due process as hereinafter prescribed, to the Executive Authorities which is calculated to result in reduction of Expenditure or enhancement of revenue or improved utilization of Plant, Machinery, Tools, Assets or Technology, without compromising on the Effectiveness of operations and without involving denial of just and fair dues or entitlements to individuals or a group of persons entitled to one or more benefits lawfully conferred under any Rules or Regulations or Delegated authority. For the purpose of these Standards it does not include advice tendered to discontinue any violation of orders or to follow the prescribed procedure/comply with the extant orders.
- 3.2 The term financial advice can be divided into two types viz., (i) Original Financial Advice and (ii) Responding Financial Advice. Original Financial Advice consists of advising the Administration of any method by which equal efficiency can be achieved with less expenditure. Responding Financial Advice consists of (a) advice on definite points referred to Controllers and (b) advice as a result of investigation into facts which are normally accepted on the Statement of the Officers Commanding and Administrative Officers. While Original financial Advice normally will mean rendering advice on financial matters/expenditure after the event is over, the Responding Financial Advice can be understood as one which in most cases is rendered in response to a call from the Executive Authorities. The Financial Advice Section of a Controller Office will carry out only Original Financial Advice. The Responding Financial Advice will be dealt with by the audit sections of Controller's Office invoking the assistance of the Financial Advice Section in cases of special importance.
- 3.3 Rendition of financial advice involves a combination of Professional experience and Judgement based on evidence. This exercise relies on one's knowledge about orders, precedents and practicability.
- 3.4 It would be difficult to compile an exhaustive list of areas which offer scope for Financial advice or crystallize an exhaustive set of principles that would govern rendition of financial advice. Such an attempt would run contrary to the need for having a dynamic approach to the entrusted responsibilities. It is therefore essential and inescapable that the approach to Financial Advice involves some fundamental assumptions, consistent premises in relation to types of

situations, logical principles and high degree of personal judgement and interpretation, especially where the Standards are not fully or partly applicable. A few illustrative areas are listed as **Annexure I** to these Standards.

- 3.5 It is the Executive who is primarily responsible for proper financial administration and DAD as Internal Auditor and Financial Advisor has to advise the Executives for proper financial management.

CHAPTER-II
GENERAL STANDARDS IN RENDITION OF FINANCIAL ADVICE

GENERAL STANDARDS

- 4.1 **MANNER OF DISCHARGING THE FUNCTION**: The financial advice function will be discharged by a process of consultation and in the case of LAO/RAO, preferably by personal consultation with the Executives. Items of financial advice shall not be placed under objection. There shall not be any form of direct or indirect coercion or exercise of undue influence in the process of getting the financial advice accepted by the Executives.

Provided that cases of financial advice which could not be implemented due to unhelpful attitude of the Executives or their disinclination to take up the matter with financial and administrative authorities at Defence Head quarters shall be reported to the CGDA by or through the Controllers for his orders. While reporting cases of the above nature, it should be ensured that a self contained report giving full details of the advice tendered, the views of the administrative authorities and also the further remarks of the Controllers thereon is submitted to CGDA.

Provided further that cases of financial advice accepted for implementation by the Executives but not implemented shall be considered for inclusion in the various Audit reporting systems such as MFAI, IAR, AAC etc..

- 4.2 **QUALITIES EXPECTED OF THE OFFICERS**:

- 4.2.1 **COMPETENCE**: The Officer tendering Financial Advice must be competent in the discharge of his duties to do so. For the purpose of maintaining competence and skill in discharge of the Financial Advice functions, Each LAO/RAO shall maintain under his personal custody under separate files, information in respect of each unit under his audit jurisdiction in the proforma prescribed in **Annexure II** to these Standards. Group Officers -in - Charge of the Controller's office may require such information from the LAOs/RAO and on receipt of such request, the LAO/RAO shall forward the required information within 7 days from the date of receipt of such request. All such information shall be furnished through a confidential communication addressed by name to the G.O.

- 4.2.2 **INTEGRITY AND OBJECTIVITY**: The Officers must be straightforward, honest and sincere in their approach to discharge of the responsibilities assigned to him. They must at all times act with fairness and not allow bias/prejudice in performing their duties.
- 4.2.3 **CONFIDENTIALITY**: Every officer in possession of any document relating to official work shall ensure the confidentiality of the information with him and shall not disclose any of its contents or part with such information except in so far as the performance of his duties may reasonably demand or upon written directions from his Superior Officers.
- 4.2.4 **DEVELOPING TEAMWORK**: Every Officer should sincerely endeavour towards developing the standards of the working environment of which he is part of. He shall encourage his sub-ordinates to develop aptitude and skill for mooting financial advice proposals and it shall be his prime duty to ensure that whenever proposals tendered by his sub-ordinates are processed the names of all staff members / officers who were part of initiating the proposal are properly recognized and recorded on file.

CHAPTER-III
PROCESSING STANDARDS

WORK PLANNING.

- 5.1 The Officer Planning to carry out an examination /study of any area of work allotted to him which has prima facie potential for offering Financial Advice, is expected to accomplish his task in a thoroughly professional manner, which essentially starts with careful work planning.
- 5.2 Before commencing his work the Officer should precisely frame the issue that is to be addressed, the orders on the subject, the data support required (both internal and external) the corroborative evidence that would be needed, areas for expert consultation, estimated manpower requirement and the time schedule.
 - 5.2.1 The identification of the problem should be specific in terms of its area of work involved, the agencies connected with its administration.
 - 5.2.2 The orders on the subject constitute the most important Backward linkage for the work. It includes the relevant provisions contained in all Statutes, Codes, Manuals and Instructions issued by both Audit and Administrative Authorities. The Officer initiating proposal must ensure that the Library of his Office is in possession of all necessary books/ orders that he may require for the purpose of rendering financial advice. In case the relevant order required by the officer is not available in his office, he may take up the case demi-officially with the Officer-in-Charge of Records Section of Controller's Office, who shall where it is not feasible to provide the requested book/order, shall take up with the other Controller for obtaining Xerox copy of the specific order sought for. The Officer requesting Copies of order/ Book shall simultaneously make attempt to obtain copies of relevant order from the Units/Formations through personal liaison by LAO/RAO. While processing cases of Financial Advice, it is not merely sufficient to quote the authority, but it must also be ensured that a Xerox copy of the relevant order is brought on file to facilitate quick reference.
 - 5.2.3 The Internal data support may be from the files or records maintained in the office or through auditable documents of the respective units. The External data support may come from outside sources such as Technical advice, market price information etc.,

- 5.2.4 Normally no additional manpower should be sought for Financial Advice as this is a concurrent function along with Audit. However in exceptional cases CDA may at his sole discretion accord specific time bound prior sanction providing additional man power depending on the seriousness and length of the issue involved.
- 5.2.5 Where no external data support is required the entire process of rendering financial advice must be attempted to be completed within a period of 15 days. Where External data support is required, the task must be attempted to be accomplished within one month. This time limit will reckoned from the time the proposal is first recorded on file, and can be relaxed for reasons to be recorded in writing.

INITIAL VALIDATION.

- 6.1 The first task after planning the activity is careful preliminary examination of the case to ensure that
- (a) the issue on hand does not involve violation of any Orders on the subject and/or administrative / audit instructions or procedural violations, or discontinuance of Financial Advice earlier tendered and Accepted by the Executives, in which case the case will be processed as Audit objection and Not as Financial Advice. (For Guidelines see **Annexure III**)
 - (b) the issue has not already been raised and further pursuance of the same would be contrary to the written instructions issued by any Superior authority.
 - (c) The scope for financial advice is real and that possible area for setting off can be identified and verified.

6. DATA COLLECTION

- 7.1 The data collected must have authentication. Xerox copies must be attested. Minutes must be signed by all concerned participants. Statements obtained from Executives must be signed by a responsible officer of the Unit. All external data must clearly bear indication about the source and standing of the individual / organization from whom the data has been obtained. All references to Internal Orders must have proper linking.
- 7.2 The Officers shall not take any document pertaining to the Units in their custody for the purpose of data collection. Wherever required, the information shall be called for and obtained duly attested.

- 7.3 Wherever applicable, relevant authority in support shall be quoted.

7. ANALYSIS OF DATA

- 8.1 The analysis of the data/information collected includes:
- (a) examination of its material significance to the issue in the back drop of overall data collection, and where deemed fit redundant or incorrect data/information will be eliminated for consideration.
 - (b) Comparison of one set of data with another in respect of the same unit for the same period(Ex. Comparison of Hospital Admission and Discharge Register with Diet Sheets in Military Hospitals)
 - (c) Comparison of the same type of data for different periods in respect of the same unit (Ex. Local purchase items issued on As Required Basis (OARB).
 - (d) Comparison of same or different set of data for the same or different periods in respect of similar units in the same station or other stations.
 - (e) Study of General trends.
 - (f) Variance analysis between the budgeted figures and the actuals.
 - (g) Concurrent Contract Management.
 - (h) Post contract Review.
- 7.2 The correct choice of sampling method has a direct bearing on the accuracy of the results. Where the data is collected through sampling the scope and extent of analysis would be suitably extended.
- 7.3 When sampling method is employed for analyzing the data, the Officer processing the proposal must involve the most appropriate method. In case of doubt he must invariably consult his superior Officer before taking a final decision on the method of sampling.
- 7.4 When the data is collected through Computer Processing Systems, the reliability of the data should be test checked.
- 7.5 Commitment received from the Executives should clearly indicate the date of implementation committed by the Executives and actual implementation confirmed before reporting the item to the Controllers.
- 7.6 All conclusions and suggestions should be strictly based on material evidence available on record and should be fair, reasonable and practicable. It is also essential that the implementation of the Financial Advice when accepted should be verifiable on ground.

- 7.7 The conclusion should clearly state whether the financial savings would be one time or recurring and also the period from which it would be implemented and the extent of savings projected to and accepted by the executives.
- 7.8 All suggestions involving Financial Advice should be supported with working details duly quoting the authority wherever involved.

9. DOCUMENTATION

- 9.1 Documentation involves bringing on record, data collected (internal and external), material evidence such as copies of relevant orders/ instructions, Minutes of discussions with the Executives, Expert Opinions, precedents etc., in a logical and sequential arrangement and in a manner that a man of average intelligence can easily understand the whole object, process and end result of the exercise to which the documentation relates.
- 9.2 The extent of documentation is a matter of professional judgement, since it is neither necessary nor practical to include all events or process or documents encountered during the exercise of rendering financial advice.
- 9.3 All significant matters which have influence on the proposal of the case shall be documented. All representations/replies/views of the Executives in relation to the proposal shall be documented.
- 9.4 Wherever feasible the documentation should be standardized through check lists, process charts etc.,.
- 9.5 Each case of Financial Advice will be processed through an effective Filing system. Files for financial Advice will be allotted separate block numbers and file Nos. will allotted for each unit separately by the audit sections/LAO/RAO. The Financial Advice Section of Controller's Office may open separate files for each sub-office/audit section or on each subject as per the orders of the Controller.
- 9.6 The file will be pasted with an index in the File inner cover to facilitate easy access to relevant documents.

CHAPTER-IV
REPORTING STANDARDS

10. OBTAINING THE CONCURRENCE OF CDA

10.1 APPROVAL FOR FINANCIAL ADVICE: No financial Advice shall be tendered to the Executives at the level of Area HQRs and above or their equivalent, by any officer sub-ordinate to the rank of Controller except after obtaining the written orders of the Controller. For this Purpose, Officer seeking orders of Controller shall submit through proper channel a special report bringing out full details of the case with all supporting documents. Before forwarding such reports to the Controller the Officer forwarding such reports shall personally satisfy himself as to the correctness of the details furnished by him and as to the availability of working details on file and minutes or summary of the preliminary consultations held with the executives. No item of financial advice will be pressed by the Controllers without the full knowledge of the Command or Area Staff with whom the proposition should be fully discussed. Financial Advice tendered to lower levels should be sent under a Demi-official letter simultaneously endorsing copy of the same to the Controller for his information and review.

10.REPORTING STANDARDS.

- 11.1 No item of financial advice will be included in the objection statement, or pursued as an objection.
- 11.2 The Financial Advice Report sent to the Executives will cover the following points:
- (a) Specific Point at issue
 - (b) Existing situation or practice.
 - (c) Results of analysis made.
 - (d) Specific suggestion with detailed justification.
 - (e) Nature and extent of financial savings specifically stating whether it is recurring or non-recurring.
 - (f) Details of discussion with and acceptance by the Executives.
 - (g) Action already taken and proposed to be taken
 - (h) Plans for review.
 - (i) Difficulties if any experience during collection of data and its impact on the findings.
 - (j) Reservation if any on the techniques used
- 11.3 The financial Advice tendered shall be signed with name and designation of the Officer signing the report.
- 11.4 A copy of the report shall also be enclosed to the Quarterly Financial Advice report to be sent of FA Section of the Controllers Office for FA

Section to render a quarterly report to CGDA by 10th of the month following the quarter showing items of financial advice and higher audit tendered and accepted by the administrative authorities.

11.5 Details of Financial Advice tendered will be recorded in a register called Financial Advice register wherein all the details specified in Para 11.2 will be incorporated. All LAOs/RAOs will be posted with the details of Financial Advice tendered by CDA, which will be taken note of by LAO.

11.6 This Register of Financial Advice maintained by LAOs/RAOs together with Details of financial Advice tendered by CDA will be subjected to Review by LAOs/RAOs during their periodical visits to the Units/Formations and cases of Non-Implementation or discontinuance of financial advice accepted by the Executives will be reported with full details and replies of the Executives to the CDA.

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ANNEXURE I TO FINANCIAL ADVICE STANDARDS (FAS-I)
ILLUSTRATIVE AREAS OF INTERNAL AUDIT WHICH OFFER
SCOPE FOR FINANCIAL ADVICE.

BASIC POSTULATE: An example of advice to the Executives suggesting for discontinuation of an irregular procedure or violation of Rules would not be treated as financial advice as in such cases the violation is objectionable ab-initio.

I. USE OF MILITARY TRANSPORT:

1. Optimization of usage of three-tonner and one-tonner vehicles where the former is diesel run vehicle and latter is Petrol driven.
2. While hiring transport the availability of idle transport in the Station must be a key factor.
3. Attachment of vehicles to the nearest Kerb side pump, for the purpose of drawal of Fuel.
4. Scope for clubbing of routes and avoiding the number of transport for detailment of School going transport / ASC Supplies etc.,
5. Scope for enhancement of KPL by engine fine tuning as is accomplished on the civil side. It is not necessary that KPL should always show downward revision.
6. Where vehicles perform routine duties which can be avoided, scope for attachment of the vehicle or adoption of an alternate and equally effective system, as would result in avoiding unnecessary detailment of vehicle resulting in possible financial savings should be studied. (Eg. Vehicles going to a far distance for parking at its Depot can be arranged to be parked in a near by unit by Local military arrangement.)
7. Revision of Hire Charges corresponding to increase in fuel rates notified by the Govt on a standardized formula.
8. Review of downward classification of vehicles and disposal of Class V vehicles.

II. WORKING OF HOSPITALS

1. Comparison of Hospital Admission and Discharge Register, Diet Sheets and Ration Returns to identify that rations are not drawn as a matter of routine at the maximum of scales, with reference to a pattern of diets issued to various types of patients.
2. Periodical revision of Hospital Stoppage Rates.
3. While Concluding contracts for items to be issued on As Required Basis (OARB), there must be inbuilt flexibility to

- facilitate seasonal variations and variation on account of climatic conditions(Eg., Indent for and consumption of Ice)
4. Study of the average number of patients admitted over a defined period and comparison with the authorized strength with reference to which the Establishment Strength is fixed, for justification.

III. STATION WORKSHOP EME AND ORDNANCE DEPOTS

1. Frequency of Local purchases and the extent to which they are avoidable by better inventory planning is a significant area for study. A study of the periodicity and pattern of local purchase would give lead for understanding the scope for combining purchase requirements to avail economies of large scale purchases where resorting to local purchases is absolutely indispensable. It would also be a pointer of the extent to which Ordnance Depots have not been able to meet the requirements of the workshop for whatever reasons. The results of such a study would help effective decisions at Controllers levels to set right the imbalance.
2. Items and quantities which are locally purchased are correspondingly reduced/deleted from the indents placed by the OSS on the Mother Depot so that duplication of purchases resulting in unwanted accumulations and surpluses do not take place. This could be done by selecting at random, a few cases of Local purchases and linking it with the indents placed by the OSS.
3. Cases of units getting their work done through civil trade should be examined in detail to ascertain why the work could not be got executed by the workshop and what are the specific reasons for getting the work done through Civil Trade. The impact in the Station Workshop as a result of such a course in terms of idle time of the facilities created and resources made available to the workshop (Plant and machinery, Equipment, manpower etc.,).
4. During audit of job folders, the time lag between the date of entry of the item into the workshop and the date of commencement of repair and the date of completion of the repair should be studied and compared with repair work for similar items. The average time required should be ascertained by discussions with the Workshop authorities. Abnormal variations in execution of similar jobs should be brought to the notice of the Executive authorities. Further this study should be used as a tool to project how far the manpower has been effectively deployed by the workshop and also for justification of authorized strength.

5. Slow moving and non-moving items must be identified and brought to the notice of the Workshop authorities for initiation of corrective action like back loading etc..

IV. OPTIMAL UTILIZATION OF DEFENCE LAND:

1. Leasing out unutilized land in Cantonment on contract basis for parking and collection of parking fee.
2. Renewal of lease agreements and upward revision of rent commensurate with market rates.

V. OTHER MISCELLANEOUS AREAS

1. Whenever accommodation has been hired, the justification for continued hiring in comparison with the vacant accommodation available in the station must be studied, for suggesting de-hiring if feasible in terms of the leasing agreement.
2. Wherever various items are issued on ad-hoc basis within the ambit of an overall scale, (EG., In the case of ASC Free Rations Issue of Rice and Atta) it can be suggested that the proportion of issue should be based on scientific study, since there would be cost variation between different alternatives.
3. Where two units of activities occupy different accommodation (Eg.. Mess) and the functioning of two or more units of activities at different locations can be merged, the same, if it would not affect the purpose of such activities, can be suggested.
4. In the case of MES Formations where the actual trend of Electricity consumption is less than the Contracted Maximum Demand(CMD), action for revision of CMD can be suggested.
5. Payment of conservancy charges payable under agreement with reference to Assets valuation – the sale value of unserviceable and non-expendible items should also be reckoned.
6. Collection of fee for plan approvals in Cantonment Boards.
7. Entrusting parking fee collection on contract basis instead of collection by employing Cantonment Staff to benefit from market competition and also avoid saving expenditure on account of salary for this purpose.
8. Revision of rates for water supply by Cantonment Board.
9. Scope for optimizing purchase quantities where standing instructions are available for local purchase.

VI. NEW CHALLENGES:

1. Effect of computerization on the utilization of existing assets and resources and follow up action to be taken for optimal utilization.
2. Optimal utilization of computers and peripherals procured by the unit – Information base for processing future procurement proposals.

ANNEXURE II

LIST OF DETAILS TO BE MAINTAINED BY LAOs/RAOs IN RESPECT OF EACH UNIT / FORMATION (REF: PARA 4.2.1)

1. Knowledge about the Unit/Formation – its nature, role , functions and its place in the Defence Organization structure.
2. Its PE and Budget Allotments with reference to various heads.
3. The responsibilities assigned to various Ranks/ designations.
4. Internal control mechanisms
5. Core Activity Flow Chart (if feasible).
6. List of Documents to be maintained by the Unit.
7. Nature of Reports and Returns rendered by the Unit and to whom.
8. Level of automation/computerization.
9. General Orders and Special orders applicable for the Unit.
10. Details of significant Internal Audit and Test Audit Objections (settled / outstanding).
11. Areas which offer scope for financial advice.
12. Cases of financial advice rendered by the same or other Office in respect of same unit/type of unit.

ANNEXURE III

ILLUSTRATIVE CASES WHICH INVOLVE VIOLATION OF THE RULES OR NON-COMPLIANCE OF THE PRESCRIBED PROCEDURES AND WHICH SHOULD BE PROJECTED AS OBJECTION INSTEAD OF FINANCIAL ADVICE AND CASES WHICH SHOULD TAKE INTO CONSIDERATION THE NON-FINANCIAL SENSITIVITIES INVOLVED.

1. All cases in which a rule has already been violated and the violation is continuing and the suggestion has been made to discontinue the violation and adhere to prescribed Rules or Orders will be pursued as objection and not as financial advice.

The reason is that there are adequate provisions in the rules and regulations, which make the officers responsible for such violations.

Examples:

1. Observance of Dry days
2. Detailment of vehicles on Carter Patterson system.
3. Irregular exercise of sanctioning powers.
4. Suggestion to take back surplus rations.
5. Use of Motor Cycle for DR duties instead of one-tonner.
6. Non-detailment of vehicle for collection of items which as per contract are to be supplied by the contractor at the unit point.
7. Irregular downward revision of rent in favour of private parties.
8. Conclusion of contract for technical services where technicians locally available are not properly utilized.

2. In some cases the financial savings may not be disputable but while rendering the financial advice the non-financial sensitivities that may be brought or may be obviously discernible must be understood, as the object of Financial Advice is to look for financial savings which would not be directly or indirectly affect the normal functioning of the unit or those employed in it. s

Examples:

1. While suggesting for purchase or investment decision to avoid revenue expenditure, the Officer suggesting must have analyzed the proposal from the opportunity cost angle jointly with the Executives and also the availability of capital along with technical and financial repercussions.
2. Suggestions on transport for school going children should take into account the non-financial sensitivities that are significant for the overall purpose of the Govt. providing free transport to the Children.

3. Proposals for utilization of assets lying on disbandment of a project should be carefully studied. Where it involves defective planning the case should be projected as Objection and not as financial advice.