



Audit of Air HQ Communication Squadron (AHCS)

CHAPTER II

2.1 Introduction

Indian Air Force (IAF) maintains a fleet of aircraft with Air HQ Communication Squadron (AHCS) at New Delhi to provide air conveyance to VVIPs¹ and other entitled persons (OEPs)².

AHCS has three Boeing Business Jet (BBJ) aircraft, four Embraer aircraft and six Mi-8 helicopters. In addition, the VVIPs also use Air India's Boeing 747-400 aircraft for their international visits and while IAF pays for the international visits of the President, that for the Vice President and the Prime Minister are paid for by Ministry of External Affairs and Prime Minister Office (PMO) respectively.

2.2 Organisational set up

AHCS headed by Commanding Officer of Group Captain rank is responsible for operation and maintenance of VIP fleet. It works under functional and administrative control of Directorate of Ops (VIP) at Air HQs, through 3 Wing AF at Palam, New Delhi.

2.3 Previous Audit Reports on VIP Fleet

A review on 'Air Transport Facilities for VVIPs and OEPs' was carried out by Audit in 1997 and findings reported in C&AG's Audit Report No.8 of 1998.

Issues raised in subsequent Audit Reports, recommendations made there under, actions taken by the MoD and identified areas for current audit are detailed in **Annex-A**. New areas found during the current audit have also been included in this report.

¹ VVIPs for which the Communications Squadron provides airlift services are the President, the Vice-President and the Prime Minister.

² OEPs as per relevant order were Minister of Defence, Minister of Home Affairs, Minister of State in the Ministry of Defence, Chiefs of the three Defence Services, Defence Secretary, other Ministers of GoI, Senior Service and Civilian Officers who are connected with Defence Organisation and Cabinet Secretary.

2.4 Audit Objectives

The audit was conducted to ascertain adequacy of action taken by MoD/Air HQ to remedy issues raised in earlier Audit Reports. Accordingly, this review was conducted to ascertain whether:

- VIP fleet was utilized optimally including optimizing flying hours, use of commercial flights by OEPs and minimizing empty flying.
- Internal control systems to protect financial and operational interests of Air Force including recovery of airlift and detention charges were adequate and effective.

2.5 Audit Scope and Methodology

A test checks of the records relating to VIP flights was carried during July to September 2015 at AHCS, Directorate of Ops (VIP) and Directorate of Accounts at Air HQ and CDA (AF) covering three years' period from 2012-13 to 2014-15.

Based on examination of the records, analysis of data and replies furnished to audit questionnaire by the above mentioned units, initial audit observations were issued to concerned unit / Directorate and their replies were considered and included in the Draft Report, which was issued to the Ministry.

Response to Draft Report was received in March 2016, which has been incorporated in this Report.

2.6 Audit Criteria

The audit criteria used for benchmarking the audit findings were from:

- Presidential orders issued vide Ministry of Defence OM dated 6 January 1981.
- Policy Page (1984) of AHCS issued by MoD and Policy Page proposed (2007) by AHCS.
- Ministry /Air HQ instructions on providing of airlift to entitled persons.

- Recommendations contained in Paragraph 2 of C&AG's Audit Report No.8 of 1998 and Action Taken Note (ATN) (2011) by MoD thereon.

2.7 Audit findings

2.7.1 Induction and utilisation of aircraft

2.7.1.1 Revision of Policy Page

AHCS proposed in 2007 for revision of the Policy Page (April 1984) in view of induction of BBJ and Embraer aircraft but approval of MoD was pending (March 2016).

The Ministry stated (March 2016) that this will be processed expeditiously.

2.7.1.2 Utilisation of aircraft

Under-utilisation of VIP fleet was reported earlier in Audit report of 1998; however, Audit observed that the fleet continued to be underutilised and the extent of underutilisation had increased.

a) BBJ aircraft:

Utilisation for BBJ aircraft was 60 flying hours per aircraft per month proposed (2007) in the Policy Page. Flying hours are calculated based on the aircraft total technical life in terms of flying hours and period in years. Actual flying against the prescribed flying, during 2012-13 to 2014-15, is given below:

Table 2.1: Utilisation of BBJ aircraft

Year	Prescribed flying hours (Hours)	Utilisation for			Total Utilisation	
		Airlift of VVIP (Hours)	Training of Pilots (Hours)	Misc. purpose (Hours)	(Hours)	(per cent)
2012-13	2160	271:20	591:10	38:15	900:45	41.7
2013-14	2160	332:35	735:35	13:30	1081:40	50
2014-15	2160	450:25	834:00	38:30	1322:55	61.2
Total	6480	1054:20	2160:45	90:15	3305:20	51
Per cent of actual flying		31.9	65.4	2.7		100

Source: Quarterly Flying Training Returns (QFTRs)

Thus, during 2012-13 to 2014-15, the actual flying was only 3305:20 hours (51 per cent) against total 6480 hours prescribed for three BBJ aircraft. Further, the flying for VVIPs, the *raison d'être* for existence of the Squadron, was only 31.9 per cent of total flying hours. For two-third of flying hours, the fleet was being used for training purpose.

In Audit Report of 1998, the figures for utilisation during 1992-93 to 1996-97 were 54.4 per cent for VVIP/OEP and remaining 45 per cent for Training. The lower utilisation of BBJ aircraft substantiated the Audit comment in Paragraph 2.1 of C&AG's Audit Report No.5 (Compliance Audit) of 2008 (AF & Navy) that the purpose of acquisition of third BBJ aircraft was questionable.

Thus, not only the fleet was underutilised, but the extent of underutilisation was increasing.

AHCS stated (August 2015) that the Squadron fly three BBJ aircraft to convey VVIPs for domestic tours as well as few international travels as tasked by Air HQ.

The Ministry accepted (March 2016) the audit observation.

b) Embraer aircraft

Monthly flying hours for four Embraer aircraft (called executive jets) were 62:50 hours per aircraft per month as proposed in Policy Page (2007). Actual flying against the prescribed hours, during 2012-13 to 2014-15, is as given below:

Table 2.2: Utilisation of Embraer aircraft

Year	Prescribed flying hours	Utilisation for			Total Utilisation		Utilisation for VVIPs	
		Airlift of VVIP/ OEPs	Training of Pilots	Misc. purpose	(Hours)	(per cent)	(Hours)	(per cent)
	(Hours)	(Hours)	(Hours)					
2012-13	3000	1356:20	967:15	53:00	2376:35	79.23	19:30	0.81
2013-14	3000	983:10	885:15	68:00	1936:25	64.53	4:30	0.22
2014-15	3000	797:35	795:20	96:45	1689:40	56.33	4:15	0.25
Total	9000	3137:05	2647:50	217:45	6002:40	67	28:15	0.47
<i>Per cent of actual flying</i>		52.27	44.11	3.62		100		

Source: QFTRs

The actual flying was 6002:40 hours (67 per cent) against 9000 hours prescribed for four Embraer aircraft. The use for VVIP/OEP was for 3137 hours (52.27 per cent), which was lower than 60 per cent utilisation of the Avro aircraft for VVIP/OEP noticed by Audit in 1998. Further, Embraer aircraft was utilised only for 28:15 hours (0.47 per cent of total flying) for VVIPs during 2012-13 to 2014-15. This substantiates the audit comment in paragraph 2.1 of C&AG's Audit Report no. 5 of 2006 (AF and Navy) on propriety in acquisition of Embraer fleet.

2.7.1.3 Significant short fall in flying efforts in training as per policy for Embraer aircraft and Mi-8 helicopter

Fleet-wise flying training to be imparted to pilots as per Air Force Order (AFO) No. 15/2011 and actual training in AHCS during the year 2012-13 to 2014-15, is given below:

Table 2.3: Fleet-wise flying training to pilots

Year	Average number of pilots	Flying Training as per AFO (hours)	Actual Training (hours)	Excess (+) /Short fall (-) (hours)	Excess (+) /Short fall (-) (per cent)
BBJ aircraft					
2012-13	9.75	780	591:10	(-) 188:50	(-) 24.23
2013-14	9	720	735:35	(+)15:35	(+) 2.13
2014-15	9	720	834	(+)114:00	(+) 15.83
Total		2220	2160:45	(-) 59:15	(-) 2.70
Embraer aircraft					
2012-13	10.25	1100	967:15	(-)132:45	(-) 12.08
2013-14	15.5	1240	885:15	(-) 354:45	(-) 28.61
2014-15	14	1120	795:10	(-) 324:50	(-) 29.00
Total		3460	2647:40	(-) 812:20	(-) 23.50
Mi-8 helicopter					
2012-13	10.5	840	330:45	(-) 509:15	(-) 60.66
2013-14	9.75	780	306:10	(-) 473:50	(-) 60.75
2014-15	11.25	900	246:50	(-) 653:10	(-) 72.61
Total		2520	883:45	(-) 1636:15	(-) 65.00

Source: QFTRs

Thus, though training constituted 65.4 *per cent* of the total flying for BBJ and 44.11 *per cent* for Embraer aircraft as discussed in *Paragraph 2.7.1.2*, there were shortfalls in flying efforts for prescribed training to the extent of 23.50 *per cent* and 65 *per cent vis-à-vis* Embraer aircraft and Mi-8 helicopter respectively.

The Ministry stated (March 2016) that although AFO has been correctly quoted but its application was incorrect. It further stated that the BBJ and Embraer are manned by two pilots and when the aircraft flies two hours both pilots fly one hour each.

The Ministry's reply regarding counting of only half time for each pilot in the said AFO is debatable as both pilot and co-pilot would be equally attentive during entire duration of flight. Nevertheless, the Ministry decided (April 2016) to constitute a committee to review the training requirement of VIP fleet.

2.7.1.4 Utilization of Embraer aircraft on routes connected by commercial air services

As per Presidential orders (1981) except the three VVIPs, other users are expected to make use of the commercial air services on official duty, where ever possible. Audit examination revealed that:

- a) There were 619 VIP flights by OEPs using Embraer aircraft during 2012-13 to 2014-15. On 321 occasions (51.86 *per cent*), OEPs used the aircraft between destinations connected by commercial air services. Further, there was no document at AHCS/Air HQ to indicate that the OEPs utilized the VIP fleet only in inescapable cases of non-availability of commercial air services or emergencies. Though Special Flight Returns (SFRs) were supposed to indicate the purpose of VIP flight, only 'official duty' was mentioned. The issue was also raised in C&AG's Audit Report No. 8 of 1998. In Action Taken Note, MoD had stated (2011) that the trips were made for urgent official requirements keeping in view time constraint and official assignment/visit.

Audit enquired (November/December 2015) from Air HQ/MoD as to how it was ensured by them that OEPs used the VIP flights only sparingly for urgent official requirements.

The Ministry stated (March 2016) that justification for use of VIP fleets was given to the approving authority.

Audit is not in agreement with the Ministry's clarification as it was not supported by evidence. Further, Audit did not find records regarding use of VIP fleet by OEPs only in inescapable cases on routes connected by commercial air services.

b) A review of SFRs revealed that Embraer aircraft was used by Raksha Mantri, Rajya Raksha Mantri and three service chiefs on 308 occasions during 2012-13 to 2014-15. On 191 occasions (62.01 *per cent*), the routes covered were well connected by commercial air services.

Thus, the usage of VIP aircraft by OEPs continued to remain an area of concern. The designed internal controls for effective utilization were not functioning properly. However, the Ministry decided (April 2016) to constitute a committee to review the utilization of Embraer aircraft on routes connected by commercial air services/use of commercial flight by OEPs.

2.7.2 Internal Controls

2.7.2.1 Recovery of detention charges

As per Presidential orders (January 1981), the detention charges @ 50 *per cent* of the rate prescribed by MoD for flying hours shall be charged for detention of aircraft in excess of two hours³ *i.e.* if an aircraft is detained at an outstation.

Audit observed that Directorate of Accounts, Air HQ stopped including detention charges in the bills raised for recovery for airlift to various Ministries/Departments from June 2012. These non-raised detention charges were ₹32.25 crore for 30 cases during June 2012 to March 2015.

In reply, Air HQ stated (November 2015) that airlift bills were raised on the basis of details provided in SFR, Flight Acceptance Certificate (FACs) and Indent forwarded by the operating units. The Directorate further stated that there was single indent for two different dates and the FACs were also issued

³ Detention period is calculated from the time of landing to the time of take-off of aircraft.

for airlifts availed on different dates. There was no indication of detention of aircraft by the user agency. Hence no detention charges were levied.

The reply is not convincing since IAF aircraft were detained at destination for more than two hours during the airlift period and the same was indicated in the SFR, for which detention charges should have been recovered from the indenting agency.

Accepting the observation, the Ministry stated (March 2016) that suitable instructions have been issued and in future detention charges will be levied accordingly.

2.7.2.2 Competent Authority for authorizing VIP Flights of Senior Service Officers

As mentioned in *Paragraph 2.1* of this report, Other Entitled Persons (OEPs) include three Service Chiefs and Senior Service Officers (SSO) at Service HQs and Civilian Officers of the rank of Joint Secretary and above. 325 VIP flights (to and fro) were used by these OEPs during 2012-13 to 2014-15 as per details given below:

Table 2.4: Number of airlifts for Service Chiefs and Senior Service Officers

Service Chiefs	
Chief of Army Staff (COAS)	115
Chief of Air Staff (CAS)	65
Chief of Naval Staff(CNS)	53
Sub-Total	233
Senior Service Officers	
Air Force	88
Navy	3
Army	1
Sub-Total	92
Total	325

Source: Data compiled from SFRs maintained by AHCS

Out of 325 flights by OEPs, in 92 cases relating to SSOs, no authorization was found to be issued by the MoD. Normative expenditure on these 92 flights worked out to ₹24.23 crore.

In reply the Ministry stated (March 2016) that the Chief of Air Staff is competent authority for SSOs and use of VIP assists by SSOs is approved by VCAS and para 1, 4 and 6 of Air Force Instruction 9/83 gives the authority for the same.

Audit is in disagreement with respect to the quoted authority for airlift of SSOs as AFI 9/83 specifically prohibits its application for use of VIPs fleet and states that conveyance of VIPs is governed by the Presidential order of 1981 as amended from time to time. Nevertheless, the Ministry decided (April 2016) to constitute a committee to review the competent authority for authorizing VIP flights of SSOs.

2.7.2.3 Indemnity Bond and Duty Flight Certificate

As per Presidential orders (1981), all non-service personnel (other than government officials) travelling in the service aircraft will sign Indemnity Bond and the aircraft would not take off till receipt of the bond.

Audit however noticed that the bonds were not being received by AHCS along with the passenger manifest. Likewise, Duty Flight Certificate was also not being received along with the passenger manifest.

The above issues were also raised in C&AG's Audit Report of 1998 and, in ATN, MoD stated (2011) that the bonds/certificates were being received before passengers on board the aircraft.

The Ministry's reply (March 2016) was silent on the non-compliance following their assurance (2011).

2.8 Conclusion

Utilization of current VIP fleet was low and its low utilization observed in C&AG's Audit Report of 1998, was further reduced. Significant flying efforts went in training of pilots although for Embraer aircraft and Mi-8 helicopter the training was lower than that prescribed in Air Force Orders.

The controls designed to ensure that OEPs utilized the VIP fleet only in inescapable cases for routes connected by commercial air services were not working. Detention charges amounting to ₹32.25 crore were not raised/levied.

Procedure for authorization of VIP flights for senior service officers was not followed. Further despite assurance given by MoD in Action Taken Note, Indemnity Bonds and Duty Flight Certificates were not being obtained from users of airlift.

Action on Audit recommendations suggested in draft report relating to training requirement for VIP fleet, utilization of the fleet by the OEPs on commercially connected routes and the competent authority for authorizing VIP flights of SSOs has been initiated (April 2016) by the Ministry of Defence. The Ministry also issued instructions regarding levying of detention charges.