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केन्द्रीय सतर्कता आयोग
CENTRAL VIGILANCE COMMISSION



सतर्कता भवन, जी.पी.ओ. कॉम्प्लैक्स,
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सं./No..... 001/VGL/5-330120

दिनांक / Dated..... 23/11/2016.....

Circular No.14/11/16

Subject: Expeditious follow-up and scrutiny of Audit Reports by Chief Vigilance Officers.

One of the prominent functions expected from the Chief Vigilance Officers of the Ministries / Departments and all Organisations as laid down in the Vigilance Manual, Vol.-I, is scrutiny of reports of the various Parliamentary Committees, Audit Reports (Internal, Statutory and CAG reports), etc., and to determine whether there is any vigilance angle involved in respect of the irregularities brought out in such reports.

2. The Commission, vide earlier Circular Nos. 001/VGL/5 dated 25.04.2001, No. 3(v)/99/14 dated 16.05.2001 and No. 001/VGL/5 dated 10.12.2001 had specifically advised that the CVOs would examine such audit reports relating to their organisations with a view to identify the irregularities having vigilance angle and submit a report to the Commission.

3. Over the years, it is observed that this important function is not being accorded the necessary priority nor is being performed by the CVOs, in particular of the CPSUs / PSBs. Recently, instances have come to the notice of the Commission wherein grave irregularities have been noticed in such audit reports, which should in the normal course have been examined and brought to the notice of the Commission by the CVOs of the Organisations concerned.

4. The audit reports of the Comptroller and Audit General (CAG) many a time reveal not only administrative and financial irregularities, but also instances of corruption / lapses involving vigilance overtones. Apart from replying to all such audit reports, no serious exercise is undertaken to identify officials responsible for deterrent action, wherever, necessary by the Administrative Authorities. The Commission would, therefore, in the discharge of its functions under Section 8(1) (h) of the CVC Act, 2003 exercising superintendence over the vigilance administration, hereby directs, all Chief Vigilance Officers of the Ministries / Departments / CPSUs/ Public Sector Banks / Public Sector Insurance Companies/Autonomous Organisations/ Societies, etc., as below:

- (a) All the CVOs (including part-time CVOs) would examine the audit reports (internal, statutory and CAG reports) relating to their organisations for the last three financial years namely 2013-14, 2014-15 and 2015-16 and would submit their reports to the Commission.
 - (b) In case there is no adverse observation in any audit report, a NIL report year-wise may be submitted to the Commission.
 - (c) The entire exercise may be completed by the CVO of the Organisation concerned within three months.
 - (d) The CVOs should submit their Report on the examination of all audit reports for the FY 2013-14 within one month, for FY 2014-15 within two months and for FY 2015-16 within three months.
 - (e) The fact of review / examination of these audit reports may be reported in their Annual Reports by the CVOs.
5. In cases of observations in audit reports wherein matters of prima facie vigilance angle / corruption are noticed, the CVOs would complete their inquiries in individual instances / cases fixing responsibilities of the official(s) concerned and thereafter make a self-contained reference seeking the first stage advice of the Commission as per prescribed procedure.



(J. Vinod Kumar)
Director

To

- (i) Secretaries of all Ministries / Departments of Government of India.
- (ii) All Chief Executives of CPSUs/ Public Sector Banks / Public Sector Insurance Companies/Autonomous Organisations/ Societies, etc.
- (iii) All CVOs of Ministries/Departments of GoI/CPSUs/Public Sector Banks/Public Sector Insurance Companies/Autonomous Organisations/ etc.