

Central Vigilance Commission

Minutes of the Annual Zonal Review Meeting with the CVOs held on 04-3-09 at New Delhi.

The list of participants is at *Annexure-A*.

2. CVC in the Chair. The meeting started with introductory remarks by CVC and the Vigilance Commissioners. This was followed by presentations by CTEs on the inadequacies observed in the CTE examination of the works and procurement contracts of the organizations present in the meeting. Copies of the CTE presentations were provided to the CVOs during the meeting. The Commission made some observations during discussion with CVOs. Those observations needing follow up action are indicated in the minutes later.

3.0 Introductory Remarks:

CVC:

3.01 At the outset, CVC drew attention of the CVOs to differences in the figures of the pending cases shown by the CVOs and the Commission. He desired that all the CVOs should reconcile the position of pendency with the Commission.

3.02 Mentioning the power sector especially, CVC pointed out that there were a large number of cases pending in this sector. He emphasized that power sector was technology intensive sector involved in large value procurements. The number of complaints was substantial and the response time was long.

3.03 He expressed displeasure over the fact that CVOs while forwarding the cases to the Commission did not make specific recommendations. He pointed out that it was mandatory on the part of the CVOs to take a specific position with regard to the case and CVOs should not simply forward the recommendation of the DA.

3.04 CVC once again pointed out that power sector was technology intensive, but, despite this fact the phase II of leveraging of technology had not been implemented fully. CVC desired that the CVOs in the power sector should specify a time frame for the full implementation of leveraging of technology in consultation with CMDs. An independent assessment of the position in this respect would be done by the CTEO. Any deliberate attempt/ delay in the implementation of circular would be viewed seriously and this could be termed as having a vigilance angle necessitating disciplinary action.

3.05 He noted that the complaint handling mechanism in the Ministries remained a weak area. Due to the deficient system, the organizations under the Ministries also suffered. It was observed that no response to a referred complaint was received from the organisations for a long time and in such cases where the Commission invoked the provision of direct Inquiry on account of delay by CVOs, the report by the CVOs was immediately made available. This fact reflected poorly on the working of the vigilance wing.

3.06 CVC brought forth the importance of C&AG reports and observed that there was a need for close examination of C&AG reports by the CVOs. In the past, also, the Commission had issued guidelines on this, but, these had remained unattended. There was a need to reinstate the practice of closely examining the audit reports and the need for investigation from vigilance point of view, if necessary. He desired that

all the CVOs should examine C&AG reports of the last year for this purpose and keep the Commission informed.

3.07 CVC emphasized the need for CVOs to be detailed and analytical in their examination. Simultaneously, he stressed the need to be watchful with regard to overall activities in their organization.

3.08 CVC also observed that the role of IOs both departmental and CDIs was crucial and there was a need for CVOs to monitor the performance of IOs. CVOs had to play an active role in expediting the pending inquiries and large number of pending inquiries did not bode well for the entire vigilance set up.

4.00 **VC (R)**

4.01 VC (R) stated that CVOs should put emphasis on the quality of investigation of cases. They have to ensure that charge sheets were framed properly and if disciplinary action was initiated there has to be a valid reason for action. When at the second stage advice, the whole process was diluted, it did not speak well about the quality of investigation by the CVOs. CVOs should not only endorse the view of the DA, but, should put in application of mind and give specific recommendation.

4.02 She also noted that in some cases, disciplinary authority differed with the finding of the IO. In such cases, it was imperative that the quality of work done by the IO should be analyzed by the CVOs.

4.03 There was also a need for follow up with the DA by the CVOs in cases where adequate progress was not being observed and there was undue delay.

4.04 She emphasized that complaint handling mechanism in most of the organisations was faulty. The CVO had to ensure that all the complaints should reach him and not the Administration or Public Relation Department. Vigilance angle in a complaint was to be decided by the CVOs only..

4.05 VC (R) also noted with concern that in power sector there was a practice of awarding works on nomination basis. This was not in consonance with tendering guidelines of the Commission.

4.06 She emphasized the fact that there was a need for examination of existing systems in organizations with a view to bring about system improvements.

4.07 She underlined the importance of clarity in contract policy leaving no scope for ambiguity in interpretation of the same. The CVOs needed to ensure this aspect.

4.08 VC (R) observed that CVOs recommend dilution of Commission's advice sometimes without bringing any additional facts to the record. This practice needed to be avoided.

5.00 **VC (S)**

5.01 VC (S) expressed dissatisfaction over no or little sign of improvement in vigilance activities of the CVOs. He stated that only status quo has been

maintained. None of the organizations can state with the sense of pride that a higher state of accountability has been achieved.

5.02 He observed with concern that there is sense of total apathy in vigilance set up with regard to high value contracts and procurements. Either, there was a total sense of helplessness or a feeling of non interest amongst the vigilance officials.

5.03 He observed that this state of non activeness be corrected and a pro- active role is required to be played by the CVOs. There was a need for CVOs to be watchful and keep their eyes and ears open. Discreet monitoring of large expenditure needed to be undertaken by the CVOs and the cases of money squandering with impunity needed to be brought to the notice of the Commission.

5.04 VC (S) observed that there was a tendency on the part of Managements and in some cases there is a determined effort to shield senior level officials. Senior officers who were the fountain head were not held accountable. This is the stage where CVOs have to step in and play a realistic and objective role and bring the actual picture to the notice of the Commission.

5.05 VC (S) asked all the CVOs to gear up their strength and bring to the notice of the Commission, any misuse of public money.

6.00 Presentation by the participants:

6.01 Leveraging of Technology:

The state of leveraging of technology in all the organizations was not satisfactory. The second phase has not been implemented in any of the organizations completely.

6.02 Access of CVOs to complaints:

In most of the Organisations, the complaints handling mechanism required improvement. CVOs did not have access to all the complaints. It was advised that the CVOs should go through all the complaints to ensure that complaints with vigilance angle were attended to properly.

6.03 Structured meetings between CVOs and the CMD:

During last year's annual zonal meetings, the Commission has requested the CVOs to have monthly or quarterly structured meetings with their CMDs as per their requirement with a proper agenda and minutes of the meetings. It is observed that this was not being followed in many of the organisations. The Commission directed the CVOs to immediately commence the practice and report compliance in the monthly reports immediately, with a copy of the minutes of the meetings so held.

6.04 Agreed List:

Most of the Organisations have prepared an "Agreed List".

7.01 It was observed that the QPRs were not being submitted in time by some of the organization. The Commission directed that QPRs need to be submitted regularly and in time.

(Action: CVO, M/o Mines, CVO, M/o Power, Tehri Hydroelectric Corporation)

7.02 With regard to implementation of leveraging of technology, the Commission observed that the second phase is lagging behind in most of the organizations. The Commission directed the organizations to implement the same in a time bound manner and report to the Commission.

(Action: CVO, NTPC)

7.03 CVO, PGCIL intimated that a selective package covering a few areas would be implemented in six months time. The Commission desired that CVO M/o Power should have a meeting with the CVO, PGCIL on this issue.

(Action: CVO, PGCIL CVO-M/o Power)

7.04 CVO, SJVNL intimated that the process to implement II nd phase of leveraging of technology has been initiated and from 15th March onwards , 100% procurement would be online. The Commission desired that a detailed report in the matter may be sent to the Commission.

(Action: CVO-SJVNL)

7.05 It was noted that the structured meeting with recorded minutes is not taking place in many organizations. The Commission directed that regular structured meetings may be held with CMD/Secretary of the Department periodically at regular intervals.

(Action CVO-NTPC, DVC, PGCIL, THDL, REC)

7.06 The Commission pointed out that substantial delay has been observed in processing of cases in DVC. The Commission desired that a report on reasons for delay may be submitted to the Commission immediately.

(Action CVO- DVC)

7.07 In case of power sector, the Commission observed that there is no uniform policy on the procedure to be followed in case of captive power plants. The Commission desired that aspect may be examined by CVO and report may be submitted to the Commission.

(Action CVO, M/o Power)

7.08 The Commission noted with concern that the state of vigilance administration in DVC is not sound and requires closer scrutiny by the CVO.

(Action CVO, DVC)

7.09 The Commission desired that CTE type inspection may be carried out by the organizations and a few sample reports may be sent to the Commission for examination.

(Action CVO-NTPC, DVC, PGCIL, THDL, REC)

7.10 Noting with concern the aspect of delay in investigation and reporting, the Commission desired that CVO, M/o Power should issue a circular on the issue of fixing responsibility for deliberate delays to all PSUs under the Ministry.

(Action CVO-M/o
Power)

7.11 The Commission desired that CVO, PGCIL should concentrate on complaint handling mechanism and should ensure that all the complaints are received by the CVO, so as to ensure that the complaints having vigilance angle are examined properly.

(Action CVO-
PGCIL)

7.12 The Commission desired that preventive vigilance aspect is very important and CVO should take concrete steps to concentrate on this aspect.

(Action: All
CVOs)

7.13 The Commission also observed that the instructions have been issued in the past for the CVOs to examine C&AG Reports with a view to analyse the vigilance aspects involved. The practice has been discontinued in the recent times. There is an urgent need to revive this practice.

(Action: All
CVOs)

7.14 The Commission observed that in the power sector, there is a tendency to award tenders on nomination basis. It was desired that M/o Power should enforce the guidelines on tendering emphasizing transparency and fair play.

(Action: CVO, M/o Power)

7.15 CVC pointed out that in power sector, there is a trend of gross overestimation of cost of projects. He desired that there is a need to find a technical solution to the problem and work out a feasible formula and develop a format for the purpose of estimation of cost.

(Action: CVO- M/o
Power).

7.16 The Commission also desired that there should be a system of quarterly meeting of Secretary, Power with CVOs of organizations on quarterly basis.

(Action: CVO-M/o Power)

7.17 In case of M/o External Affairs, VC (S) noted that there are substantial system failures. The complaints sent for the investigation get evasive replies. There is an urgent need to pay attention to preliminary investigation in the Ministry.

(Action: CVO - MEA)

7.18 The Commission desired that CVO, MEA should scrutinize the CAG report of Indian Mission Offices abroad and institute initial inquiry if required. A report in this respect may be sent to the Commission.

(Action: CVO - MEA

Annexure-A

List of the participants for the meeting dated 4/3/09:

- 1 Shri J.S.Kavale, Jt. Secy & CVO, M/o Power
- 2 Shri G.S.Sarna, CVO, NTPC & DVC
- 3 Shri S.Nandkeolyar, CVO, PGCIL
- 4 Shri Virender Kumar, CVO, THDCL & RECL
- 5 Shri K.C.Sadyal, CVO, SJVNL
- 6 Shri G.Kamesara Rao, CVO, NALCO
- 7 Shri N.K.Gupta, CVO, HCL
- 8 Smt Arti C Srivastava, CVO, GSI
- 9 Shri R.K.Tyagi, JS(CNV) & CVO, MEA

Commission's officers

1. Shri K.S. Ramasubban, Secretary
2. Shri Vineet Kumar Gupta, Addl. Secretary
3. Smt Jaya Balachandran, Addl. Secretary
4. Shri V. Ramachandran, CTE
5. Shri V.K.Gupta, CTE
6. Smt Shalini Darbari, Director
7. Smt Jyoti Mehta, Director
8. Shri K.Subramaniam, OSD
9. Shri P.S.Gupta, Advisor
10. Shri J.Vinod Kumar, Under Secretary