

# Module 2

## Vigilance Administration

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## Chapter 3

### Chief Technical Examiners' Organisation

#### Organisation

The Chief Technical Examiner's Organisation (CTEO) was set up in 1957 under the Ministry of Works, Housing & Supply, as it was known at that point of time, with a view to introduce a system of internal concurrent and continuous administrative and technical audit of the works of Central Public Works Department and to secure economy in expenditure and better technical & financial control of the works. The Santhanam Committee Report while appreciating the good work done by CTEO recommended that CTEO may be brought under the CVC. Accepting this recommendation, the Government of India on November 1, 1964, transferred the CTEs organisation to the CVC.

#### Setup

The CTEO is headed by two Chief Technical Examiners (CTEs)– one of them is generally responsible for examination of civil / horticulture related procurement cases and matters and the other for all other types of procurement contracts, viz., supply contracts, electrical / mechanical contracts, IT procurements, consultancy & service contracts, transport contracts, etc. and related matters. The CTEs are assisted by a team of Technical Examiners (TEs), Assistant Technical Examiners (ATEs) and Junior Technical Examiners (JTEs).

#### Role & Functions

- ❖ The primary responsibility of CTEO is to conduct technical and financial scrutiny of different procurement cases to ensure better economy and efficiency in procurement process, in fair, equitable and transparent manner.

- ❖ CTEO helps the Commission in correct appreciation of the technical issues.
- ❖ CTEO offers its advice on policy matters / specific issues, mainly related with public procurement, referred to the Commission for its comments/ opinion, by the Ministries, Departments of the Government of India, PSEs/ PSBs, by the various entities representing different industries, different sectors of economy, etc.
- ❖ As a measure of preventive vigilance and system improvement, CTEs/TEs participate in workshops, seminars to share experience and familiarise officials with the issues related with public procurement.

## Intensive Examination(IE)

To give effect to its main function, CTEO conducts Intensive Examinations (IEs).

### Purpose of IE

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- a) System improvements based on lesson learnt from the examined contracts.
- b) Detection/Recoveries of overpayments.
- c) Tax Compliance and follow up action.
- d) Quality deficiencies and remedial action; and
- e) Penal action in case involving gross inaction/oversight and cases involving vigilance angle.

### Selection of Works for IE

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Selection of contracts for Intensive Examination is generally undertaken from the QPRs received from various Organisations, keeping in view the following factors:

- ❖ Complaints received from various sources.

- ❖ Works specifically recommended by CVOs for inspection.
- ❖ Works of organisations with substantial workload as compared to others.
- ❖ Large value contracts.
- ❖ Works of organisations, which do not have their own Engineering Departments for supervision and Quality Control.
- ❖ Works of organisations, which have not been inspected at all.

#### Intensive Examination of Contracts based on records requisitioned in the Commission

If Commission decides that Examination of the Contracts be carried out without visiting the office of the Organisation concerned or work-site/stores, all original documents may be requisitioned in the Commission and after going through the documents, specific queries are sent to the Organisation through CVO for reply/clarification. These replies should be forwarded by CVO to the Commission along with his/her comments.

#### Intensive Examination of Contracts based on records, field/site visit

Intensive Examination of Procurement Contracts is generally conducted in two parts: -

- ❖ The first part covers the examination of the records and documents at Headquarters or the concerned office/unit of the Organisations.
- ❖ The second part covers the physical inspection of the works / materials/ services including checking of measurements and quality of materials, works and services, collection of samples of materials for testing, wherever possible/required, etc.

Intensive Examination Report broadly covers the following aspects of the Procurement<sup>1</sup>

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- ❖ Availability of updated Procurement Manual(s) of the Organisation
- ❖ Feasibility Report, Preliminary Estimate, Administrative Approval and Expenditure Sanction, Vetting of Demands etc.
- ❖ Detailed project Report, Detailed Estimate, Analysis of Rates and Technical Sanction by the Competent Authority.
- ❖ Appointment of consultant and operation of Consultancy Contract.
- ❖ Tender document and adequacy of provisions therein as well as technical specifications.
- ❖ Pre-bid meeting and clarifications on the issue raised by bidders.
- ❖ Invitation of tenders and award of work.
- ❖ In case of e-tenders/ e-procurement, all the records, including Audit Trail.
- ❖ Compliance of Contract Conditions.
- ❖ Appropriateness/Adequacy/Genuineness of Performance Bank Guarantee or any other type of Guarantees or any other Financial Instrument to be submitted by the Contractor/Supplier/ Service Providers.
- ❖ Appropriateness/Adequacy/Genuineness of the Insurance Policies.
- ❖ Enforcement of liabilities of contractors/suppliers/manufacturers within 'Warranty/ Guarantee/Defect Liability Period.
- ❖ Reconciliation of departmentally issued materials.
- ❖ Compliances of provisions related to various type of taxes, Scrutiny of bills.

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<sup>1</sup> IE Report not to be used as document for evidence

- ❖ Inspection, dispatch and acceptance of materials or works, Scrutiny of site records.
- ❖ Compliance of conditions in the Service & Statutory obligations
- ❖ Site Inspection
- ❖ Any other issue felt necessary to be examined

#### Reply to IE Report

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After receipt of the IE report, the CVO should forward the IE Report to the management/officials concerned in the Organization for comments. The comments should include the followings-

- ❖ A statement regarding correctness of facts stated in the IE Report. If, some of the facts are not correct, this should be clearly brought out and at the same time the correct facts, if different from the facts mentioned in the IE Report, should also be indicated.
- ❖ Comments on the explanations received from concerned officers.

Replies to the observations in the IE report should be sent promptly within 60 days from the date of despatch of report with CVO comments & recommendation with documentary evidence.

#### Rejoinder to reply

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In cases, where the replies to the observations are not considered satisfactory by the CTE's Organization, clarifications from them may be called through rejoinders.

#### Final Action on IE report

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Each non vigilance observation/para will be concluded/closed with the approval of CTE.

### Vigilance Investigation arising out of Intensive Examination

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Para/observation(s) contained in the vigilance reference shall be required to be investigated by the CVO of the organization concerned and Investigation report shall be submitted to the Secretary, CVC within three months of the receipt of the reference from the Commission.

### Commission's Advice

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After investigation, the IR should be sent to the Secretary, CVC by the CVO for first stage advice. Even if the CVO concludes that no vigilance angle is involved, the matter has to be referred to the Commission for advice as the complaint has emanated from the Commission. The first stage advice given by the Commission for initiating disciplinary proceedings etc. or system improvements etc. would be communicated to the respective CVO for implementation by the concerned vigilance branch.

### Time Schedule

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Timely action on the observations raised in the intensive examination report is important, as in some cases, delay may render the action(s) to be taken as time barred. Sometimes, Vigilance Investigation Reports are also delayed considerably, which may allow officials responsible to retire without any action. Last minute references to the Commission for advice just before retirement of the concerned officials should also be avoided.

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