

Central Vigilance Commission

Minutes of the Annual Zonal Review Meeting with the CVOs held on 23rd January 2009 at Chennai.

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

1. CVC in the Chair. The meeting started with introductory remarks by CVC and the Vigilance Commissioners. This was followed by presentation by CTE on the inadequacies observed in the CTE examination of the works and procurement contracts of the organizations present in the meeting. Copy of the CTE presentation is at *Annexure-B*. This was followed by presentation from the participating organizations on the agenda items (*Annexure-C*). During the presentation by participating organizations, the Commission intervened and made some observations. Such of those observations needing follow up action are indicated in the minutes later.

2. Introductory Remarks:

3.1 CVC:

CVC requested the CVOs to stick to the sequence of the agenda items and raised the following issues:

- i) In spite of codification of rules recently regarding procurement procedures in the Defence Ministry, few deviations are still noticed like the tendency to favour a single tender;
- ii) There are a few cases indicating breakdown in communication between the CVO and CMD. Vigilance being a management tool primarily, there should be attempt at achieving cohesion rather than division.
- iii) It should be remembered that short cuts do not help anyone and departments need to be proactive in a positive sense and towards this work in close rapport with the CVOs;
- iv) Monthly reports continue to be sketchy and last part of the report, i.e. Point No.12, requiring greater application of mind on the part of the CVO are not detailed enough;
- v) Vigilance in most organizations has become complaint driven and reacts to situations after the events take place rather than adapt a systematic approach in a preventive vigilance mode.

3.2. VC(S):

- i) There is a general feeling that the work of vigilance is restricted to ensuring proper procedure for procurement leading to a neglect of the rest of the financial discipline.
- ii) The Inquiry Reports have a tendency to point out procedural irregularity, often without indicating whether the violation was deliberate or willful;
- iii) Delays as well as inadequate or incomplete response to characterize the reports of the CVOs.

3.3. VC(R):

- i) There should be a complaint handling policy in place ensuring that the CVOs have access to all complaints;
- ii) There should be some system in place to ensure that the recruitment processes are not vitiated;
- iii) Apart from attending to complaints there should be system study approach with a view to reviewing the systems and identifying the changes needed to minimize violations;
- iv) It is also important for the CVOs of Defence PSUs to meet and share their experiences.

4. Presentation by the Participants:

4.1. Leveraging Technology:

4.1.1. Most of the companies completed the exercise and will be integrating it with ERP or SAP work in progress except for some minor items. In GRSE the second phase is not complete. So is the case with MIDHANI.

4.1.2. All the CVOs will report the progress in the monthly report to be received in the Commission in April 2009.

(Action: ALL CVOs)

4.2. Monthly meetings with CVOs and CMDs:

Despite a direction given by the Commission in the last Annual Zonal meeting with all the CVOs, the system is yet to commence in most of the PSUs except MIDHANI. It was requested by one of the PSU to write a letter to all the CMDs in this regard.

(Action: All CVOs)

4.3. JS & CVO, DODP stated that in OFB several cases of lacuna in procedures were observed and OFBs draft Manual/Procedure would be finalized in two months. He also observed that CVOs should have access to Board papers of the PSUs. DODP would issue instructions for regular structured meetings by CVOs with CMD.

5. ACTION POINTS:

- i) The Commission will write a letter to all the CMDs regarding the need for monthly or quarterly meetings as the case may be, with the CVOs with proper agenda and minutes issued;
(Action: Commission)
- ii) CTE type inspections. MDL, BDL, GRSE, HAL, OFB and MIDHANI have reported that they have conducted CTE type inspections. The Commission directed all the CVOs who conducted CTE type inspection, to send a copy of their report to the Commission. The CVOs who have not conducted inspections should do so in the next four months and report to the Commission.
(Action: All CVOs)
- iii) CVC directed CTE team of the Commission to do a system audit on the e-procurement in BEML;
(Action: CTE)
- iv) CVC requested Department of Defence Production to issue guidelines on recruitment in the next two months;
(Action: DODP)
- v) CVC requested DODP to issue PSU-wise guidelines regarding information on contracts including nomination items that will be put up on the website. The CVO of BEL who raised the point was of the view that once orders have been placed it should be put on the website. CVC held that whatever information one cannot withhold from the Parliament should be put on the website;
(Action: DODP)
- vi) CVC directed the CVOs to do periodic vigilance inspections, report the same in the monthly reports and share the reports with the Commission.
(Action: All CVOs)
- vii) In GSL/MDL it was reported that company has resorted to walk-in-interview. The Commission directed the Ministry to intervene.

(Action: DODP)

- viii) CVC observed that the tendency to appoint ex-employees as “Consultants” on the same terms, conditions and facilities as in-service employees is rampant in the PSUs. Such appointments need to be streamlined and made only on need basis through advertisements and interviews in a transparent manner.

(Action: All CVOs)

Most of the organizations wanted to know the threshold limit for bringing the purchases under the purview of Independent External Monitors. The Commission replied saying that all the organizations should do an ABC analysis and ensure that the threshold value for any work or purchase is fixed in such a way that 90-95% of the total procurement of the organization is covered.

(Action: All CVOs)

Annexure-A

List of the CVOs for the meeting dated 23/1/09 (Group 2, South Zone-I, Chennai)

- 1 Shri V.Somasundaran,
Joint Secy. & CVO,
D/o Defence Production,
96Z, Ground Floor,
South Block, New Delhi
- 2 Smt. Kalyani Gopal,
Chief Vigilance Officer,
Bharat Earth Movers Ltd.,
BEML, SOUDHA,
23/1, 4th Main,
S.R. Nagar, Bangalore-560027
- 3 Shri Syed Kabir Ahmed,
Chief Vigilance Officer,
Bharat Electronics Ltd.,
Regd, Office, Outer Ring Road,
Nagavara, Bangalore- 560045
- 4 Shri J.R. K. Rao,
Chief Vigilance Officer,
Bharat Dynamics Ltd.,
Kanchanbagh,
Hyderabad- 500058
- 5 Shri B.R.Balakrishnan,
Chief Vigilance Officer
Goa Shipyard Ltd
Vasco-Da-Gama
Goa-403802
- 6 Smt Sujata Ray,
Chief Vigilance Officer,

Garden Reach Shipbuilders & Engineers Ltd.,
43/46, garden Reach Road,
Calcutta- 700024.

7 Shri V.H. Deshmukh,
Chief Vigilance Officer,
Hindustan Aeronautics Ltd.,
Corporate office,
15/1, Cubbon Road,
Bangalore- 560001.

8 Shri B.R. Balakrishnan,
Chief Vigilance Officer,
Mazagon Dock Ltd.,
Dockyard Road, Mazagon
Mumbai-400010

9 Shri P.Ravi,
Chief Vigilance Officer,
Mishra Dhatu Nigam Ltd.,
P.O.Kanchanbagh,
Hyderabad- 500058

10 Shri R.K.Sharma,
Chief Vigilance Officer,
Ordnance Factory Board,
10 A, Shaheed K. Bose Road,
Kolkata- 700001

[Click here for Annexure-B \(CTEs presentation\)](#)