

## **Minutes of the Annual Zonal Review Meeting with the CVOs held on 17-06-09 at New Delhi.**

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

**2.0** CVC in the Chair. The meeting started with introductory remarks by CVC. This was followed by presentations by CTEs on the inadequacies observed in the CTE examination of certain works and procurement contracts of some of the organizations present in the meeting. The Commission made some observations during discussion with the attendee CVOs. The observations needing follow up action are indicated below.

### **Introductory Remarks:**

#### **3.0 CVC:**

3.01 Petroleum sector has technology intensive companies, but implementation of the guidelines on leveraging of technology was not done completely. The websites were not dynamic and interactive.

3.02 E-procurements were also not implemented fully and CTE should do sample test of all the PSUs' website.

3.03 It had been observed that any complaint having serious allegations and involving senior officials took a long time which was quite inexplicable, given the fact that all the PSUs had well organised vigilance set up. CVOs did not take specific positions and did not send investigation reports with specific recommendations. CVOs are not to act as post office and simply endorse the reports of the junior functionaries. The analysis of facts and allegations needed to be made by the CVOs themselves.

3.04 Internal audit, as distinct from statutory audit, should be in place and the observations of internal audit be regularly examined by the CVOs.

3.05 An analysis to be made whether, in major cases of mismanagement, there were serious system failures and whether internal audit did point it out.

3.06 All PSUs of the petroleum sector had already adopted Integrity Pact, but it needed to be ensured that it was not reduced to a ritual. Simultaneously, the role and responsibilities of the CVOs did not get diluted and there should be no slackness on their part.

#### **4.0 VC (S)**

4.01 If there were problems in the existing vigilance structure, or there were deputation related and other administrative issues, Ministry should respond and appropriate action should be taken to resolve the issue.

4.02 On the whole, the performance of the PSUs present had been satisfactory, but more attention was required to be paid to the quality of investigation. CVOs should comment on substantive issues with facts and analysis.

## 5.0 VC (R)

5.01 Proper complaint handling policy should be in place, as complaint handling mechanism in most of the organizations was faulty. The CVO had to ensure that all the complaints should reach him and not administration or Public Relation Department. Vigilance angle in the complaint was to be decided by the CVO only.

5.02 VC ( R ) stated that CVOs should place emphasis on the quality of investigation of cases. They had to ensure that charge sheets were framed properly and if disciplinary action was initiated there was 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 views of the DA, but, should apply their mind and give specific recommendations.

5.03 If the 2<sup>nd</sup> stage advice was sought after long delays, there has to be a properly recorded reasons for such delays.

5.04 CVOs should do objective examination of all the issues and facts while investigating the allegations. This should also include lapses at the supervisory level. Explicit views about supervisory board should be part of the investigation report.

5.05 While investigating cases, comments should be offered about clarity in delegation of powers. It needed to be ensured that there was no conflict of responsibility.

5.06 In all the cases specific stand was to be taken by the CVOs

## 6.0 Presentation by the participants:

### 6.01 Leveraging of Technology:

The guidelines about leveraging of technology in all the organizations were in advance stage of implementation. The second phase has been implemented in many of the organizations completely and test checks were required to be conducted by the CVOs concerned.

### 6.02 Access of CVOs to complaints:

In most organizations, 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 had directed 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 organizations. The Commission directed the CVOs to immediately commence the practice and report compliance in the monthly reports, with a copy of the minutes of the meetings so held.

#### 6.04 Agreed List

Some Organizations had not prepared an “Agreed List”. It was viewed seriously by the Commission. Immediate action was called for.

#### 7.0 Action Points:

7.01 The Commission directed that structured meeting with the management specifying agenda points and recorded minutes should be immediately started.

(Action: CVO- CPCL, IOCL, ONGC, OIL)

7.02 CVO, GAIL pointed out that there was reluctance on the part of management to share minutes of board meeting with the CVO. The Commission desired that JS & CVO M/o Petroleum should resolve the issue.

(Action: JS & CVO, M/o Petroleum)

7.03 The Commission desired that a few reports of CTE type inspections should be sent to the Commission.

(Action: CVO-GAIL, EIL, CPCL, HPCL, IOCL, ONGC, OIL)

7.04 CVO, BPCL and IOCL indicated that both phases of guidelines on leveraging of technology have been implemented fully. The Commission desired that CTE should run a test check on this and submit a report to the Commission.

(Action: CVO-BPCL, IOCL, CTEs)

7.05 The Commission desired that CTE should take up intensive examination of implementation of Integrity Pact in a few organizations including BPCL and IOCL.

(Action: CTEs)

7.06 The Commission desired that there were discrepancies in 1<sup>st</sup> and 2<sup>nd</sup> stage cases data and a reconciliation exercise needs to be carried out in consultation with the Branch Officers.

(Action: CVO- BPCL, DIR (SS))

7.07 The Commission observed that in the case of BPCL there were 3 whistle blower complaints pending for more than a year. The Commission desired that immediate action should be taken in this respect. Reports may be sent without delay.

(Action: CVO, BPCL)

7.08 It was observed by the Commission that the Agreed List had not been finalised by BPCL, HPCL & IOCL. The Commission directed that this exercise should be completed by the end of July.

(Action: CVO, BPCL, HPCL, IOCL)

7.09 CVO, IOCL stated the instances of short selling at retail outlets despite calibration done by weight and measures department. The Commission desired that a detailed report on this may be sent to the Commission.

(Action: CVO, IOCL)

8.0 The Commission observed that there were a large number of complaints on HR issues in IOCL. CVO, IOCL as well as CVO, M/o Petroleum should examine the issue closely.

(Action: CVO, IOCL, M/o Petroleum)

8.01 The Commission desired that CVO, ONGC should expedite the reply to pending CTE paras.

(Action: CVO, ONGC)

8.02 CVO, ONGC informed that ONGC was formulating a risk assessment policy which would be in place by the end of the year 2009. The commission desired that CVO, ONGC should keep the Commission informed on this issue.

(Action: CVO, ONGC)

8.03 In the case of OIL, one instance of 1<sup>st</sup> stage advice is pending since 2004. The Commission desired that CVO should immediately look into this aspect.

(Action: CVO, OIL)

## Annexure-A

List of the participants for the meeting dated 17/06/09:

- 1 Sh L.N.Gupta, JS & CVO, M/o P&NG
- 2 Smt I.Sasikala, CVO, BPCL & HPCL
- 3 Shri Arun Singhal, CVO, GAIL & EIL
- 4 Shri N.Sankaran, CVO, CPCL
- 5 Shri D.K.Samantaray, CVO, IOCL
- 6 Shri Swadeep Singh, CVO, ONGC
- 7 Shri Prashant, CVO, OIL

Commission's officers

1. Shri K.S. Ramasubban, Secretary
2. Shri Vineet Kumar Gupta, Addl. Secretary
3. Shri V. Ramachandran, CTE
4. Smt P.Varma, CTA
5. Smt Shalini Darbari, Director
6. Shri K.Subramaniam, OSD
7. Shri J.Vinod Kumar, Under Secretary