

Central Vigilance Commission

Minutes of the Annual Zonal Review Meeting with the CVOs held on 11th June, 2010 in Kolkata

The list of participants is at Annexure – A.

1. Introductory Remarks

CVC in the Chair

CVC highlighted the following issues:

- (i) CVOs, particularly of Insurance sector did not fill up the prescribed format provided by the Commission for the Annual Zonal Meeting.
- (ii) Data furnished by the Insurance Sector, indicated that only 50% of investigation reports were completed in time which was not a very healthy percentage.
- (iii) Existing internal guidelines and procedures in an organization should be examined with reference to vigilance management to update manuals.
- (iv) Recommending lenient action, subsequent to the initial recommendation of major penalty proceedings should be discouraged.
- (iv) One of the areas of concern was that in large number of cases only junior officers were being recommended for disciplinary action whereas role of senior officers coming under Commission's jurisdiction was not being examined in detail.
- (v) Another area of concern was non implementation of Commission's instructions on leveraging of technology especially Phase II, where most of the organizations were lagging behind.

CTE Presentation

CTEs made a presentation highlighting irregularities in tendering process. CVC emphasized that organizations should not repeat such irregularities in future, and take lessons from these observations. Copy of the presentation is placed at Annexure – B.

2 Agenda wise items/ Action points.

A Leveraging Technology & Tendering Procedure:

CVC emphasized on the need to implement second phase of Leveraging Technology within a specified time frame for completely complying to Commission's guidelines. CVO would report status of the same in detail in their monthly reports.

CVC directed all CVOs to ensure that status of bills was available on web-site in chronological order, so that no bills were paid and processed out of turn.

(Action: All CVOs)

B Pending Prosecution Cases

The CVC expressed satisfaction over disposal of cases.

C CTE Type inspections

Most of the CVOs had undertaken CTE type inspections. CVC directed the CVOs to send a few inspection reports to the CTE Unit for information and necessary action.

(Action: All CVOs / CTE unit)

D Agreed List

Most of the organizations had either finalized the agreed list or its preparation was in the final stage.

(Action: All CVOs)

E Preventive vigilance

CVC emphasized on Commission's directions on Leveraging of Technology for anti-corruption activities and asked CVOs to identify areas in their organisations that could be brought under automation and covered under the programme. CVOs to report status of implementation of automation in areas identified in their monthly reports.

(Action: All CVOs)

F Man-power Management and capacity building of Vigilance staff

Imparting specialized training to vigilance staff and utilization of man-power for preventive vigilance work were areas of concern, where sufficient attention needed to be given by the CVOs.

{Action: All CVOs}

G Complaint Handling

CVC emphasized on need for a centralized complaint handling system in all Insurance Companies. He directed that all complaints should be first sent to the CVO for determination of vigilance angle.

{Action: All CVOs}

3 Other issues specific to organizations

Life Insurance Corporation (LIC)

It was observed that LIC was making payments through cheques despite Commission's instructions on making e-payments. CVC directed LIC to ensure that maximum number of payments were e-payments.

CVO, LIC indicated having carried out CTE type inspections in the organization. CVC directed the CVO to send a few inspection reports to the CTE Unit for information and necessary action.

It was observed that, the status of bills was not available on the LIC website. CVC directed the matter to be taken up with the management and status reported to the Commission in the monthly reports.

{Action: CVO, LIC}

National Insurance Co. Ltd. (NICT)

CVC observed that very few e-payments were being made in the NICT. The CVO assured the Commission that the organization would making all payments as e-payments by September, 2010.

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CVO intimated that a meeting on implementation of Commission's instructions on leveraging of technology was held with the Chairman, NICL in the year 2008. However, required target could not be achieved so far. CVC directed Advisor (V K Nanda) to look into the minutes of the meeting and submit a report on implementation of leveraging technology in the organization to the Commission. CVO, NICL informed that out of a total of 94 surprise visits undertaken seven resulted in disciplinary cases. It was decided that, actions on such visits must be taken on priority and such cases should not be referred again for investigation.

{Action: CVO, NICL & Advisor (VKN)}

New India Assurance Co. Ltd. (NIACL)

Status of implementation of leveraging of technology in NIACL was not satisfactory. CVO informed that GM (IT), NIACL was working on this issue and suitable steps had been taken in this regard. CVC directed CTE to check the status of leveraging technology in the Company.

{Action: CVO, NICL & Advisor (VKN)}

CVO mentioned about award of a contract on nomination basis to IIT, Mumbai without following the laid down procedure. CVC directed that tenders must be awarded in a transparent and fair manner and should not be awarded only on nomination basis, where there could be large numbers of bidders available

CVO was not clear about Agreed List and List of Officers of Doubtful Integrity. CVC clarified that both the lists are different and CVO may ensure maintenance of the lists separately by following the prescribed guidelines of Government of India.

Oriental Insurance Co. Ltd. (OICL)

CVC emphasized on need for regular review of all delayed cases by the CVO so that undue delay in disposal of cases could be avoided.

CVC observed that action taken on surprise visits conducted by OICL was not mentioned in the data furnished for the meeting. CVC directed that details in this regard may be reported in the next Monthly Report.

CVO stated that property returns of officials were not submitted properly / regularly and in some cases returns were not being submitted since long. It was decided that there should be uniformity in submission / scrutiny of APRs and in case APRs were not submitted, disciplinary action could be initiated.

{Action: CVO, OICL}

United India Insurance Co. Ltd. (UIICL)

CVO, UIICL intimated about a number of surprise visits untaken by the vigilance units. Secretary, CVC directed the CVO to send action taken report of such visits to the Commission in the next Monthly Report.

{Action: CVO, UIICL}

D/o Financial Services

DFS intimated the Commission that there was no full time officer at the level of Under Secretary / Deputy Secretary posted in the Vigilance Department. CVC emphasized the need of a full time officer at the level of Under Secretary / Deputy Secretary in Banking & Insurance Sector and directed DFS to report on the action taken in this regard.

{Action: CVO, DFS }

The meeting ended with vote of thanks to the Chair.

List of Participants for the Meeting on 11.06.2010:

1. Smt. Ravneet Kaur, CVO, Department of Financial Services, Room No. 38, IIIrd Floor, Jeevan Deep Building, Parliament Street, New Delhi-110001 Tele. No. 23745151 Fax No. 23745151	2. Shri N. Tobdan, CVO, New India Assurance Co. Ltd. 87, Mahatma Gandhi Road, Fort, Mumbai-400001. Tele. No. 033-22700474 Fax No. 033- 22700469
3. Shri A.K. Gupta, CVO, Oriental Insurance Co. Ltd., Oriental House, P.B. No. 7037, A-25/27, Asaf Ali Road, New Delhi-110002 Tele. No. 011-23287203 Fax No. 23278246	4. Shri A.K. Roy, GM & CVO, General Insurance Corpn. of India Ltd., Suraksha First Floor, J.Tata Road, Church Gate, Mumbai-400020. Tele No. 022-2286150 Fax No. 022-22884011
5. Shri S.P. Sinha, CVO, United India Insurance Co. Ltd. H.O. 24, Whites Road, P.O. 676, Chennai-600014. Tele. No. 044-28529529 Fax No. 044- 28547794	6. Shri P. Senthil Kumar, CVO, LIC of India, Yogakshema, 4 th Floor, West Wing, Jeevan Bima Marg, Mumbai-400021.
7. Shri C.Krishnan, CVO, Reserve Bank of India, Central Office, Central Office Building, Saheed Bhagat Singh Road, Mumbai-400023. Tele. No. 022-22611080 Fax No. 022-22675094	8. Shri R.S. Garg, CVO, National Housing Bank, India Habitate Centre Core-5A, Lodhi Road, New Delhi Tele No. 24649043 Fax No. 24649043
9. Shri A.K. Chanda, CVO, National Insurance Co. Ltd., Vigilance Department, 3- Middleton Street, Kolkata-700071 Tele No. 033-22896342 Fax No. 033- 22896342	10. Ms. Rajni Sood, GM & CVO, Small Industries Dev. Bank of India, SIDBI Tower, 15, Ashok Marg, Luknow-226001. Tele. No. 0522-2288493 Fax No. 0522-2288493/2288455



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Group 8 :KOLKATA (11/06/10)

In one of the organisations present here, -

1. Complete RFP document was not posted on the website in the downloadable format. (Tender of 2006)

During discussions, it was informed that this was done as the information contained in the bidding documents was considered to be of sensitive nature. As per Commission's guidelines dated 5.7.04, in all such cases, the decision must be taken at the level of CMD or head of a PSU and specific reasons for not putting an open tender on web site should be recorded in the concerned file. However, neither any reason is recorded in the file nor any approval of the CA seems to have been taken in this case for not uploading the complete tender documents on the website.

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Group 8 :KOLKATA (11/06/10)

- 2. Documentation was found to be not proper.

Correspondence was made with the bidders through e-mail seeking clarifications etc on qualifying conditions.

However, the hard copies are not kept in record and even the soft copies of these correspondences could not be made available during inspection.

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Group 8 :KOLKATA (11/06/10)

- 3. Commission has been emphasizing that the selection of consultants should be made in a transparent manner through competitive bidding process.

In this case, 5 vendors were identified in an apparently ad hoc manner for further short listing. (though there were other reputed vendors also like TCS, Gartner, E&Y, C-DAC, etc).

Only, M/s IBM and M/s HP India were short listed for inviting commercial quotes for the consultancy job. Evaluation methodology, cut-off score, etc adopted in further short listing of these two vendors among the 5 identified vendors, was neither pre-decided nor pre-disclosed in the bidding document making the selection process non-transparent and arbitrary.

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