

No. C-11021/63/15/CGA/CVO/Office Guidelines/241

Government of India

Ministry of Finance, Department of Expenditure

Office of Controller General of Accounts

(Vigilance Section)

Mahalekha Niyantarak Bhawan,

Block- E, GPO Complex, INA,

New Delhi-110023,

Dated: 04 July, 2018

OFFICE MEMORANDUM

Sub.: Preventive measures to avoid financial irregularities - reg.

Central Vigilance Commission has been focusing on preventive vigilance measures to tackle the areas susceptible to corruption. While probable areas are unique to organizations, few commonly occurring areas are procurement/sale of goods and services, human resource management.

2. As per CVC the Preventive Vigilance is adoption of various measures to improve systems and procedures to eliminate or reduce corruption. Standardization, automation, leveraging technology, transparency, accountability, control & supervision, training and awareness are tools of preventive vigilance in which use of information technology plays a pivotal role as it reduces interface and discretion. The main objective of Preventive Vigilance is not to wait for commission of an offence but to ensure its prevention by identifying the vulnerable areas in the organization & plugging the loopholes.

3. As preventive measures, this office has identified the following core areas on which special care should be taken by the field offices:-

(a) **Relating to payments.**

(i) The bills may be scrutinized and passed after exercising proper checks with reference to relevant rules and procedures as laid down in Chapter 2 of Civil Accounts Manual.

(ii) All payments above Rs.5,000/- to suppliers/contractors/grantee/loanee institutions etc. are to be released electronically (O.M. Nos.3(2)(1)/2016/R&P Rules/Amendment/649 dated 05/12/2016, S-11012/3(1)/DP/WC/2017/GBA/5062-5121 dated 04/08/2017 and S-11012/3(1)/DP/ WC/2017/GBA/115-175 dated 30-31/1/2018 may be referred to).

(iii) Monthly Reconciliation of Payment Scrolls and Receipts Scrolls received from the Bank with the relevant vouchers/bills/challans may be done as laid down in Para 1.9 and Para 1.10 of Civil Accounts Manual.

(iv) Standards of financial propriety as laid down in Rule-21 of GFR-2017 may be adhered to.

(v) Misclassification/diversion of funds should be strictly avoided.

(vi) Control of Expenditure against the sanctioned grants and appropriation shall be exercised and Monthly reconciliation of the figures given in the accounts maintained by the Head of the Department with those appearing in the Accounts Officer's books shall be done as laid down in Rule-57 to Rule-70 of GFR, 2017.

(b) **Delegation of financial powers.**

(i) Existing delegation of financial powers by PCCA/CCA/CA to the subordinate authority may be reviewed and ensure that these delegations may not be done except for Medical Bills, GPF, Leave, TA/LTC etc.

(ii) Any matter involving delegation of enhanced Financial Powers over and above what is enumerated in DFPR may be dealt with in terms of Para 2 of OM No. 1/7/E.II(A)/2008 dated 30.05.2008 issued by Ministry of Finance, Department of Expenditure, Ell (A) Branch).

(iii) The instructions issued vide this office OM No C-11021/102/2016/CGA/CVO/Misc./462 dated 24/10/2016 may also be referred to.

(c) **User IDs/Passwords.**

(i) It has been observed that frauds are being perpetrated on account of officers sharing their user ID and passwords with unauthorized-persons and are not disabling them on their transfer/retirement/suspension/long leave of offices; not frequently changing passwords etc. Periodic Change of passwords by officers would be an important preventive vigilance measure to address the issue. (OM No MF-CGA/ITD-SPC/Password Policy/2012-13/08-43 dated 16-17/4/2014 may be referred to).

(ii) In addition, it also needs to be ensured by way of periodic surprise inspections/checks by next higher authority/controlling officers as to whether the User IDs and Password are being shared by the officers with any unauthorized persons.

(d) **Procurement of Goods and Services.**

(i) Tendering process must be meticulously observed as per the procedure laid down in Rule-142 to Rule-176 of GFR-2017, guidelines issued by Department of Expenditure and Central Vigilance Commission from time to time.

(ii) Outsourcing/hiring of manpower not to be done without specific approval of IFD. The various provisions as laid down in Rule-177 to Rule-206 of GFR-2017 relating to the same must be strictly adhered to.

(iii) Hiring of Vehicles should be done in accordance with relevant rules and procedures as laid down in GFR and specific approval of IFD should be obtained wherever required before incurring the expenditure.

(iv) All tender enquiries, corrigenda thereon and details of bid awards must be published on the Central Public Procurements Portal (CPPP) and all bids be received through e-procurement portals in respect of all procurement as laid down in Rule 159 & 160 of GFR, 2017.

(v) The goods and services available on Government e-Market place (GeM) will be procured mandatorily from GeM as per provisions contained in Rule 149 of GFR, 2017.

(e) **Expenditure towards execution of Works.**

(i) Provisions relating to procurement of goods and services as laid down in Rule-142 to Rule-206 of GFR-2017 should be strictly adhered to and the same should not be invoked for 'Works'. Whereas, for execution of works, provisions contained in Rule-130 to Rule-141 of GFR-2017, must be strictly followed.

(ii) For purpose of approval and sanctions, a group of works which forms one project, shall be considered as one -work. The necessity for obtaining approval or sanction of higher authority to a project which consists of such a group of work should not be avoided because of the fact that the cost of each particular work in the project is within the powers of such approval or sanction of a lower authority. This provision, however, shall not apply in case of works of similar nature which are independent of each other — Rule 137 of GFR-2017.

(f) **Human Resource Management.**

Rotational Transfer- Transfer of Officer/officials posted on sensitive posts may be carried out on periodic intervals. (O.M. No. C-11021/63/15/CGA/CVO/office Guidelines/1419 dated 15/12/2015). Transfer orders issued by Headquarters may be implemented without any delay.

(g) **Special/Internal Audit.**

During the course of special/internal audit, wherever financial irregularities are observed/reported upon, instructions may be issued to the audit team to issue directions to the auditee to keep those records under safe custody. An acknowledgement to this effect may be obtained from the auditee with Name /Designations etc. for future requirements.

5. **The above guidelines are only illustrative examples and not exhaustive.**

This issues with the approval of the Controller General of Accounts.



(Suman Bala)

Joint Controller General of Accounts (Vigilance)

To,

All Pr. CCAs/CCAs/CAs with independent charge.

IT Division to upload on CGA's website