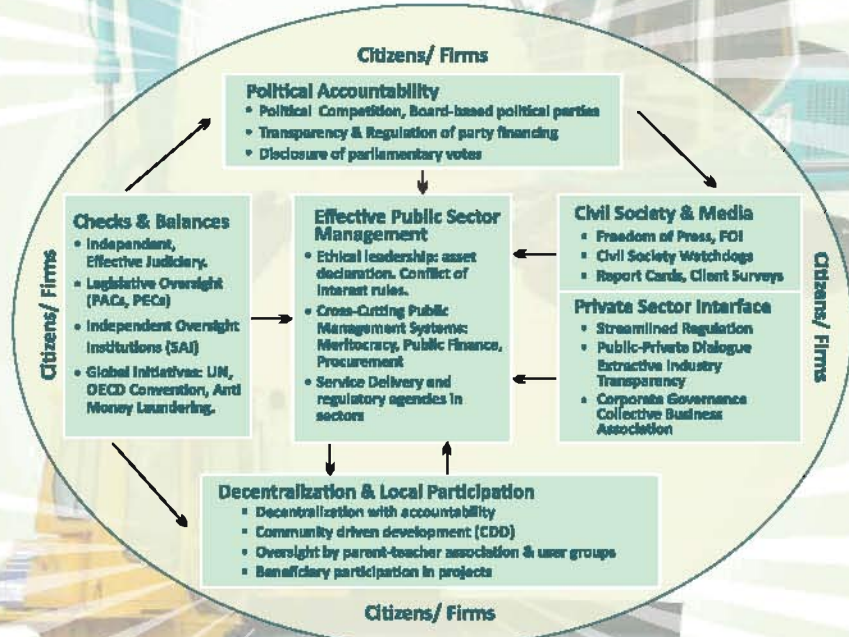


# Vigilance Awareness Week - 2013

28.10.2013 to 02.11.2013

## Governance Dimensions



(Source: <http://www.ogp.int/bom/>)

## VIG-KIRAN Ver.3

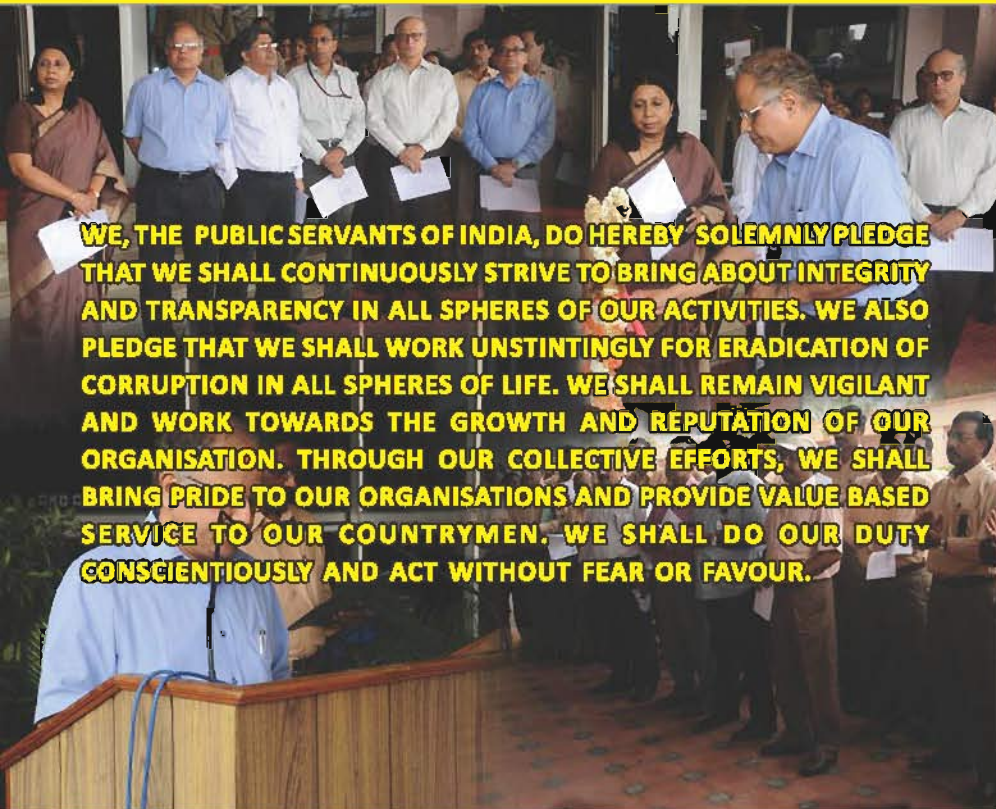
*Theme : Promoting Good Governance-Positive Contribution of Vigilance*



Vigilance Department

Includes a CD containing compendium of International and National measures for promoting good governance and preventing corruption +  
Tone from the 'Top'  
- Video conference

## PLEDGE



**WE, THE PUBLIC SERVANTS OF INDIA, DO HEREBY SOLEMNLY PLEDGE THAT WE SHALL CONTINUOUSLY STRIVE TO BRING ABOUT INTEGRITY AND TRANSPARENCY IN ALL SPHERES OF OUR ACTIVITIES. WE ALSO PLEDGE THAT WE SHALL WORK UNSTINTINGLY FOR ERADICATION OF CORRUPTION IN ALL SPHERES OF LIFE. WE SHALL REMAIN VIGILANT AND WORK TOWARDS THE GROWTH AND REPUTATION OF OUR ORGANISATION. THROUGH OUR COLLECTIVE EFFORTS, WE SHALL BRING PRIDE TO OUR ORGANISATIONS AND PROVIDE VALUE BASED SERVICE TO OUR COUNTRYMEN. WE SHALL DO OUR DUTY CONSCIENTIOUSLY AND ACT WITHOUT FEAR OR FAVOUR.**



**PRADEEP KUMAR**



केन्द्रीय सतर्कता आयोग  
केन्द्रीय सतर्कता आयोग  
Central Vigilance Commissioner  
Central Vigilance Commission

## MESSAGE

*I am glad to note that Bharat Earth Movers Ltd., is releasing a special issue of its vigilance journal – VIG-KIRAN Ver.3, which focuses on 'Promoting Good Governance – Positive Contribution of Vigilance'.*

*Vigilance is an aid management and adds value to the governance process of an organization. Besides holding individuals accountable, its aim should be to strengthen the internal controls and improve the systems and procedures. I hope the journal VIG- KIRAN will promote this concept I wish the officers and employees of Bharat Earth Movers Ltd., all the success.*

  
(Pradeep Kumar)





**G. C. PATI**



सचिव (रक्षा उत्पादन)


Secretary (Defence Production)

**MESSAGE**

*The "Vigilance Awareness Week " for the year 2013 is being observed with the central theme as "Promoting Good Governance". Strengthening the decision making and implementation process by making it more participatory, accountable, transparent, responsive, effective, equitable & inclusive and in accordance with rule of law, is necessary for good governance. Any system with "Good Governance" will give a fillip to the anti-corruption efforts as corruption is a symptom of weak and ineffective governance.*

*I am happy to note that the Vigilance Department of BEML Limited is publishing a special Journal "VIG- KIRAN Ver. 3" to promote and propagate the principles of good governance amongst all its' stakeholders, as part of Vigilance Awareness Week-2013.*

*My best wishes*

  
(G. C. Pati)



**K. D. TRIPATHI**



सचिव

केन्द्रीय सतर्कता आयोग

Secretary  
Central Vigilance Commission

**MESSAGE**

*I am happy to know that BEML is releasing the special journal 'VIG- KIRAN Ver.3' with the focus on the theme 'Promoting Good Governance Positive Contribution of Vigilance' for Vigilance Awareness Week-2013.*

*Such publications are a great source for creating awareness among the employees and stakeholders of the organization, regarding various initiatives undertaken by the Vigilance Department to eradicate corruption and also for promoting pro-active vigilance . These positive measures, in turn, help in propagating Good Governance.*

*My best wishes to BEML for publishing the 'VIG - KIRAN' series.*

  
(K. D. Tripathi)



**P DWARAKANATH**



## CMD'S MESSAGE

*I am pleased to note that BEML Vigilance Department is bringing its third edition of 'VIG-KIRAN-Ver. 3,' a handbook on vigilance matters, coinciding with the observance of Vigilance Awareness Week-2013 from 28th October to 2nd November 2013, pursuant to the directives of the Central Vigilance Commission. The theme for this year is 'Promoting Good Governance - Positive Contribution of Vigilance.'*

*BEML, as a Company with diversified product is totally committed to the organisational goal of higher transparency and better corporate governance. By adhering to norms and guidelines set by Vigilance in all our business transactions, I have no doubts whatsoever, that we would be able to promote good governance in the Company.*

*While rules, procedures and systems are in place to ensure fairness, accountability and transparency in every activity of the Company, adherence*

*to the same by everyone in their respective areas of work is imperative to achieve the prime objective of Good Governance.*

*I place on record my appreciation to CVO and her team for the continuous efforts in this direction through their valuable recommendations, enabling overall good governance in the Organization.*

*I convey my best wishes for bringing out the third edition of 'VIG-KIRAN- Ver.3' and also for the successful observance of Vigilance Awareness Week-2013, which is being organised all over the Company from 28th October to 2nd November 2013.*

*With Best Wishes*

**(P. Dwarakanath)**  
Chairman and Managing Director  
BEML LIMITED

## *From CVO's Desk*



*Setting the context for VIG-KIRAN Ver.3 is the theme “Promoting Good Governance-Positive Contribution of Vigilance” to mark the observance of the Vigilance Awareness Week 2013. Governance or rather, lack of Governance has occupied centre stage World over. The United Nations which promotes Good Governance through many avenues finds the ‘greatest governance bottleneck to be Corruption’ and views ‘Corruption as a governance deficit or a result of malfunctioning state Institutions’ and believes success in meeting the post-2015 development goals will largely depend on the ‘quality’ of governance including transparency and accountability in resource generation, allocation and management. A conscious effort, therefore, needs to be exerted to understand and address the risks that corruption poses to the various thematic areas that define the post-2015 agenda.*

*Today more than ever expectations that Organisations, both in Public*

*and Private Sector, will abide by the principles of good governance rather than just assert that they do are sky-high. So what is Governance and what defines Good Governance? While Governance refers to the decision making process and the process of implementing those decisions, Good Governance refers to how decisions can be made and implemented to ensure the maintenance of a system free from corruption and mismanagement. Good Governance is characterised as being ‘participatory, accountable, transparent, efficient, responsive and inclusive, respecting the rule of law and minimising opportunities for corruption’.*

*Governance has myriad dimensions, which is depicted on the back cover of VIG-KIRAN Ver.3, however, with focus on one dimension, namely, Effective Public Sector Management Ver.3 of VIG-KIRAN is dedicated to featuring Corruption Prevention and Corruption Risk Management Strategies. The United Nations Convention against Corruption (UNCAC), which is the first international legal instrument to fight corruption, while requiring the State parties to introduce criminal and other offences to cover a wide range of acts of corruption, lays emphasis on corruption prevention - ‘Corruption can be prosecuted after the fact, but first and foremost, it requires prevention’. A proactive risk management approach to corruption prevention identifies the risks of corruption that the Organisation is exposed to and develops strategies to manage these risks effectively. Effective and efficient corruption prevention capability is built and sustained by Vigilance. Corruption definition, areas vulnerable to corruption, the corruption risks and risk management strategies for corruption prevention has been featured in VIG-KIRAN Ver.3 while accentuating the contribution of Vigilance by way of Case Studies.*

*Effective leadership and commitment from the top are the foundations for Good Governance and combating Corruption. Demonstrating this commitment, a 'Tone from the Top' address via live simultaneous two way video and audio transmission was organised connecting the Corporate Office with the three divisions of KGF, Mysore, Bangalore, for the first time in the history of BEML. A live recording of the video conference has been included in the CD appended to VIG-KIRAN Ver.3 besides featuring some moments of the video conference captured in print.*

*A compendium of International and National measures for promoting good governance and preventing corruption has also been included in the CD. As always a detailed User Guide to the CD attached has been provided.*

*VIG-KIRAN Ver.3's delayed release is regretted, but better late than never!!*



**(Kavitha Kestur)**  
Chief Vigilance Officer

## DEFINING CORRUPTION

The Code of Conduct for Law Enforcement Officials adopted by the UN General Assembly in its resolution 34/169 at its Thirty-Fourth Session (sub-para (b) of commentary on Article 7):

"While the definition of corruption must be subject to national law, it should be understood to encompass the commission or omission of an act in the performance of or in connection with one's duties, in response to gifts, promises or incentives demanded or accepted, or the wrongful receipt of these once the act has been committed or omitted."

### World Bank:

The World Bank has adopted a concise and straight-forward definition — **the abuse of public funds and/or office for private or political gain.**

"Public office is abused for private gain when an official accepts, solicits, or extorts a bribe. It is also abused when private agents actively offer bribes to circumvent public policies and processes for competitive advantage and profit. Public office can also be abused for personal benefit even if no bribery occurs, through patronage and nepotism, the theft of state assets, or the diversion of state revenues."<sup>1</sup> Sometimes, the abuse of public power may not necessarily be for one's private benefit but for the benefit of one's party, class, tribe, friends, family, and so on.

### Article 3 of the Civil Law Convention on Corruption (ETS 174):

"For the purpose of this Convention, "corruption" means requesting, offering, giving or accepting, directly or indirectly, a bribe or any other undue advantage or prospect thereof, which distorts the proper performance of any duty or behavior required of the recipient of the bribe, the undue advantage or the prospect thereof."

<sup>1</sup> World Bank, *Helping countries combat corruption: the role of World Bank 1997 as quoted in Law Commission of India's 179<sup>th</sup> Report on the Public Interest Disclosure and Protection of Informers.*



## What is Bribery?

Black's Law Dictionary defines "bribery" as follows:

"The receiving or offering of any undue reward by or to any person whomsoever, whose ordinary profession or business relates to the administration of public justice, in order to influence his behaviour in office, and to incline him to act contrary to his duty and the known rules of honesty and integrity. *Hall v. Marshall, 80 Ky. 552; Walsh v. People, 05 111.05, 16 Am. Rep. 509; Com. v. Murray, 135 Mass. 530; Hutchinson v. State, 36 Tex. 294*. The term "bribery" now extends further, and includes the offence of giving a bribe to many other classes of officers; it applies both to the actor and receiver, and extends to voters, cabinet ministers, legislators, sheriffs, and other classes. *2 Whart. Crim. Law*

**The OECD Anti-Bribery Convention** requires States Parties to make it a criminal offence -

'To offer, promise or give any undue pecuniary or other advantage, whether directly or through intermediaries, to a foreign public official, for that official or for a third party, in order that the official act or refrain from acting in relation to the performance of official duties, in order to obtain or retain business or other improper advantage in the conduct of international business.'

### Active and Passive Bribery:

In recent years, efforts have been made by the international community to encourage countries to dissociate and incriminate as separate offences, active and passive bribery.

Active bribery can be defined, for instance, as the promising, offering or giving by any person, directly or indirectly, of any undue advantage [to any public official], for himself or herself or for anyone else, for him or her to act or refrain from acting in the exercise of his or her functions [Article 2 of the Criminal Law Convention on Corruption (ETS 173) of the Council of Europe].

Passive bribery can be defined as the request or receipt [by any public official], directly or indirectly, of any undue advantage, for himself or herself or for anyone else, or the acceptance of an offer or a promise of such an advantage, to act or refrain from acting in the exercise of his or her functions [article 3 of the Criminal Law Convention on Corruption (ETS 173)].

The reason for this dissociation is to make the early steps (offering, promising, requesting an advantage) of a corrupt deal already an offence and, thus, to give a clear signal (from a criminal policy point of view) that bribery is not acceptable. Furthermore, such a dissociation makes the prosecution of bribery offences easier since it can be very difficult to prove that two parties (the bribe-giver and the bribe-taker) have formally agreed upon a corrupt deal. In addition, there is often no such formal deal but only a mutual understanding, for instance when it is common knowledge in a municipality that to obtain a building permit one has to pay a "fee" to the decision maker to obtain a favourable decision.

### Distinction between Corruption and Bribery

An act of corruption is an act done with an intent to give some advantage inconsistent with official duty and the rights of others. It includes bribery, but is more comprehensive. Not all acts of corruption result in the payment of bribes. For example, a public servant, who uses an official vehicle (provided exclusively for official use) for his private visits outside the line of his duties, is abusing his public position for personal use. Thus, he is engaging in an act of corruption even though no bribe is paid. The president of a country who orders the building of a public airport in his small hometown or a Minister of Railways who orders special trains to his constituency is also engaging in an act of corruption but his action does not involve bribery. However, it has to be kept in mind that it is difficult to draw a distinction between some forms of rent seeking and corruption.

In its wider sense, corruption includes one or more of bribery, extortion, fraud,

deception, collusion, cartels, abuse of power, embezzlement, trading in influence and money laundering.

## UNCAC:

The United Nations Convention Against Corruption (UNCAC) does not contain a general definition of either “corruption” or “bribery”. Instead, the Convention requires the State parties to introduce criminal and other offences to cover a wide range of acts of corruption, to the extent these are not already defined as such under domestic law. The criminalisation of some acts is mandatory under the Convention. State parties may also consider the establishment of additional offences (optional). An innovation of the UN Convention against Corruption is that it addresses not only basic forms of corruption, such as bribery and the embezzlement of public funds, but also acts carried out in support of corruption, obstruction of justice, trading in influence and the concealment or laundering of the proceeds of corruption. The various articles of the Convention dealing with different offences related to corruption/bribery contain, within the respective article, a basic definition of the offence sought to be criminalised. The following paragraphs discuss some of the relatively important features of the UNCAC.

**Domestic Bribery:** Article 15 of the Convention which requires the criminalisation of domestic bribery reads as follows:

### “Article 15

#### **Bribery of national public officials**

Each State Party shall adopt such legislative and other measures as may be necessary to establish as criminal offences, when committed intentionally:

- (a) The promise, offering or giving, to a public official, directly or indirectly, of an undue advantage, for the official himself or herself or another person or

entity, in order that the official act or refrain from acting in the exercise of his or her official duties;

- (b) The solicitation or acceptance by a public official, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties.”

Thus, the essential ingredients of the offence of domestic bribery on the supply side of corruption are spelt out in clause (a) while those of the offence of domestic bribery on the demand side are defined in clause (b).

**Foreign Bribery:** Similarly, Article 16 of the Convention sets out the essential ingredients of the offence of bribery of foreign public officials and officials of public international organisations in the following words:

### “Article 16

#### **Bribery of foreign public officials and officials of public international organizations**

1. Each State Party shall adopt such legislative and other measures as may be necessary to establish as a criminal offence, when committed intentionally, the promise, offering or giving to a foreign public official or an official of a public international organization, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties, in order to obtain or retain business or other undue advantage in relation to the conduct of international business.
2. Each State Party shall consider adopting such legislative and other measures as may be necessary to establish as a criminal offence, when committed intentionally, the solicitation or acceptance by a foreign public official or an official of a public international organization, directly or indirectly, of an



undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties.”

**Trading in influence:** In accordance with article 18 of the UNCAC, States must consider establishing as criminal offences:

- (a) Promising, offering, or giving a public official an undue advantage in exchange for that person abusing his or her influence with an administration, public authority or State authority in order to gain an advantage for the instigator;
- (b) Solicitation or acceptance by a public official, of an undue advantage in exchange for that official abusing his or her influence in order to obtain an undue advantage from an administration, public authority, or State authority.

**Abuse of functions:** In accordance with article 19 of the UNCAC, States must consider establishing as a criminal offence the abuse of function or position, that is the performance of, or failure to perform, an act in violation of the law by a public official in order to obtain an undue advantage.

**Illicit enrichment:** In accordance with article 20, States parties must consider establishing as a criminal offence illicit enrichment, i.e., a significant increase in assets of a public official that cannot reasonably be explained as being the result of his or her lawful income.

**Laundering of proceeds of crime:** Many States parties already have money laundering laws. Nevertheless, such laws may be limited in scope and may not cover a wide range of predicate offences. Article 23 of UNCAC requires that the list of predicate offences include the widest possible range and at a minimum the offences established in accordance with the Convention against Corruption.

**Liability of legal persons:** The UNCAC requires that liability for offences be

established both for natural or biological persons and for legal persons. Article 26 requires States parties to take the necessary steps, in accordance with their fundamental legal principles, to provide for corporate liability. This liability can be criminal, civil or administrative, thus accommodating the various legal systems and approaches. The Article reads as under:-

## “Article 26

### Liability of legal persons

1. Each State Party shall adopt such measures as may be necessary, consistent with its legal principles, to establish the liability of legal persons for participation in the offences established in accordance with this Convention.
2. Subject to the legal principles of the State Party, the liability of legal persons may be criminal, civil or administrative.
3. Such liability shall be without prejudice to the criminal liability of the natural persons who have committed the offences.
4. Each State Party shall, in particular, ensure that legal persons held liable in accordance with this article are subject to effective, proportionate and dissuasive criminal or non-criminal sanctions, including monetary sanctions.”

The obligation to provide for the liability of legal entities is mandatory, to the extent that this is consistent with each State’s legal principles. Subject to these legal principles, the liability of legal persons may be criminal, civil or administrative (art. 26, para. 2), which is consistent with other international initiatives that acknowledge and accommodate the diversity of approaches adopted by different legal systems. Thus, there is no obligation to establish criminal liability, if that is inconsistent with a State’s legal principles. In those cases, a form of civil or administrative liability will be sufficient to meet the requirement. Further, paragraph 3 of the article provides that this liability of legal entities must be established without prejudice to the criminal

liability of the natural persons who have committed the offences. The liability of natural persons who perpetrated the acts, therefore, is in addition to any corporate liability and must not be affected in any way by the latter. Thus, when an individual commits crimes on behalf of a legal entity, it must be possible to prosecute and punish/sanction them both.<sup>2</sup>

### **OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Anti-Bribery Convention)**

**Domestic Bribery:** Since the OECD Anti-Bribery Convention is basically aimed at combating bribery in international business transactions, it does not have any provisions relating to domestic bribery.

**Foreign Bribery:** Article 1 of the OECD Anti-Bribery Convention provides for criminalisation of bribery of foreign public officials in the following words:-

1. Each Party shall take such measures as may be necessary to establish that it is a criminal offence under its law for any person intentionally to offer, promise or give any undue pecuniary or other advantage, whether directly or through intermediaries, to a foreign public official, for that official or for a third party, in order that the official act or refrain from acting in relation to the performance of official duties, in order to obtain or retain business or other improper advantage in the conduct of international business.
2. Each Party shall take any measures necessary to establish that complicity in, including incitement, aiding and abetting, or authorisation of an act of bribery of a foreign public official shall be a criminal offence. Attempt and conspiracy to bribe a foreign public official shall be criminal offences to the same extent as attempt and conspiracy to bribe a public official of that Party.
3. The offences set out in paragraphs 1 and 2 above are hereinafter referred to as "bribery of a foreign public official".

The definition of bribery of foreign public officials under the OECD Convention is significantly different from that under the UNCAC in the following respects:

- (a) The Convention against Corruption addresses the bribery of a foreign public official "in order that the official act or refrain from acting in the exercise of his or her official duties". The OECD Convention targets acts or omissions "in relation to the performance of the official duties", including outside the official's authorized competence;
- (b) The Convention against Corruption covers the bribery of a foreign public official where the purpose of the bribe is to obtain an "undue advantage in relation to the conduct of international business". The OECD Convention requires that the advantage be "improper" and in the commentary clarifies that this includes instances where the company concerned was the best qualified bidder or was otherwise a company that could properly have been awarded the business;<sup>3</sup>

**Trading in influence:** This is not expressly covered under the OECD Anti-Bribery Convention. But this aspect appears to be covered by the elaborate definition of foreign bribery to include "incitement, aiding and abetting, or authorisation of an act of bribery" and by the provision for criminalisation of "attempt and conspiracy to bribe" to the same extent as attempt and conspiracy to commit domestic bribery.

**Abuse of functions:** This is not expressly covered under the OECD Anti-Bribery Convention.

**Illicit enrichment:** This is not expressly covered under the OECD Anti-Bribery Convention.

**Laundering of proceeds of crime:** Article 7 of the OECD Anti-Bribery Convention provides as under:-

"Each Party which has made bribery of its own public official a predicate offence for

the purpose of the application of its money laundering legislation shall do so on the same terms for the bribery of a foreign public official, without regard to the place where the bribery occurred.”

**Liability of legal persons:** Article 2 of the OECD Anti-Bribery Convention provides as under:-

“Each Party shall take such measures as may be necessary, in accordance with its legal principles, to establish the liability of legal persons for the bribery of a foreign public official.”

## **Extracts from the Prevention of Corruption Act, 1988 (PCA) - India**

### **CHAPTER III:**

#### **OFFENCES AND PENALTIES**

##### **Public servant taking gratification other than legal remuneration in respect of an official act**

Whoever, being, or expecting to be a public servant, accepts or obtains or agrees to accept or attempts to obtain from any person, for himself or for any other person, any gratification whatever, other than legal remuneration, as a motive or reward for doing or forbearing to do any official act or for showing or forbearing to show, in the exercise of his official functions, favour or disfavour to any person or for rendering or attempting to render any service or disservice to any person, with the Central Government or any State Government or Parliament or the Legislature of any State or with any local authority, corporation or Government company referred to in clause (c) of section 2, or with any public servant, whether named or otherwise, shall be punishable with imprisonment which shall be not less than six months but which may extend to five years and shall also be liable to fine.

#### **Explanations.-**

- (a) "Expecting to be a public servant." If a person not expecting to be in office obtains a gratification by deceiving others into a belief that he is about to be in office, and that he will then serve them, he may be guilty of cheating, but he is not guilty of the offence defined in this section.
- (b) "Gratification." The word "gratification" is not restricted to pecuniary gratifications or to gratifications estimable in money.
- (c) "Legal remuneration." The words "legal remuneration" are not restricted to remuneration which a public servant can lawfully demand, but include all remuneration which he is permitted by the Government or the organisation, which he serves, to accept.
- (d) "A motive or reward for doing." A person who receives a gratification as a motive or reward for doing what he does not intend or is not in a position to do, or has not done, comes within this expression.
- (e) Where a public servant induces a person erroneously to believe that his influence with the Government has obtained a title for that person and thus induces that person to give the public servant, money or any other gratification as a reward for this service, the public servant has committed an offence under this section.

##### **Taking gratification, in order, by corrupt or illegal means, to influence public servant**

Whoever accepts or obtains, or agrees to accept, or attempts to obtain, from any person, for himself or for any other person, any gratification whatever as a motive or reward for inducing, by corrupt or illegal means, any public servant, whether named or otherwise, to do or to forbear to do any official act, or in the exercise of the official functions of such public servant to show favour or disfavour to any person, or to



render or attempt to render any service or disservice to any person with the Central Government or any State Government or Parliament or the Legislature of any State or with any local authority, corporation or Government company referred to in clause (c) of section 2, or with any public servant, whether named or otherwise, shall be punishable with imprisonment for a term which shall be not less than six months but which may extend to five years and shall also be liable to fine.

Taking gratification, for exercise of personal influence with public servant Whoever accepts or obtains or agrees to accept or attempts to obtain, from any person, for himself or for any other person, any gratification whatever, as a motive or reward for inducing, by the exercise of personal influence, any public servant whether named or otherwise to do or to forbear to do any official act, or in the exercise of the official functions of such public servant to show favour or disfavour to any person, or to render or attempt to render any service or disservice to any person with the Central Government or any State Government or Parliament or the Legislature of any State or with any local authority, corporation or Government company referred to in clause (c) of section 2, or with any public servant, whether named or otherwise, shall be punishable with imprisonment for a term which shall be not less than six months but which may extend to five years and shall also be liable to fine.

Punishment for abetment by public servant of offences defined in section 8 or 9 Whoever, being a public servant, in respect of whom either of the offences defined in section 8 or section 9 is committed, abets the offence, whether or not that offence is committed in consequence of that abetment, shall be punishable with imprisonment for a term which shall be not less than six months but which may extend to five years and shall also be liable to fine.

Public servant obtaining valuable thing, without consideration from person concerned in proceeding or business transacted by such public servant Whoever, being a public servant, accepts or obtains or agrees to accept or attempts to obtain for

himself, or for any other person, any valuable thing without consideration, or for a consideration which he knows to be inadequate, from any person whom he knows to have been, or to be, or to be likely to be concerned in any proceeding or business transacted or about to be transacted by such public servant, or having any connection with the official functions of himself or of any public servant to whom he is subordinate, or from any person whom he knows to be interested in or related to the person so concerned, shall be punishable with imprisonment for a term which shall be not less than six months but which may extend to five years and shall also be liable to fine.

Punishment for abetment of offences defined in section 7 or 11 Whoever abets any offence punishable under section 7 or section 11 whether or not that offence is committed in consequence of that abetment, shall be punishable with imprisonment for a term which shall be not less than six months but which may extend to five years and shall also be liable to fine.

### **Criminal misconduct by a public servant**

1 A public servant is said to commit the offence of criminal misconduct,-

- (a) if he habitually accepts or obtains or agrees to accept or attempts to obtain from any person for himself or for any other person any gratification other than legal remuneration as a motive or reward such as is mentioned in section 7; or
- (b) if he habitually accepts or obtains or agrees to accept or attempts to obtain for himself or for any other person, any valuable thing without consideration or for a consideration which he knows to be inadequate from any person whom he knows to have been, or to be, or to be likely to be concerned in any proceeding or business transacted or about to be transacted by him, or having any connection with the official functions of himself or of any public servant to whom he is subordinate, or from any person whom he knows to be

- interested in or related to the person so concerned; or
- (c) if he dishonestly or fraudulently misappropriates or otherwise converts for his own use any property entrusted to him or under his control as a public servant or allows any other person so to do; or
  - (d) if he,-
    - (i) by corrupt or illegal means, obtains for himself or for any other person any valuable thing or pecuniary advantage; or
    - (ii) by abusing his position as a public servant, obtains for himself or for any other person any valuable thing or pecuniary advantage; or
    - (iii) while holding office as a public servant, obtains for any person any valuable thing or pecuniary advantage without any public interest; or
  - (e) if he or any person on his behalf, is in possession or has, at any time during the period of his office, been in possession for which the public servant cannot satisfactorily account, of pecuniary resources or property disproportionate to his known sources of income.

**Explanation:** For the purposes of this section, "known sources of income" means income received from any lawful source and such receipt has been intimated in accordance with the provisions of any law, rules or orders for the time being applicable to a public servant.

- 2 Any public servant who commits criminal misconduct shall be punishable with imprisonment for a term which shall be not less than one year but which may extend to seven years and shall also be liable to fine.

### **Habitual committing of offence under sections 8, 9 and 12**

Whoever habitually commits-

- (a) an offence punishable under section 8 or section 9; or

- (b) an offence punishable under section 12, shall be punishable with imprisonment for a term which shall be not less than two years but which may extend to seven years and shall also be liable to fine.

**Punishment for attempt** Whoever attempts to commit an offence referred to in clause (c) or clause (d) of sub-section (1) of section 13 shall be punishable with imprisonment for a term which may extend to three years and with fine.

**Matters to be taken into consideration for fixing fine** where a sentence of fine is imposed. under sub-section (2) of section 13 or section 14, the court in fixing the amount of the fine shall taken into consideration the amount or the value of the property, if any, which the accused person has obtained by committing the offence or where the conviction is for an offence referred to in clause (e) of sub-section (1) of section 13, the pecuniary resources or property referred to in that clause for which the accused person is unable to account satisfactorily.

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*(Extract from the document given by DOPT to the participants of ENA Customized training)*





**'Tone from the Top'  
Video Conference**



**Vigilance Awareness Week - 2013**



# **CORRUPTION PREVENTION AND CORRUPTION RISK MANAGEMENT**

'No Corruption' is a basic right for all societies and the best weapon against corruption is prevention. An Organisation that promotes the values of Integrity, Transparency and Accountability and incorporates them into its Systems and Processes is very well equipped to combat corruption.

Corruption can occur in many situations. It is, however more likely to occur where some of the following conditions exist in an Organisation:

- Policies and procedures are absent, unclear or not adequately enforced
- Employee training is inadequate
- Checks such as audits are lacking.
- Communication and reporting lines are unclear.
- Employee supervision and performance management are inadequate
- Employees have high levels of discretion in their decision making.
- Employees develop close relationships with external stakeholders
- Accepted ethical standards are lacking.
- The Corporate culture condones rule breaking and shortcuts.

## **CORRUPTION PREVENTION**

Effective corruption risk management and corruption prevention depends on commitment from an Organisation's Leaders, a sound Organisational Culture, clear and appropriate Organisational Values and Standards and a comprehensive Policy Framework.

### **Leadership**

Corruption prevention strategies require thought, effort and commitment from

the top of the Organisation. The way an Organisation's senior executives, middle managers and supervisors behave can influence the conduct of individual members of staff and helps to form an Organisation's culture.

- The authority of managers is needed to support and endorse specific corruption prevention initiatives and to ensure that existing systems operate effectively.
- Managers can show leadership by modelling appropriate behaviour and ensuring that their direct reports do likewise.
- When supervisors and senior executives are seen to encourage and emphasise honest behaviour in the workplace and treat all staff fairly and equally, employees are more likely to perceive the workplace as honest and follow suit.
- Staff notice the behaviours that managers reward and the behaviours that result in penalties, and this reinforces their learned behaviour.
- The behaviour of managers provides an example of the way in which Organisational systems should be implemented. For example, if a manager regards record-keeping as a waste of time, his staff will learn that it is not necessary to keep good records in his division. A manager who takes shortcuts and doesn't always comply with Organisation policy will find that her staff will come to follow her example.
- Managers have a responsibility to comply with Organisational policies and procedures themselves, and also to act openly, honestly and consistently with staff.
- Managers should be seen to act honestly and to practice what they preach, encouraging and emphasising honest behaviour in the workplace, and treating all staff fairly and equally.
- Building trust in this way is particularly important for corruption prevention initiatives that could be perceived as an indication that managers do not trust

staff.

- Strategies for building trust include consistent and clear communication, communication about ethics and corruption prevention that comes from the top of the Organisation, consistent management throughout the Organisation and managing staff expectations from the time of their employment, and through any Organisational changes that follow.
- Managers must ensure that appropriate policies and procedures exist and that they are adequate, to enforce the policies and procedures, and to monitor their effectiveness.
- It also necessitates corruption prevention initiatives that are developed centrally to be implemented by Managers in Divisions
- Managers and Executives have a responsibility to incorporate corruption prevention into existing governance processes such as strategic planning and risk management and ensure the Organisation stays true to its stated values.
- Managers must take effective action against corrupt conduct. The ability of an Organisation to appropriately penalise corruption is an important prevention tool.
- Managers should take appropriate action against corruption and should be seen to take such action when wrongdoing is reported and against those who have acted dishonestly. Lack of action by the Organisation or the perception that no action has been taken, can send a wrong message to the staff, that nothing will be done when corrupt behaviour occurs.
- Taking effective action includes, following proper procedures and having a regard for principles such as natural justice is vitally important when investigating or taking action against someone regarding corrupt behaviour. This will minimise the possibility of an incorrect action being taken, or of a decision being challenged.

- Being seen to punish perpetrators is important for setting the tone of what is acceptable behaviour in organisations.
- In addition, making staff aware of the repercussions of corrupt conduct is a useful part of the education process.

## Organisational Culture

A popular definition of Organisational Culture is "the way things are done around here". Underlying most definitions and descriptions of Organisational Culture is the idea that "Official policies specify what management wants to happen. Corporate culture determines what actually happens, and which rules are obeyed, bent or ignored".

- The importance of an Organisation's culture to the prevention of workplace corruption lies in the effect it can have on the behaviour of employees. If an organisation has a strong culture employees can feel pressure to comply with the prevailing culture and behave in the same way as most other people in the organisation.
- If that culture – or "the way things are done around here" – allows, or even rewards, improper or corrupt behaviour then corrupt conduct is more likely to occur.
- Conversely, if the culture is one that encourages and rewards compliance with policies and the Organisation's values then corruption will be less likely to occur.
- Senior management and line managers are in the best position to influence the ethical culture of an organisation by promoting and enforcing policies and accountability controls.
- To encourage ethical Organisational culture Individual Managers can introduce initiatives in the areas that they can control such as:

- including corruption prevention policy and awareness in inductions for staff making sure employees can recognise conflicts of interest and other corruption risks in their work
- providing opportunities to discuss corruption risks and prevention measures in day-to-day communication
- making sure employees know how to report corrupt conduct – internally and externally.
- having supervisors undertake leadership training
- improving their own skills and knowledge about corruption prevention
- demonstrating the importance of following proper process
- making sure record-keeping in their operational area is complete and accurate
- taking appropriate action in response to breaches of proper process
- applying policy and procedures in a consistent and transparent way.

### Organisational Values and Standards

In the Public Sector all employees are expected to serve the public interest. For Public Sector employees to know whether their decisions and behaviour are in the public interest they need a set of guiding values. The values that are expected to underpin the work of Public Sector Organisations are the basic professional standards or ethics of public service.

They focus on two essential concepts:

- Impartiality – best demonstrated by the principle of merit-based decision-making,  
and
- Public Accountability – this can be seen in the practices of transparency,

honesty, record-keeping and financial stewardship.

These values should be evident in the culture of a Public Organisation.

By developing and communicating an explicit set of Organisational Values an Organisation can encourage consistent decision-making and appropriate resolution of ethical dilemmas even when there are no rules to follow.

### Policy frameworks

Organisations develop policies, procedures and administrative systems to support their efficient management and good governance.

- When they work as they should, policies, procedures and systems enable like situations to be treated alike, individuals to be dealt with equitably and decisions to be made in an accountable way and on their merits.
- Like a code of conduct, a policy framework is an important element in an effective corruption prevention strategy.
- In a Public Sector Organisation a policy framework can be used to give effect to Public Sector values and ethics. For example, accountability is implemented through policies and procedures that require record-keeping and reporting. Merit-based decision-making is embodied in policies for recruitment and selection, purchasing and contracting.
- Policies also establish minimum standards of conduct and controls to enforce the Organisation's values, especially in specific corruption risk areas like conflicts of interest or the receipt of gifts and benefits.
- To achieve their purpose, policies and procedures must be understood by those affected by them, and workable.
- Many policies need a step-by-step procedure to ensure that staff know exactly what steps they need to take to comply with a policy.



## CORRUPTION RISK MANAGEMENT

A proactive risk management approach to corruption prevention identifies the risks of corruption that the Organisation is exposed to and develops strategies to manage these risks effectively. Risk management is an accepted part of good governance and many Organisations already undertake some degree of risk assessment and management but they, however, do not include the risk of corruption in their risk management process. There is a need to do so because like other risks, corruption can affect an Organisation's ability to achieve its objectives and an Organisation is duty bound to minimise corruption.

- All Public Sector Organisations are exposed to corruption risks, and some functions, such as Procurement carry substantial risks that cannot be transferred or eliminated.
- Increasing Public-Private Sector business relationships carry their own set of corruption risks.
- An organisation that fails to mitigate corruption risks can also cause problems for other organisations. For example, if a fraudulent supplier is not dealt with then they may be employed by another Organisation.
- A risk management approach is the most appropriate way to ensure that these risks are identified and effectively managed.

While corruption risks are basically the same as other risks, there are some general differences:

1. Corruption is deliberate, not accidental.
2. Public Sector Organisations generally have fewer choices in the management of their corruption risks than other risks. For example, Public Sector Organisations cannot avoid the corruption risks of some functions by choosing to discontinue those functions, such as Procurement.

3. Public Sector Organisations cannot share or transfer corruption risks as they retain ultimate responsibility for functions that are outsourced or shared with a private organisation.
4. Some business relationships such as public-private partnerships can also bring further corruption risks to an organisation, such as conflicts of interest. Public sector organisations must manage not only their own original risks but the risks associated with partnerships.

A risk management approach to corruption prevention is, therefore, important, because it helps to identify structural weaknesses that may facilitate corruption, provides a framework for all staff to take part in identifying risk factors and treatments, and embeds corruption prevention within a well-established governance framework.

### Corruption Risks and Risk Management Strategies

Corruption risks identified in the following areas vulnerable to corruption of an Organisation and the appropriate risk management strategy for corruption prevention is detailed below:

#### 1. Delegation of authority

Delegations of authority in an Organisation establish who is empowered to make decisions and to take action on behalf of the Organisation. Typical examples of activities that may rely on delegated authority can range from signing contracts that commit the Organisation to significant expenditure, to approving leave or petty cash payments.

#### Corruption risks

A risk assessment of delegated authority in an Organisation may identify some or all of the following corruption risks:

- An employee using delegated authority to make a decision for corrupt purposes.
- An employee acting outside his delegation for corrupt purposes.

### Risk management strategies include:

- Notifying, in writing, the delegation levels. This will make clear about what delegations actually exist so that delegates and everyone who deals with them know the extent of their authority.
- Ensuring delegation levels are widely known to everyone involved in decisions will help to reduce the risk of employees misrepresenting their level of authority
- Ensuring that the delegations system provides for automatic reporting of decisions made under delegated authority.
- All decisions made under delegation should be recorded.
- Records should also be in an auditable format so that reviews of decisions made using a delegated authority can be reviewed to check for irregularities.
- Allow only as much discretion as is needed to perform the delegated responsibilities.
- Ensuring that the delegation system includes processes to: i) verify whether a delegation is current ii) check that temporary delegations are properly authorised, notified, recorded and archived
- Include a review mechanism to check the use of the delegated authority over time.
- Reviewing delegations regularly, to ensure that they are appropriate to the capabilities, qualifications and needs of the positions to which they apply.

- Attach accountability controls to delegated authority i.e. a process to audit and review the performance of delegated functions and ensure compliance with operating procedures.
- Establishing a system to check that financial payments are processed and:
  - the person approving the payment has delegation to do so
  - the delegated officer has not been involved in a transaction they authorised.

### CASE STUDY

*Vigilance Department, BEML, investigated and reported a matter wherein an Executive of the Organisation was responsible in delivering equipment to a Customer without receipt of the 20% down payment in violation of the terms of payment approved by the Competent Authority. Acting beyond his delegation of powers the Executive withheld presentation of the cheques towards down payment on the request of the Customer and though having in his custody unrealized cheques to the tune of Rs.1.84 Cr gave clearance for despatch of equipment. Approval of the Competent Authority was not taken even when payment was not received after delivery of the equipment. When the Customer failed to meet the payment settlement deadline the Executive failed to take approval to present the Security cheque and caused loss to the Organisation.*

## 2. Recruitment & Selection

The principle that positions are filled on the basis of merit is fundamental to the recruitment and selection of employees in the Public Sector. To ensure that the best person is selected, Public Sector Organisations need accurate information about the skills, training and qualifications of applicants. Recruitment and Selection process

should therefore be free from favouritism, nepotism, and other conflicts of interest. If recruitment processes are questionable or corrupt, then Organisations are unlikely to be able to recruit or keep people who will improve the ethical climate of the organisation.

### **Corruption risks**

Following are some of the corruption risks associated with the process of Recruitment:

- An employee (convenor/panel member /other) manipulating selection procedure to secure the appointment of known person.
- A selection panel member failing to declare a conflict of interest and acting to advance the interests of an applicant who is known to him.
- The convenor of a selection committee appointing members to the selection panel whom they can influence in order to ensure their favoured candidate will be selected.
- An applicant falsifying qualifications or employment history to enhance his or her prospects of securing a position.

### **Risk management strategies include:**

- Training all relevant employees in the policy and procedures to ensure they are aware of their accountabilities
- Sensitizing the selection panel members on the above risks.
- Retaining interview notes made by each member of the selection committee on the recruitment file.
- Recording verification of all academic and professional qualifications.

- Including Independents from outside the Organisation on the selection panel.
- Filling vacancies promptly so that periods during which employees undertake more senior duties are not unduly extended, to the disadvantage of other potential applicants.
- Screening pre-employment candidates and undertaking thorough reference checks. Each referee should be asked the same questions relating to the selection criteria and responses documented.
- Verifying personal details with original documentation or certified copies.
- Advertising positions widely enough to maximise the potential field and including appropriate selection criteria.

### **Strategies for internal recruitment and selection include:**

- Demonstrating fairness and impartiality when dealing with internal applicants by:
  - Not involving potential internal applicants in any part of the recruitment process, such as acting as the contact person for potential candidates, preparing position descriptions or framing advertisements.
  - Keeping information confidential prior to the interview.
  - Avoiding preferential treatment of internal applicants such as coaching or providing advice not available to other applicants or encouraging an expectation of success or failure.

### **Strategies for reducing the risks from fraudulent qualifications include:**

- Verifying qualifications of job applicants as part of their claim to a position prior to appointment.



- Informing all applicants in clear terms those falsely claiming qualifications will lead to their dismissal and/or prosecution for any relevant offence.
- Ensuring all applicants sign a certificate declaring that the qualifications they assert are genuine and that they acknowledge any falsely claimed qualifications can lead to their dismissal.
- Including a provision that permits an employer to terminate the employment of an applicant who falsely claims qualifications in all letters of appointment or other contractual documentation.

### **Record-keeping and reporting strategies include:**

- Recording if no referees were consulted in making a selection decision and the reason the selection committee found it was not necessary to do so.
- Recording all the reasons where it was deemed appropriate that competitive processes were not used and keeping these reasons in a manner and place that readily permits scrutiny, if required.
- Clearly stating why applicants were considered unsuitable and culled before interview in the selection committee reports.
- Including selection committee comments on each applicant interviewed with reference to each selection criterion in these reports.
- Providing copies of the selection panel reports to all members of the selection panel and integrating these comments into the joint deliberations of the selection panel.

### **CASE STUDY - 1**

*Verification by Vigilance Department of a complaint alleging improper fixation of Basic Pay at the time of appointment revealed absence of a transparent process in the recording of the decision by the Selection Committee. The Selection Committee had failed to minute its proceedings duly recording the reasons for pay fixation on initial appointment by way of pay protection, number of additional increments given etc.*

### **CASE STUDY - 2**

*Allegations of irregularities in the shortlisting of Dealers for Selection was investigated and reported by Vigilance Department which found lapses in the evaluation/rating process. Due diligence of the firms shortlisted revealed two out of three firms did not meet the pre-qualification criteria, a panel member of the evaluation committee was a former employee of one of the firms evaluated which was not disclosed, the process followed to shortlist was irregular, there was no record note of discussion, record of who made the presentation, record of how many attended etc. Selection from out of the shortlisted firms would not have been above board.*

### 3. Supervision of staff

Supervisors have critical roles to play in minimising the risks of corruption in their workplaces. Employees are strongly influenced in their own behaviour by the way their immediate supervisors behave. Consequently, supervisors are in a position to either encourage or minimise corrupt conduct. Their role also means supervisors are well-placed to detect and report instances of misconduct or corruption of which they become aware.

#### Corruption risks

A risk assessment of the supervision of staff in an Organisation will reveal some or all of the following corruption risks:

- Failing to check work records such as employee timesheets, leave applications and travel approvals.
- Improperly promoting, engaging or advantaging employees for personal reasons.
- Unfairly disadvantaging, bullying or discriminating against employees for personal reasons.
- Taking detrimental action against employees who report corruption or misconduct.
- Concealing the corrupt conduct of subordinate employees.

#### Risk management strategies include:

- Ensuring the workload of supervisors is not so great that they cannot properly monitor the work being done.
- Locating supervisors so that they are physically able to have sufficient contact with employees to know how work is being done.
- Giving supervisors enough access to the work of employees to enable adequate monitoring of work being done.

- Ensuring enough supervisors have skills and knowledge of the work required to be done to avoid the Organisation becoming dependent on any individual employee.
- Rotating staff to ensure that supervisory relationships do not become too close or interdependent.
- Conducting additional supervision for employees in roles that are exposed to greater corruption risks.
- Conducting anonymous staff surveys from time to time to assess workplace satisfaction and culture.

### CASE STUDY

*Irregularities in the Procurement of small value items by an Executive was investigated by the Vigilance Department and reported that the Executive was in the regular habit of calling for quotations on limited tender and not processing the same on time and in parallel procure same items on emergent procurement invoking risk purchase clause at higher rates while quotes at lesser price were already available through limited tender. Though these lapses being committed by the Executive were brought to the notice of the Chief of Materials by the Purchase Senior Manager, the Chief failed to take appropriate action to plug the irregularities and allowed it to continue on the plea of work pressure.*

### 4. Post-separation employment

Post-separation employment is the situation where a public official leaves the Public Sector and obtains employment in the Private Sector. The principle underlying the

management of post-separation employment is the need to ensure that Public Sector decisions are made only on their merits and not compromised by extraneous considerations or personal interests. The type of employment which may be cause for concern is that which bears a close or sensitive relationship with the person's former position as a public official. The risk of corruption is higher if the post-separation work involves contact with the former department, colleagues, or staff of the former public official.

### Corruption risks

A risk assessment of the management of post-separation employment is likely to identify some or all of the following corruption risks:

- A current public official using their position to obtain an advantage for their future employment.
- A former public official attempting to influence former colleagues to make decisions that favour their new employment or private business.
- A former public official establishing their own business in the same field as the Public Organisation and approaching the Organisation's clients for business, using confidential information gained from the said organisation.
- A current public official stealing information, intellectual property, or other resources to develop their own business and/or to enhance employment prospects with other organisations.

### Risk management strategies include:

- Protecting the Organisation's information by:
  - Assigning all documents a security rating that is recorded on all printed and electronic copies and denotes their accessibility.

- Maintaining a record of who has access to confidential information with an audit trail to monitor this access.
- Keeping a record, as part of the Organisation's exit processes and protocols, of the return of all Organisations' resources allocated to departing employees.
- Managing external relationships by:
  - Including information about post-separation employment in the Organisation's statement of business ethics.
  - Including a specific statement in the Organisation's code of conduct about the ethical issues and corruption risks raised by post-separation employment and stating the restrictions on employees.
  - Requiring employees to advise the Organisation when they are contemplating leaving the Public Sector for employment that may have a sensitive relationship to their work as a public official.
  - Implementing "cooling off periods" for positions where it is likely that public officials may take up employment in businesses that have a close or special relationship to their former roles as public officials.
  - Requiring current employees to conduct their official dealings with former colleagues at arm's length, for example former employees who tender for contracts with the organisation.
  - Requiring current employees to report all non-routine contacts by their former colleagues which involve attempts to influence or lobby the remaining employees.



## 5. Procurement

### Corruption risks

A risk assessment of the Procurement function is likely to identify some or all of the following corruption risks:

- An employee providing confidential information to a tenderer resulting in an unfair advantage.
- A Procurement Officer having a private company that produce goods/services relevant to their Organisation's operations and submitting tenders to the organisation without declaring this interest
- A member of a Procurement Panel/Procurement Officer not declaring an existing relationship or secondary employment with a tenderer for that contract.
- Two tenderers colluding with one submitting a 'dummy' bid and one a genuine bid.
- An employee colluding with a contractor to falsify or inflate invoices.
- The risk of corruption can increase when the goods or services being procured are of a relatively low financial value compared to an Organisation's overall budget. Low-value items are often frequent purchases so their value adds up over time.
- Another risk is that they may not be subject to the same level of scrutiny in the Organisation so opportunities for corruption are exploited.

### Risk management strategies include:

- To introduce policy and procedures for the procurement of resources.

- Include in the policy sanctions for any breach of the policy and procedures.
- Review the policy every two years.
- Train all relevant employees in the policy and procedures to ensure they are aware of their accountabilities.
- Include Procurement as a risk to be assessed in the Organisation's internal audit and corruption risk management processes.

### The following record-keeping requirements should be included in the policy:

- Weightings of evaluation criteria are determined prior to advertising /opening the tender.
- A probity procedure is followed in all procurements with each stage being recorded and approved.
- Meetings or other contact with individual tenderers prior to the tender selection is recorded in writing.
- Tenders are placed in a tender box which is opened in the presence of at least two officers and a list of the tenderers is made.
- Members of tender assessment panels are required to declare in writing any conflicts of interest with tenderers. Disclosure documents are to be signed and dated by each panel member and countersigned by the convenor, and kept with the tender records.
- If alternative or non-complying tenders/offers are considered the conditions for doing so are specified in writing.
- Tender panel decisions and the reasons for these decisions are made in writing and records kept in line with relevant policy.
- Communicating with all tenderers in writing and keeping the tender documents.

## CASE STUDY

*Vigilance Department verified a complaint from firm M/s X of improper disqualification of their technical bid and reported that in a two-stage tendering process the Technical Evaluation Committee had brought in an extraneous criteria and disqualified M/s X even though it had met all the technical specifications and was found technically acceptable along with firm M/s Y. The basis for the disqualification was a letter of reference which was missing from record. Further, stage 5 of the e-procurement procedure to be followed envisaged inviting technically qualified vendors for a 'reverse auction'. By disqualifying one out of two technically qualified bids the provision made for reverse auction in the e-procurement, which would have ensured best price for the Company by being transparent, was negated.*

## 6. Joint Ventures

The term Joint Venture can refer to a variety of project relationships between a Public Sector Organisation and Private Sector Organisations or Individuals. Projects of this kind share many of the corruption risks that arise in other procurement situations but they may be exacerbated by the complexity of the transactions. Poorly structured contracts and insufficient monitoring could leave the Public Sector Organisation exposed to financial and related probity risks.

### Corruption risks

A risk assessment of Joint Ventures may identify some or all of the following corruption risks:

- The initial decision to enter into a joint venture (rather than a more conventional form of procurement) being based on improper motives or

following a flawed process (such as a failure to prepare a business case, or undertaken by an officer without delegation).

- An employee or their associate having a financial interest in the joint partner and deliberately failing to declare this conflict of interest.
- An employee colluding with the people involved in the joint partnership for personal benefit, such as a financial gain or promise of future employment.
- An employee accepting or soliciting a bribe or secret commission from a joint venture tenderer to give partial consideration to the tender.
- An employee or the joint venture partner misusing either party's confidential information for personal benefit.
- A private partner perhaps being dishonest or attempting to improperly influence staff of the organisation.
- Employees of the Public Sector Organisation identifying too closely with the interests of the joint venture partner subsequently leading to a failure to properly monitor the work performed and preferential treatment in later dealings.
- Conducting business in social settings or exchanging gifts in breach of relevant code of conduct.
- The Public Sector Organisation agreeing to unwarranted expansions in the scope and length of the project
- The key difference between a joint venture and more conventional forms of procurement is that the partners are co-principals, as opposed to the more traditional principal-agent relationship. Sometimes a joint venture entails forming a new legal entity but typically the Private Sector partners have some

form of controlling interest in the management of the project. This means that the Private Sector partner does not necessarily act at the direction of the Public Sector Organisation and the normal 'arm's length' contracting arrangement does not exist. This can be the source of corruption risks for a public sector partner

### **Risk management strategies include:**

- Establishing a steering committee to oversee the joint venture.
- Ensuring contracts do not compromise the ability of the Organisation to act in the public interest or adversely affect the Organisation's overriding accountabilities, and that they give the Organisation the ability to address unethical conduct and to efficiently sever the relationship if intractable probity problems arise.
- Ensuring contracts are clear and well structured.
- Establishing a written negotiation protocol that includes a dispute resolution mechanism to prevent ad hoc decision making.
- Ensuring confidential information is secure.
- Communicating Public Sector values to the private partner in the tender process and integrating these into the Joint Venture Agreements.
- Conducting a corruption risk assessment before entering a contract with the partner, and if necessary preparing probity plan or engaging a probity advisor.
- Ensuring no one person has absolute control over any part of the joint venture process by segregating duties or increasing oversight and accountability.
- Obtaining financial advice, for example on the proposed costing of the project.

If necessary, appointing a dedicated administrative secretariat for the joint venture.

- Managing any conflicting commercial and regulatory roles. Options available include the use of external consultants or officers from another Organisation, segregation of duties etc.
- Maintaining the financial records of joint venture parties and auditing in accordance with the relevant legislation and government and corporate guidelines.
- Utilising a checklist setting out the process the Organisation needs to follow.
- Creating and securely storing records of meetings and decision making between joint partners (including keeping file notes of telephone conversations).
- Using agreed security level access with all information.
- Conducting a probity audit of the project.
- Corruption is one of those risks that cannot successfully be transferred to a Private Sector partner because it is the responsibility of the Public Sector Organisation to protect the public interest.
- Contracts can be used to help deter or detect deliberate bad faith or poor performance on the part of a joint venture partner. Ultimately any loss, whether financial, political or social, will be borne by the Public Sector Organisation.

### **7. Accounts Management**

The management of accounts in a Public Sector Organisation includes functions such



as accounts payable and accounts receivable as well as the general use and maintenance of the organisation's financial accounts. The need for employees to access organisation funds to perform official functions can increase the possibility of misuse, and makes the identification and management of corruption risks in this activity extremely important. False invoicing, for example, is one of the most common types of fraud.

### Corruption risks

A risk assessment of Accounts Management in a Public Sector organisation may identify some or all of the following corruption risks:

- An employee manipulating the system to make payments to a non-existent supplier, and indirectly to their own account.
- An employee colluding with a supplier to produce an invoice price that is higher than necessary.
- An employee approving invoices of their private expenses or colluding to do so for others.
- An employee creating a false payment instruction.
- An employee submitting a false travel or petty cash claim and receiving a benefit to which he or she is not entitled.
- An employee purchasing goods through the system for private use.
- An employee stealing incoming cash and cheques through an account set up to look like a bona fide payee.
- Managers inflating balance sheet asset values to cover up poor performance or corruption.
- A supplier and an employee colluding to arrange kickbacks for the biased selection of the supplier.

- A provider/contractor providing false invoices resulting in the payment for goods not received.
- A provider/contractor providing a forged cheque for payment.

### Risk management strategies include:

- Ensuring that there are appropriate supervision and approval processes for accounts management.
- Ensuring delegating limits are specified and complied with so that there are appropriate approvals in place for each level of spending.
- Validating invoices with supporting documentation such as requisitions and purchase orders to help ensure that all payments are for legitimate goods and services. Warning signs for false invoices are that they are copies or faxes rather than mailed originals, their date does not match the date when the purchase order was raised or the goods delivered, the relevant identifying number (e.g. the order number) is not provided or is incorrect, and that the organisation has not provided a street address on the invoice.
- Segregating duties between the officer who incurs expenditure and the officer who authorises payment to ensure controls over purchasing.
- Ensuring regular, accurate capture and reconciliation of all transactions to decrease the risk that inappropriate transactions occur.
- Frequently spot checking transactions to identify anomalies.
- Establishing an internal audit regime to regularly check transactions for authenticity.
- Controlling electronic payments with passwords and regular audits, and using secure emails and websites.

- Monitoring and reviewing by a finance committee, or equivalent, of the monthly financial performance, budgets and budget transfers, allocations, financing of projects and significant financial transactions to monitor accounts and identify anomalies.
- Where possible, limiting the number of cost centres and accounts in the general ledger, so that the accounting system is clear and straightforward enough to be able to track payments.

### CASE STUDY

*In a case initially investigated by the Internal Audit Department and subsequently verified by the Vigilance Department it was reported that the Regional Manager had manipulated the record to create a false payment instruction of commission even though there was a Management decision not to process the claim. The Marketing Manager had wrongly certified the claim as correct and the Service Manager had processed the claim without making any comments.*

## 8. Cash Handling

Cash handling is considered as a high-risk function, the most serious and obvious risk being that of misappropriation.

### Corruption risks

A risk assessment of cash handling identifies some or all of the following corruption risks:

- An employee failing to record purchases properly in order to misappropriate cash.
- An employee misappropriating cash in transaction or whilst cash is in transit.
- An employee accepting or soliciting money or a benefit to provide cash to a third party.
- An employee accepting or soliciting money or a benefit to provide a good or service to a third party without taking a cash payment from that party.
- An employee being bullied or threatened to misappropriate cash or avoid proper payment for a good/service by a third party.
- An employee artificially inflating the value of a good/service to misappropriate cash.

### Risk management strategies include:

- Preparing and reconciling balances against corresponding bank deposits to account for all cash takings and identify anomalies.
- Limiting the number of employees able to handle cash to minimise risk of misappropriation and enable the tracking of losses.
- Changing individual passwords regularly for accountability.
- Performing criminal history checks on staff applying for positions involved in cash handling to identify potential issues to do with untrustworthiness.
- Using secure cash storage facilities.
- Monitoring and restricting access to computer systems involved in cash handling.

## 9. Payroll

Payroll is the payment of wages, salaries, benefits, allowances and any other monies

entitled to staff working in a Public Organisation. The sizable sums of money involved in the payroll function have traditionally been a target for theft and fraud. Corruption risks in the payroll function mainly relate to the integrity of the information on which the payroll is based, particularly if the payroll function is performed by a third party under contract. The security of the manual and electronic processes for transferring money and the security of the information contained on the payroll system are also vulnerable aspects of the payroll process.

### Corruption risks

A risk assessment of payroll may identify some or all of the following corruption risks:

- An employee obtaining payments to which they are not entitled, for example by:
  - fraudulently claiming on their timesheet for hours not worked or allowances to which they are not entitled
  - failing to provide a leave form for leave taken
  - colluding with other staff to cover unauthorised absences
  - providing false information for the reimbursement of expenses not incurred or above approved entitlements
  - fraudulently claiming worker's compensation.
- An employee directing payments to themselves by creating and paying a non-existent public official ("ghosts" on the payroll).
- A manager drawing up a biased roster, for example, allocating the most profitable shifts to favoured employees.
- A manager rostering unnecessary staff on shifts in order to increase payments to them.

- An employee stealing money directly from the payroll.
- An employee improperly disclosing personal or banking details and this behaviour may be the result of bribery.

### Risk management strategies include:

- Following appropriate delegations and procedures for any changes to pay and timesheet transactions.
- Establishing access controls for the payroll system such as passwords, routine verification procedures and authorisation levels.
- Segregating functions to ensure that no one person has complete control over any aspect of the payroll process.
- Ensuring mandatory advance approval by the supervisor for variations to payroll such as overtime and leave.
- Verifying and reconciling employee entitlements such as sick leave.
- Imposing financial limits on overtime, allowances and payroll processing.
- Conducting unannounced spot checks by managers to verify attendance and timesheets.
- Ensuring the payroll system has the capacity to:
  - automatically integrate employee exits to cease payroll payments to departing employees
  - run fortnightly expenditure reports
  - recognise and notify line management of anomalies and overpayments
  - recover overpayments.
- Ensuring high-risk positions, such as payroll administrators are adequately supervised.



- Routinely reviewing and testing data processing controls.
- Reviewing the recordkeeping and reporting procedures to ensure that:
  - There are controls or systems to record and monitor all payroll transactions.
  - All access to the payroll systems and actions taken are recorded.
  - Records are kept of overtime approvals, staff rosters, travel and expenses including approvals, receipts and supporting information.

### CASE STUDY

*Vigilance Department verified and reported that an Accounts-in-Charge Executive made a medical reimbursement claim and sanctioned for himself excess reimbursement, without necessary approvals, by generating a manual voucher instead of a system generated voucher on the ERP.*

## 10. Electronic Transactions/ERP systems

Many Organisations use electronic facilities for administrative activities such as payroll processing and banking. Electronic transactions may also be used for purchasing goods and services, and the sale or billing of agency goods or services. The increased efficiency and accessibility of electronic transactions can facilitate corrupt conduct with the potential for greater financial loss and disruption to an Organisation. As Organisations adopt this technology new security measures and checks should be in place to reduce the risk of corruption. This is particularly important when traditional security and verification methods, such as countersignatures and face-to-face identification, are not practical.

## Corruption risks

A risk assessment of electronic transactions may identify some or all of the following corruption risks:

- An employee gaining access to electronic records without proper authority or approval.
- An employee making an electronic payment to a non-existent vendor.
- An employee improperly transferring money from an Organisation account to an associate or an account under their control.
- An employee using Organisation funds to purchase goods or services electronically for private benefit.
- When an Organisation moves to an electronic system, it often involves marked changes to the underlying process. If the effects of these changes have not been appropriately considered then it may create opportunities for corrupt employees to exploit.
- Electronic processes are sometimes less flexible than conventional paper-based ones. It may be that once an electronic process is established its technical limitations may make it difficult to change the process if a procedural weakness is discovered.

## Risk management strategies include:

- Establishing protocols and controls for the secure transmission.
- Ensuring that internet-based payments are made only to secure sites.
- Using digital signatures to verify the authenticity of electronically transferred information.

- Establishing internal controls to authorise all payments.
- Ensuring electronic transactions cannot be authorised and processed by the same person.
- Periodically testing and checking confirmation procedures and data processing controls.
- Ensuring the systems can automatically identify large and unusual transactions for review.

**The following recordkeeping requirements should be included:**

- Automated systems should have automated recordkeeping. For instance, the mere act of filling out a hardcopy form generates a record. However, an electronic record might not be generated because the information on the form was not actually saved but simply used in other process steps. In the example described above, the saving of the form should be part of the process by which it is generated
- Processes for retaining emails of business value.
- Automatically generating records for all electronic payments.
- Including details of the officers who authorised and processed any electronic purchases and sales.
- Recording changes to electronic payment delegations.
- Conducting audits and reviews of authorities to access, alter or destroy records.

## 11. IT systems

### Corruption risks

A risk assessment of IT systems may identify some or all of the following corruption risks:

- An employee falsifying electronic records to obtain financial benefit (e.g. inappropriate overtime or reimbursement payments).
- An employee electronically creating fraudulent documentation and providing it to a member of the public.
- An employee altering or deleting electronic data to prevent evidence of other wrongdoing from being detected or to aid a third party.
- An employee using another employee's computer and/or log-in to act in a corrupt way.

**Risk management strategies include:**

- Ensuring outdated electronic records, including emails, are stored in formats, and on media, that are accessible to modern IT systems.
- Ensuring employees are made aware of their electronic recordkeeping requirements, including those pertaining to emails of business value.
- Implementing an electronic records system.
- Including secrecy provisions in IT-related contracts.
- Including secrecy provisions in written agreements when IT services are shared with, or used by, another Organisation.
- Incorporating IT provisions into any disaster recovery/business continuity plan.
- Requiring password access to IT systems which is changed on a regular basis.
- Limiting access to IT systems to current employees with a legitimate need to access the relevant information or service.
- Governing the rights to alter or delete electronic data by operational necessity.

- Implementing programs to protect databases against irregular activity.
- Regularly testing firewalls and other security systems.
- Employees need to have access to Organisation databases but it is important to ensure that they only have access to information needed to perform their duties.
- An audit trail should also be monitored to review access and any modifications to the information in these databases.

## 12. Disposal of Goods and Property

Public Sector Organisations that regularly dispose off depreciated, redundant or excess stock need to ensure they have standardised methods to manage the disposal of unwanted resources in a transparent and accountable manner. Goods to be disposed off are public resources and, even if redundant or depreciated, may still have financial value for the Organisation. Consequently disposing of goods should be carefully planned and conducted in a way that obtains value for money for the Organisation and reduces opportunities for exploitation by individual employees, private persons or organisations.

### Corruption risks

A risk assessment of the disposal of Goods and Property is likely to identify some or all of the following corruption risks:

- An employee deliberately undervaluing Organisation's assets that are to be disposed of with the aim of purchasing the items for himself/herself.
- An employee involved in conducting an in-house tender for the disposal of goods providing information about tender prices to a potential tenderer prior to the completion of the process.

- An employee destroying records concerning the disposal of goods to cover his/her corrupt activity.
- An employee deliberately over-ordering resources to use the 'surplus' for personal gain
- An employee regularly misappropriating goods.

### Risk management strategies include:

- Conducting regular reviews of the procedures for ordering goods and services to check for compliance.
- Where appropriate, making arrangements with suppliers that unused goods can be returned.
- Segregating duties in the decision-making process when disposing of goods.
- Keeping goods secure and consistently applying an asset control system for the valuation and storage of goods.
- Obtaining appropriate external valuation of resources prior to disposal.

### Record-keeping and reporting strategies include:

- Keeping details concerning the date of purchase of resources, length and condition of warranty, maintenance and repairs undertaken, and other related information for consideration in the valuation and disposal of goods.
- Conducting and recording regular inventories of goods.
- Keeping a checklist of each stage in the disposal process including the decision to dispose, valuation of items, and who approved the disposal of the goods, plus the method of disposal – for example, through public advertisement,



auction, or in-house tender.

- Keeping a record of the external valuations.
- Maintaining a register of all the assets held by the organisation.
- Regularly auditing the asset register to ensure no items have been improperly disposed of.
- Putting asset maintenance systems in place to determine and report on when goods become surplus and/or unwanted and what their monetary value is at that point.
- Using competitive processes like forward auction.

## CASE STUDY

*Vigilance Department investigated and reported, with inputs from the Chief Information Officer (CIO), rigging of a forward auction with all three players sharing their credentials (i.e. username and password) and submitting proxy bids with a clear understanding among the players. The three players had used three unique IP address and since Vigilance Department could trace the unique IP address to each player involved it was evident the transactions had not been carried out from net café or any public net facilities but the three players had shared their credentials with each other and proxy bids had been submitted with clear understanding among the players. Conducting the forward auction with hardware token based digital signature would have mitigated this risk as it would have made sharing of credentials difficult and provided additional layer of authenticity i.e. in addition to user ID and password verification.*

## Management of Resources

All Public Sector Organisations use publicly-owned resources. Poor management of these assets can undermine the integrity and operational efficiency of Public Organisations. It can also provide opportunities for corrupt conduct.

### Corruption risks

A risk assessment of the Management of Resources is likely to identify some or all of the following corruption risks:

- An employee regularly stealing resources to sell for personal benefit.
- An employee deliberately over-ordering resources with the intention of misusing the surplus goods.
- An employee stealing money.
- An employee colluding with a client to submit false or inflated invoices.
- An employee destroying or distorting records to hide the misuse of resources.
- An employee manipulating weak or inadequate log-in procedures for personal benefit.
- An employee misusing Organisation resources for not disclosed secondary employment.
- An employee failing to return company property upon ceasing employment.
- An employee stealing a valuable item.

### Risk management strategies include:

- Maintaining asset management systems that include asset registers and inventories of resources so that any losses can be easily identified.
- Keeping records that show when resources are allocated to employees and returned.

### 'Tone from the Top' - Video Conference held during the Vigilance Awareness Week 2013

#### International Measures:

1. United Nations Office on Drugs and Crime: [www.unodc.org](http://www.unodc.org)  
United Nations Convention against Corruption: <http://www.unodc.org/unodc/en/treaties/CAC/>
2. Organisation for Economic Co-operation and Development: <http://www.oecd.org/>  
Principles of Integrity in Public Procurement: <http://www.oecd.org/gov/ethics/48994520.pdf>  
Anti Corruption Policies in Asia Pacific (Public Administration): <http://www.oecd.org/daf/anti-bribery/34300023.pdf>
3. United Nations Website: [www.un.org](http://www.un.org)  
UN Resolutions that deal with Corruption:
  - i A/50/225-Public Administration and Development-  
[http://www.un.org/en/ga/search/view\\_doc.asp?symbol=A/RES/50/225&Lang=E](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/50/225&Lang=E)
  - ii A/51/59-Action against Corruption  
[http://www.un.org/en/ga/search/view\\_doc.asp?symbol=A/RES/51/59&Lang=E](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/51/59&Lang=E)
  - iii A/51/191-UN Declaration Against Corruption & Bribery  
[http://www.un.org/en/ga/search/view\\_doc.asp?symbol=A/RES/51/191&Lang=E](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/51/191&Lang=E)
  - iv A/52/87-International Cooperation Against Corruption and Bribery in International Commercial Transactions.  
[http://www.un.org/en/ga/search/view\\_doc.asp?symbol=A/RES/52/87&Lang=E](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/52/87&Lang=E)
  - v A/53/176-Action Against Corruption and Bribery in International Commercial Transactions.

- Establishing a procedure to make sure that employees return resources when they leave the Organisation or no longer require the resource for their duties.
- Conducting regular valuations and stocktakes of assets and regular reconciliations of cash resources to identify irregularities.
- Securing all resources using methods commensurate with their value to reduce the likelihood of theft.
- Securing hard and soft copies of sensitive and confidential asset records with limited access to storage units/computer codes in which they are stored.
- Establishing a procedure for handling cash to reduce the risk of theft.
- Segregating duties in the management of resources so that individuals are not responsible for approving their own usage or purchasing of public resources.
- Regularly reviewing records kept for the purchase, disposal and valuation of resources to identify irregularities.
- Regularly auditing the use of resources, for example checking vehicle log books against fuel use, to identify irregularities.
- Reviewing the records kept of resources that are misused or stolen to help determine the risks to the Organisation and the risk management strategies required.

#### CASE STUDY

*Vigilance Department verified and reported the involvement of a District Manager in the theft of failed items which were illegally taken out of the office premises in the Company vehicle and sold in the market for wrongful pecuniary gain.*

- [http://www.un.org/en/ga/search/view\\_doc.asp?symbol=A/RES/53/176&Lang=E](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/53/176&Lang=E)
- vi A/54/205 – Prevention of Corrupt Practices and Illegal Transfer of Funds.  
[http://www.un.org/en/ga/search/view\\_doc.asp?symbol=A/RES/54/205&Lang=E](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/54/205&Lang=E)
- vii A/55/61 – An Effective International Legal Instrument Against Corruption:  
[http://www.un.org/en/ga/search/view\\_doc.asp?symbol=A/RES/55/61&Lang=E](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/55/61&Lang=E)
- viii A/55/188- Preventing and Combating Corrupt Practices and Illegal Transfer of Funds and Repatriation of such Funds to the Countries of Origin:  
[http://www.un.org/en/ga/search/view\\_doc.asp?symbol=A/RES/55/188&Lang=E](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/55/188&Lang=E)
4. Anti Corruption Authorities (ACAs) Portal: [www.acauthorities.org](http://www.acauthorities.org)
5. Anti Corruption Agency : [http://en.wikipedia.org/wiki/Anti-corruption\\_agency](http://en.wikipedia.org/wiki/Anti-corruption_agency)
6. International Association of Anti-Corruption Authorities (IAACA): [www.iaaca.org](http://www.iaaca.org)
7. International comparison of Corporate Governance:  
[http://www.weil.com/files/upload/International\\_Comparison\\_2013.pdf](http://www.weil.com/files/upload/International_Comparison_2013.pdf)
8. Actionable Governance Indicators & Public Accountability Mechanisms:  
[www.agidata.org](http://www.agidata.org)
- i Governance & Public Sector Management:  
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPUBLICSECTORANDGOVERNANCE/0,,contentMDK:20206128~pagePK:210058~piPK:210062~theSitePK:286305,0.html>
9. The Committee of Sponsoring Organizations: [www.coso.org](http://www.coso.org)  
Guidance on Enterprise Risk Management : [www.coso.org](http://www.coso.org)
- I Internal control – Integrated Framework :  
[http://www.coso.org/documents/cosoicifoutreachdeck\\_05%2018%2012.pdf](http://www.coso.org/documents/cosoicifoutreachdeck_05%2018%2012.pdf)

- ii Guidance on Internal Controls: <http://www.coso.org/IC.htm>
- iii Enterprise Risk Management: <http://www.coso.org/-ERM.htm>
- iv Fraud deterrence: <http://www.coso.org/FraudReport.htm>
10. International Monetary Fund: <http://www.imf.org/external/np/exr/facts/gov.htm>
11. United Nations Development Programme: [www.undp.org](http://www.undp.org)
- a) Anti corruption for the achievement of sustainable Human Development:  
[http://issuu.com/undp/docs/issue\\_brief\\_-\\_anti-corruption\\_and\\_the\\_post-2015\\_de](http://issuu.com/undp/docs/issue_brief_-_anti-corruption_and_the_post-2015_de)
12. United Nations Global Compact: <http://www.unglobalcompact.org/>
13. Transparency International: <http://www.transparency.org/country>

### National Measures:

1. ISO Standards on Corruption and Good Governance:  
GUIDANCE ON FRAUD AND CORRUPTION CONTROL BY AN ORGANIZATION  
[is.15900.2010.pdf](http://www.iso.org/iso/15900_2010.pdf)  
Good Governance:  
[is.16010.2012.pdf](http://www.iso.org/iso/16010_2012.pdf)
2. Central Vigilance Commission: <http://cvc.nic.in>  
Guidelines on Procurement: [http://cvc.nic.in/cte\\_menu.htm](http://cvc.nic.in/cte_menu.htm)
3. Ministry of Defence : <http://mod.nic.in>  
Guidelines on Procurement: <http://mod.nic.in/dpm/welcome.html>  
DPP-2013: <https://mod.nic.in/forms/List.aspx?Id=58&displayListId=58>
4. Department of Public Enterprise: [www.dpe.nic.in](http://www.dpe.nic.in)



- i) Chapter II
    - Personal Policies
    - (c) Service Matters  
[http://dpe.nic.in/important\\_links/dpe\\_guidelines/personnel\\_policies/glch2dindex](http://dpe.nic.in/important_links/dpe_guidelines/personnel_policies/glch2dindex)
  - ii Chapter II
    - Personal Policies
    - (f) Conduct, Discipline and Appeal Rules.  
[http://dpe.nic.in/important\\_links/dpe\\_guidelines/personnel\\_policies/glch2gindex](http://dpe.nic.in/important_links/dpe_guidelines/personnel_policies/glch2gindex)
  - iii Guidelines for Corporate Governance:  
[http://dpe.nic.in/sites/upload\\_files/dpe/files/gcgcpse10.pdf](http://dpe.nic.in/sites/upload_files/dpe/files/gcgcpse10.pdf)
  - iv Strengthening Vigilance Machinery In Public Sector:  
[http://dpe.nic.in/important\\_links/dpe\\_guidelines/personnel\\_policies/glch2hindex/glch02h9](http://dpe.nic.in/important_links/dpe_guidelines/personnel_policies/glch2hindex/glch02h9)
5. BEML Ltd: <http://www.bemlindia.nic.in>
    - i Report On Corporate Governance: [http://www.bemlindia.com/investor\\_info.php](http://www.bemlindia.com/investor_info.php)
    - ii HR Manual: <http://www.bemlindia.com/documents/aboutus/HR%20Hand%20Book.pdf>
    - iii Purchase Manual:  
[http://www.bemlindia.com/documents/purchase/purchase\\_manual.pdf](http://www.bemlindia.com/documents/purchase/purchase_manual.pdf)
  6. Ministry of Finance: [http://finmin.nic.in/the\\_ministry/dept\\_expenditure/ppcell/index.asp](http://finmin.nic.in/the_ministry/dept_expenditure/ppcell/index.asp)  
Public Procurement Bill 2013:  
[http://164.100.24.219/BillsTexts/LSBillTexts/asintroduced/58\\_2012\\_LS\\_EN.pdf](http://164.100.24.219/BillsTexts/LSBillTexts/asintroduced/58_2012_LS_EN.pdf)  
[http://164.100.24.219/BillsTexts/LSBillTexts/Errata/Cor\\_EN\\_58\\_2012\\_LS.pdf](http://164.100.24.219/BillsTexts/LSBillTexts/Errata/Cor_EN_58_2012_LS.pdf)
  7. Department Of Personnel and Training(DOPT):  
[http://persmin.gov.in/DOPT\\_actrules.asp](http://persmin.gov.in/DOPT_actrules.asp)

The Public Interest Disclosure and Protection to Persons Making the Disclosure Bill, 2010

[http://persmin.gov.in/DOPT/EmployeesCorner/Acts\\_Rules/DisclosureBill/DisclosureBill\\_2010\\_Eng.pdf](http://persmin.gov.in/DOPT/EmployeesCorner/Acts_Rules/DisclosureBill/DisclosureBill_2010_Eng.pdf)

Prevention of Corruption Act:

[http://persmin.gov.in/DOPT/EmployeesCorner/Acts\\_Rules/PCAct/pcact.pdf](http://persmin.gov.in/DOPT/EmployeesCorner/Acts_Rules/PCAct/pcact.pdf)

8. Ministry of Corporate Affairs: [www.mca.gov.in](http://www.mca.gov.in)

Companies Act: [http://www.mca.gov.in/Ministry/companies\\_act.html](http://www.mca.gov.in/Ministry/companies_act.html)

9. Right to Information Act: <http://rti.gov.in/>

10. Securities and Exchange Board of India: <http://www.sebi.gov.in/sebiweb/>

11. Reserve Bank of India: <http://www.rbi.org.in/home.aspx>

12. PRS Legislative Research: <http://www.prsindia.org/>

Important Anti Corruption Bills in Parliament:  
<http://www.prsindia.org/theprsblog/?p=2222>

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## **Acknowledgement**

The support extended by Chief Information Officer and his team  
& Corporate Public Relations team is acknowledged.

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