



# **Vigilance Policy**

**Vigilance Department  
Head Office  
Thoothukudi**

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## **1. Introduction**

Anti-corruption measures of the banks are a responsibility of the disciplinary authority identified in the bank and it has the over-all responsibility of looking into the acts of misconduct alleged against, or committed by, the employees within its control and to take appropriate punitive action. It is also required to take appropriate preventive measures so as to prevent commission of misconducts/malpractices by the employees under its control and jurisdiction. In the Banking Industry, risk taking is an integral part of business. Therefore, for every loss caused to the Bank whether pecuniary or non pecuniary, a distinction has to be drawn between a business loss arising as a consequence of a bona fide commercial decision and extraordinary loss caused due to mala fide / motivated performance or non performance of duties, from vigilance angle. While the former has to be accepted as a normal part of business, the latter has to be viewed seriously and be subjected to disciplinary procedures.

Vigilance is an inseparable part of management. It promotes clean business transactions, professionalism, productivity, promptness and transparent practices and ensures putting in place systems and procedures to curb opportunities for corruption which results in improving efficiency and effectiveness of the personnel as well as the organization. These factors make it mandatory to have a dedicated vigilance setup in the banking industry.

## **2. Appointment of Chief of Internal Vigilance (CIV)**

As advised by Reserve Bank of India, a senior officer of cadre of Assistant General Manager or above will be designated as 'Chief of Internal Vigilance' -- (CIV) and shall head the Vigilance Department of the Bank and the tenure of the CIV should be a minimum of three years. The basis for appointment of CIV should be experience, track record, proven integrity and ability to inspire confidence among personnel in the Bank. The Vigilance Department of our Bank is presently headed by an Assistant General Manager who oversees all vigilance functions of the Bank on a full time basis and in compliance with RBI stipulations, is designated for the purpose as CIV.

## **3. Duties and Responsibilities of Chief of Internal Vigilance (CIV)**

The functions of the CIV are broadly categorized as : (i) Preventive Vigilance (ii) Surveillance & Detection and (iii) Punitive Vigilance.

His functions would include:

- Collecting intelligence about the corrupt practices committed or likely to be committed by the employees of the Bank.
- Conducting investigation into the verifiable allegations reported to him.
- Processing investigation reports for further consideration of the respective Disciplinary Authority and referring matters to MD & CEO of the Bank for advice, wherever necessary in respect of Vigilance cases.
- Taking effective steps to prevent improper practices / misconduct etc.
- To assume overall responsibility for punitive action against employees for acts of misconduct in respect of Vigilance cases.
- Devising appropriate preventive measures to reduce misconduct / malpractice by the employees of the Bank.
- Instructing / Discussing with the Chief Manager (Law) and Chief Security Officer to have close liaison with authorities such as Police / SFIO / other law enforcement authorities and obtaining full information from them in respect of Vigilance cases.

The vigilance functionaries should not be a party to processing and decision-making processes or be involved in other administrative transactions of such nature, which are likely to have clear vigilance sensitivity. Where it may not be difficult for full time functionaries to comply with this requirement, the compliance of these instructions could be achieved in respect of part-time vigilance functionaries by confining their duties, other than those connected with vigilance work, as far as possible, to such items of work that are either free from vigilance angle or preferably serve as an input to vigilance activities such as inspection, audit, etc.

## **4. Investigation**

### **a) Internal Investigation:**

Internal investigation mostly relates to studying / fixing of 'Staff Accountability' on the erring Employee. The same will be conducted as per the guidelines given in the Disciplinary Action Policy of the Bank.

### **b) Outsourcing of Investigation:**

In case of complex and sensitive cases / complaints received, CIV with the consent of the MD & CEO may suggest investigation by outsiders / professionals.

### **c) Monitoring of Cases:**

CIV will monitor the progress with regard to Vigilance Cases and report to the Board on Quarterly basis.

## **5. Vigilance Angle**

The following action / acts would require examination of cases from a Vigilance Angle.

- 1) Demanding and / or accepting gratification other than legal remuneration in respect of an official act or for using his / her influence with any other official.
- 2) Obtaining valuable thing, without consideration or with inadequate consideration from a person with whom he / she has or is likely to have official dealings or his / her subordinates have official dealings or where he / she can exert influence.
- 3) Obtaining for himself/ herself or for any other person any valuable thing or pecuniary advantage by corrupt or illegal means or by abusing his / her position as an employee / officer
- 4) Possession of assets disproportionate to known sources of income.
- 5) Cases of misappropriation, forgery or cheating or other similar criminal offences.

In case of other irregularities like gross or willful negligence (Gross negligence is doing their duty in disregard of Bank's rules and regulations), recklessness in decision making, blatant violation of systems and procedures, exercise of discretion in excess, where no ostensible organizational interest is evident, failure to keep the controlling authority / superiors informed in time, the Disciplinary Authority with the help of the CIV, should carefully study the case and weigh the circumstances to arrive at a conclusion where there is reasonable ground to doubt the integrity of the officer concerned.

## **6. Complaints**

Receipt of information about corruption, malpractice or misconduct on the part of employees, from whatever source, would be termed as a complaint. Receipt of information may be from any of the following sources:

- Complaints from staff / officer of the Bank or from the customer / public.
- Departmental reports, Regional Office reports and stock verification surveys.
- Scrutiny of annual property statements.

- Scrutiny of transactions related to business operations, compliance with Systems and Procedures reported under Conduct Rules.
- Report on irregularities in accounts detected in the routine inspection, e.g. tampering of records, misappropriation of money / materials, etc.
- Complaints and allegations appearing in the press or television channels.
- Source information, if received verbally from an identifiable source, to be reduced in writing.
- Information gathered through agencies like Police, CBI, local bodies, social media, etc.
- Scrutiny of transactions in staff accounts.
- Any other reliable sources.

(b) The Bank need not necessarily entertain anonymous complaints. However, it does not restrict the right of the Bank to entertain them in case of any suspected vigilance issue on the basis of the source of information. In any event, all verifiable information contained in such complaint letters should be verified and a decision on disposal of such letters should be taken only after verification of the information contained in the complaint letter.

The Bank is mandated not only to maintain the secrecy of the complainant's identity but also provide protection to the complainant against any physical threat, harassment or victimization. If any person is victimized due to the fact that he has given information on corruption etc., he may file an application before the CIV under our Bank's "Protected Disclosure Scheme", seeking redressal in the matter. The CIV would then intervene suitably to protect the complainant.

All complaints / reports of irregularities received would be examined by the 'Internal Advisory Committee' (IAC) at Head Office. The Chairman of the IAC would be General Manager (Inspection). The committee would comprise of Deputy General Manager (Credit), Deputy General Manager (Legal), Assistant General Manager (HRD) and CIV. Additional members may be added to the Committee from time to time on a rotation basis to assist in the analysis of complaints, if such assistance is deemed necessary, with the specific approval of MD & CEO. The minimum quorum required for convening a meeting would be one GM, one DGM and CIV. The meeting of the Committee would be convened by the CIV at frequent intervals, as required, with a minimum of one meeting per month. The

committee would determine the involvement of vigilance angle or otherwise in those transactions and record reasons for arriving at such conclusions. The cases identified as vigilance nature will be referred to the CIV to proceed further.

## **7. Disciplinary Procedure**

In the case of reports received in respect of the workmen / officers (both present and former) the disciplinary action procedure will be followed based on the appropriate rules and regulations prevailing at the time of lapse / irregularity. The system of imposition of punishment will be in accordance with the Memorandum of Settlement related to that period in the case of Workmen Staff, as per the Officers' Conduct Discipline & Appeal Rules - 2005 in the case of Officers and as per Pension Regulations, 1993, in the case of Pensioners.

## **8. Preventive Vigilance**

The CIV shall take the following measures on preventive vigilance:

- 1) Undertake a study of existing procedure and practices prevailing in the bank with a view to modify those procedures or practices which provide a scope for corruption and also to find out the causes of delay, the points at which it occurs and devise suitable steps to minimize delays at different stages.
- 2) Undertake a review of the regulatory functions with a view to see whether all of them are strictly necessary and whether the manner of discharge of those functions and exercise of powers of control are capable of improvement.
- 3) Devise adequate methods of control over exercise of discretion so as to ensure that Discretionary Powers are not exercised arbitrarily but in a transparent and fair manner.
- 4) Monitoring the abuse of delegated powers.
- 5) Positions of all officials working as Dealers in Treasury, Forex or in Information Technology Department, at Administrative Offices handling credit and positions of Branch Head (irrespective of grade) and Regional Manager are considered as sensitive positions. It should be ensured that officers of doubtful integrity are not posted in these sensitive positions.
- 6) Identify areas in the organization which are prone to corruption and to ensure that officers of proven integrity only are posted in those areas.

- 7) Undertake awareness programs for operational staff / officer, including controllers, to sensitize them and make them aware of preventive vigilance measures.
- 8) Verification of staff / officer accounts during the course of internal Inspection.
- 9) Review of extant Systems and Procedures, Policies from time to time and suggest modifications as may be considered necessary.
- 10) Submission & Verification of assets & liability statements.

### **Indicative Preventive measures**

- (a) Periodic job rotation of staff / officer at the branch level. Similarly sensitive positions at various departments / offices like Dealer in Treasury, Forex, Information & Technology, etc. and at the administrative level will be identified for routine job rotation.
- (b) Staff / Officer, who is imposed with punishment for accepting illegal gratification, misuse of official position for any consideration, disproportionate assets, committed a fraud or colluded with other members of staff or outsiders for committing a fraud, involved in an act of sexual harassment, embezzlement of bank funds or customers funds, borrowings from customers, etc. are not to be given sensitive postings.
- (c) Normally the job rotation period at the branches will be once in 6 months and at administrative offices, once in a year.
- (d) Staff members (including Officers, Branch Heads and Officers at Administrative Office) should avail of mandatory Preventive Vigilance Leave consecutively at least for a minimum period in a year within their eligible leave period (as indicated below) with the approval of sanctioning authority. During the said leave period, another staff / officer should carry out the Work / Functions allocated to the staff / officer on leave.

<b>No.</b>	<b>Cadre</b>	<b>No. of Days</b>
1	Clerical / Subordinate Staff (at Branches and Offices)	5 days
2	Branch Heads at Branches (in all cadres)	6 days
3	Assistant Managers at Branches (in all cadres)	5 days
4	Officers at Controlling Offices (in all cadres)	5 days
5	Dealers in Treasury / Forex	14 days
6	Database Admin / Network Admin / System Admin at I T Dept./Person in charge and key holder of Currency Chest/ Officers validating risk rating at Region and H.O	10 days
7	Executives at Controlling Offices (including at HO)	3 days
8	Chief General Manager & General Managers	3 days
9	Managing Director & CEO	3 days

The period of absence for undergoing trainings / workshops or on other duty shall be taken into account for calculating mandatory Preventive Vigilance leave as above.

- (e) A thorough study will be conducted on the modus operandi of the Vigilance cases and appropriate steps will be taken to plug the loopholes, if any, in the existing system.
- (f) As and when a fraud case committed by a employee is reported, Criminal Complaint should be filed before the concerned Law Enforcement Authority in case of amounts exceeding Rs.10000/-. However, in cases of Cash Shortage, where the amount is fully recovered from the concerned employee and the staff accountability report does not bring out any mala fide intention, filing of Criminal Complaint against the concerned employee may be waived by the General Manager (HRD), by recording the specific reasons for not filing the criminal complaint.
- (g) Identifying the Sensitive and Corruption Prone Areas if any and have a regular watch over the same. Arranging for surprise Inspections / Checks at the Branches / Departments by Vigilance Department (need based). Surprise Preventive Vigilance visits to be conducted once in a year by the Vigilance Department officers / executives. As a part of Preventive Vigilance, CIV himself may visit a few larger branches.
- (h) Improving / implementing scientific Systems and Procedures and to reduce frauds through installation of CCTV cameras, providing UV lamps, introduction of effective offline surveillance system, etc.
- (i) Conducting periodical Training Program on Preventive Vigilance / Fraud Investigation at our Staff Training College and if necessary experts in the field from outside shall be invited to conduct specialized programs, for our Staff / Officers.
- (j) Imposing severe punishment on the staff members / officers involved in fraud, so as to deter others from similar conduct.
- (k) Asset liability statements should be obtained on annual basis from all the staff members. On scrutiny of the same by HRD Department, if any acquisition of assets and external borrowings of disproportionate value is observed, the same should be brought to the notice of the CIV for initiating appropriate action.
- (l) Based on the Vigilance Cases reported, a module detailing the lapses and the importance in adhering to the existing systems and procedures will be incorporated in all Training Programs conducted at our Staff Training College.

## **9. Action against persons making false complaint**

At any stage of investigation / disciplinary action if it is observed that the complaint made is malicious, fictitious or vexatious, it will be viewed seriously and appropriate action will be initiated against the person (complainant) with the consent of the MD & CEO. At the same time Staff / Officer (as a Whistle Blower) who disclose in good faith any unethical and improper practices or wrongful misconduct, will be protected under the “Protected Disclosure Scheme” of the Bank.

## **10. Reports and Reviews**

CIV should invariably review Vigilance related pending matters, such as investigation reports, disciplinary cases and other vigilance complaints / cases in the first week of every month and take necessary steps for expediting action on those matters.

The CIV would arrange quarterly meetings to be chaired by the MD & CEO for reviewing the vigilance work done by the organization. CIV would also furnish a report on vigilance activities in the Bank to the Board on a quarterly basis.

## **11. Vigilance Day**

31<sup>st</sup> October of every year will be marked as “Vigilance Day”, on which date all the staff members of the Bank will be required to take an oath to abide by the existing Systems and Procedures of the Bank. If 31<sup>st</sup> October happens to be a holiday, the next working day will be treated as Vigilance Day.

## **12. Validity and Review of the Policy**

The Vigilance Policy shall be in force for a period of one year from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021 and shall be reviewed for further period before 31<sup>st</sup> March 2021. This policy will be deemed to be in force until the finalization of above said review.

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