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F. No. 10/V-12/(B-33)/2019-VS.I |381
Government of India
Office of JS & CVO
Vigilance Unit, CPWD
Nirman Bhawan, New Delhi-110108
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Dated: 08.03.2021

To,

The ADG (Tech)
CPWD
Nirman Bhawan
New Delhi – 110 011.

Subject: Misappropriation of Government funds in Kolkata Central Division-II, Kolkata- **Systemic Improvement regarding.** (SI No. 3/2021)

The fraudulent payments in Nirman Lekha and PFMS to the tune of Rs. 4,22,09,864/- were made during 01.03.2016 to 25.06.2019 in Kolkata Central Division-II, CPWD. These fraudulent payments were made under 66 Nos. transactions where user IDs and Passwords of Executive Engineers, Assistant Engineers, Auditors, Cashiers, etc including digital signature key of Executive Engineers were misused by Assistant Accounts Officer.

2.   A "Committee of Experts" comprising DDG (e-Gov & B.D.), Director (Finance) and Director (NIC) was formed on 06.03.2020 by DG, CPWD in compliance of directions of MoHUA. The committee submitted its report on 28.05.2020. The committee has made several suggestions in the report for systemic improvement at Sl. No. "a" to "h" under Para "Suggestions for Systemic Improvements". The brief of the suggestions of the committee is as under:

a. For action by PFMS Team:
    i. Separate digital signature key for PD maker officer level instead of existing ID and Password system and to develop an additional security layer by biometric login by PD maker level and DDO admin level.
    ii. SMS and mail alert messages for DDO for each payment made at Division level.
    iii. Vendors mapping by SMS / OTP at the level of PD maker and DDO level.
    iv. Digital key user to change password every three months.
    v. Creation of unique ID / Account code for individual GPF account holder.
    vi. Generation of proformas related to monthly account (Form 79 & 51 and various dockets) in the PFMS system and mapping of GPF accounts of Work - Charged employees.
    vii. Upgradation of PFMS system to contain mapping of all prepayment procedures and post payment report generation system.
b. Development of accounting procedure checking mechanism.
c. System of sending notices to the contractor for pending payment in Part-II and Part-V.
d. Availability of advisories / circulars category & date wise in PFMS at suitable place and upgradation of CPW Accounts Code in view of PFMS.
e. Mandatory training in PFMS system for auditors, cashiers, Executive Engineer, etc.
f. Checking of posting of officials in Accounts Branch who has any vigilance / administrative case history.

g. Creation of a dedicated Zonal Audit Unit at each PAO level to monitor / audit various Divisions / Offices.

h. Need for process of auditing & redesigning of checking systems.

2.1 The "Committee of Experts" submitted its report to Dy. Director General (Pers), CPWD vide letter No. 92/DDG(eGov)/2020/191 dated 28.05.2020. The copy of the same was endorsed to ADG (Tech), CPWD also. The ADG (Tech) unit might have initiated action towards systemic improvements as suggested in the report.

3. In addition to above, the following systemic improvements are also suggested by Vigilance Unit for making the accounting and payment system more robust and avoid re-occurrence of such frauds:

I) Systemic improvement for Accounting System / PFMS

i. **Revision of CPW Accounts Code**:
CPW Accounts code should be revised and updated in line with present accounting system involving payment through PFMS.

ii. **Re-introduce Check of Cashier Before On-line Payment:**
In pre PFMS era, cashier was first making entry of passed bills in the cash books, assigning a voucher number to each of such bill and initiating payment by writing cheque. Thus, in this system a cheque could be written only for those bills that have been duly received in physical form by the cashier and also entered in Cash Book. In PFMS, payments are made on-line before entry of Vouchers in Cash Book. It is suggested that after passing of the Bill by CDDO(EE), the same should get passed on to the Cashier for making entry of Voucher in the Cash Book, recording the CP number generated online and return the same to EE by endorsing the number assigned to the particular Voucher in the Cash Book and also uploading this number online in PFMS.

iii. **Two-Factor Authentication for the Login in PFMS:**
By the version of EE, SE and CE, the user ID and password of AEs, Cashier and EEs including digital signature key was misused by Sh. Suranjan Modak, AAO. Some of them have also stated that fresh user ID and password were not obtained after joining the Division and old IDs / passwords continued to be used. In the office environment maintaining secrecy of passwords pose practical difficulties as people at times need to work on each other's computers. Besides, chances of hacking the system or spying through CCTV or due to auto fill-up options of ID and Password may also not be denied. Hence, in order to reduce the chances of compromising of passwords of PFMS users, due to any reason whatsoever, it is suggested to regulate login through OTP on registered mobile of user, besides password. It will also help in preventing the continued use of old IDs and Password of officials transferred from the Division by their successors. This will also instil a greater sense of ownership of passwords among the users which is presently missing in the system and improve compliance of instructions to maintain secrecy.

iv. **Mapping of User IDs with MAC Address:**
As users in the PFMS have flexibility to login in the PFMS through private networks / wi-fi / mobile network etc, the IP addresses are dynamic posing serious challenge in detection of the particular computer / device used to make transaction. Hence, it is suggested that User IDs of PFMS users should be

II) Systemic Improvement for CPWD:

i.   Training of Staff Working in PFMS:

All the staff involved in PFMS payment e.g. EE, AE, Cashier and Auditor should be imparted formal training in handling PFMS and issued a competency certificate with validity of 2-3 years before allowing them to obtain and or use their User IDs and Passwords for PFMS. EE (DDO) of the Division should ensure implementation of the same. For implementation of this, there should be an identified official in each Zone, to impart this training on one to one basis and authorised to issue such competence certificates.

ii.   Integration of "Nirman Info Jyoti" with PFMS:

In the present system of accounting, the payments are done through PFMS. Then these transactions, either through physical voucher or through reports of PFMS are recorded in cash book. The entries of cash book are then fed in "Nirman Info Jyoti" software to generate various forms of monthly account like Form 51, Form 79, Schedules of Dockets etc which means that the monthly account does not have any connection with PFMS. It is suggested that the cash book may be generated from PFMS and the data of PFMS may be directly fetched in "Nirman Info Jyoti" software

4.   Central Vigilance Commission has advised that systemic improvements mentioned in Para 2 and 3 above should be fixed not later than 31st December, 2020.

5.   It is therefore requested that the current status of implementation of suggestions of "Committee of Experts" for systemic improvement as stated in Para 2 above and the timeline for implementation of suggestions for systemic improvement as stated in Para 3 above may kindly be intimated to Vigilance unit by **12.03.2020** so that Central Vigilance Commission may be apprised in the matter accordingly.

This issues with the approval of DG, CPWD.

5/3/2021

(Surinder Kumar Kohli)
Executive Engineer(V)-12

issued
Ajit
08/03/2021