

Improving Transparency in File Notings while seeking Approval/Sanction from higher authorities

1.0 The Need for System Improvement :

The “filing system” or “filing procedure” prevalent in a government organization is very crucial to ensure transparency in decision making and preserve a verifiable audit trail for the process.

Within a “file”, the “Noting” section is of particular significance as it contains comments, observation and views of various officials representing a snapshot of the unfolding decision making process. Consequently notings within a “file” or on a “Note Sheet” are required to be recorded in a coherent, orderly and chronological manner. This is especially important when the end goal of a such notings is to obtain approval from a higher authority for sanctioning expenditure , granting license , awarding contracts or effecting modification etc.

Defective filing system and improper notings are not only a source of disputes but can lead to potential vigilance cases as the case study described below depicts. Realizing the significance of the above the following has been aptly observed by CVC:

“The filing system adopted in most or the organizations are not satisfactory. Even the files are not being paginated. The part files are opened as and when new action is initiated and these part files are not merged with the main file, which inter-alia results In break in continuity and arbitrariness In decision making. The decisions / deliberations of the individuals or the Tender Committees are not properly documented or recorded which dilutes the accountability of the officers and may result in the interested officers going scot free even if serious lapses are established against them.”

The present system improvement is aimed at improving the existing filing system and noting procedure in KoPT.

1.1 What is the present situation in KoPT ?

Following a major vigilance case that revolved around differing interpretations of “notings” made on a Note Sheet by higher authority and subordinate authorities, Vigilance studied the filing and noting system prevalent at KoPT. **The result of the study revealed the following :**

Files of even sensitive nature have been found to be maintained in loose condition without any pagination or improper pagination. Such situation makes the file prone to easy-tampering through simple replacement of

page(s). **This is exactly what happened in a Vigilance case wherein a financially-sensitive document was found to have been conveniently replaced with a fabricated one.**

- 1.1.1 A surprising lack of improper file maintenance emerged when one officer who had been newly inducted to KoPT revealed that an “official contract file” which he needed for him was handed over to him by the “contractor” himself.**
- 1.1.2** In many cases Proposal and Note sheets are being marked to higher authorities i.e Dy. Chairman & Chairman in a routine manner even though the action/approval proposed therein did not require such decision as per any laid down rules /regulations KoPT. As a result, sever congestion of such files/proposals occur at the higher level for decisions which could well have been taken at a lower level.
- 1.1.3 In some cases the note sheet does not mention what exactly is sought to be approved under which rule while in some cases the identity of the authority competent to approve is not indicated.**

1.2 Case Study:

A proposal was generated by one user department of KoPT for releasing payment worth of Rs. 42 lakhs to a private contractor. After the note passed through several officers, it came to the HoD of Finance Branch. He mentioned the following in the last paragraphs of his elaborate notings

“In view of the above .. payment amounting to Rs. 42,21,000/- plus service tax to the ... Contractor may be considered for approval please”.

He then marked the note sheet to the Coordinating Head who, in turn, made the following noting:

“Some deductions have already been made from M/s X for non-execution /poor execution of works supposed to have been done by them. The matter would be re-examined item-wise and deductions made on Action Taken report in this regard shall be placed for consideration of the appropriate authority after due examination..”

Having noted as above, he marked the note sheet to **Deputy Chairman, who simply appended his signature without making any comment or observation.**

This signature of the Deputy Chairman was considered as “approval” by the Coordinating Head and the said payment was released to the party.

Innocuous noting like the above may appear to be routine and commonplace in official discourse of Government Organizations. However, on closer scrutiny the following questions automatically manifest themselves to any prudent mind:

- What did the Deputy Chairman, through his act of only appending his signature, approve on the Note sheet ? Did he approve the noting of of Coordinating Head (which did not speak of release of any payment) or that of Finance Head (which was a proposal for release of payment) ?
- Who is the authority competent to approve either of these tow nothings and according to what rule/provision ?After all neither the Divisional Finance Head nor the Coordinating Head had mentioned the exact “authority” whose approval was required for whatever action was envisaged by them in their noting?

The questions mentioned above are neither trivial nor hypothetical as the events that unfolded afterwards indicate. **After passage of nearly one year, the same Dy. Chairman recalled the file and expressed his surprise as to how payment was made when he had not accorded approval for any payment.** According to him, his signature, appearing below the noting made by Co-Ordinating Head, was an endorsement for item-wise re-examination and placement of Action Taken Report etc. as suggested by the Co-Ordinating Head in the immediately preceding portion. The concerned officials also agreed to this view of Dy. Chairman and undertook recovery of paid amount from the firm .

Later these notings and their contested interpretation became the subject of a Vigilance case which saw recovery of nearly Rs.77/- lakh rupees and advice from CVC for penal action on several officers.

PROPOSED SYSTEM IMPROVEMENT

Notes/Proposals put up to any authority should clearly indicate its basic purpose i.e whether it is being put up for “**information**” or for seeking specific “**Approval/Sanction**”. This should preferably form a part of the “subject” of the Note itself.

1. **Note Sheet/Proposals should not be marked to higher authority(ies) in a perfunctory manner for “approval/sanction” unless such “approval/sanction” has been envisioned in any Delegation of Powers (DoP) / Internal Circular of KoPT or Order of Ministry / Act or Rule/ Directive of any Superior Authority /Regulatory or Statutory Authority applicable to the case.**

2. **If approval / sanction on any issue from any higher authority is being contemplated through a written Note Sheet / Proposal, then the following must be indicated therein, preferably in the last paragraph of the Note:**
 - a) **The specific portion(s) / paragraph(s) /content of the Note Sheet or Proposal which requires “approval /sanction”.**
 - b) **The designation of the exact Authority competent to sanction / approve the intended proposal and the specific provision of DoP / Circular/ Order /Directive/Act etc which mandate such approval. This should preferably be indicated at the last paragraph of the Note addressed to sanctioning/approving authority. Non-specific phrases like “Proposal is being put up for approval of appropriate authority/competent authority/authority as applicable” without revealing the exact identity of such authority should be strictly avoided.**
 - c) **If a Note sheet / Proposal comprises of a sequence of notings by multiple officers belonging to different level or department, then the officer of the Unit/Department making the last noting, immediately prior to Sanctioning Authority, must clearly indicate / mark / side-score what exactly is being sought to be approved by the approving authority. (If the approving authority also does not indicate the specific point(s) on which approval has been accorded by him/her and simply appends his /her signature at the end of the Note Sheet, then the approval process gets afflicted with ambiguity which leaves open the possibility of each noting-maker claiming endorsement of his / her view by the sanctioning authority.)**
3. Files of sensitive nature related to Tenders, Contracts, Payment , Appointment, Selection or Litigation should be strictly paginated to prevent possibility of tampering at later date.

NOTE : THE SUGGESTED SYSTEM IMPROVEMENT HAS BEEN ACCEPTED AND IMPLEMENTED THROUGH AN ADMINISTRATIVE ORDER.