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SOP for Adoption of Integrity Pact Amended: CVC

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Why in News

Recently, the **Central Vigilance Commission (CVC)** has amended the Standard Operating Procedure (SOP) on adoption of “**Integrity Pact**” in government organisations for procurement activities.

- The latest order revises the SOP issued in January 2017.
- The CVC also restricted the maximum tenure of **Integrity External Monitors (IEMs)** to three years in an organisation.

Integrity Pact

Integrity Pact is a **vigilance tool** that envisages an **agreement between the prospective vendors/bidders and the buyer**, committing both the parties **not to exercise any corrupt influence** on any aspect of the contract.

The pact also **ensures transparency, equity and competitiveness** in public procurement.

Integrity External Monitors

- The IEMs independently and objectively **review the documents to determine if the parties have complied with their obligations** under the pact.
- They may submit a report to the chief executive of the organisation concerned or directly to the **Chief Vigilance Officer (CVO)** and the **CVC**, if they find serious irregularities attracting the Prevention of Corruption Act, 1988 provisions.

Key Points

- **Choice of IEM:**
 - **Amended Provision:** It states that the **choice of IEM** should be restricted to officials from the government and Public Sector Undertakings (PSUs) who have retired from positions of the **level of Secretary** to the Central government or of equivalent pay scale.
 - The officials who retired as Chairman and Managing Directors (CMDs) of PSUs — Schedule 'A' companies and CMD/Managing Director and Chief Executive Officer levels in the Public Sector Banks (PSBs), insurance companies and financial institutions — should be at least of the level of **Additional Secretary** or its equivalent.
 - Officers of the Armed Forces who have retired from the **rank equivalent of General** may also be considered for appointment.
 - Preference would be given to persons who have worked in any other sector, other than their own, or have worked as Chief Vigilance Officer (CVO) in any organisation.
 - **Earlier Provision:** Under the 2017 order, the officials who had retired from positions of the **level of Additional Secretary** to the Central government and above, or equivalent pay scale, were eligible for the PSUs, board level officers in Schedule 'A' companies, PSBs, insurance companies and financial institutions.

Officers of the Armed Forces who had retired from the **rank equivalent to Lieutenant-General** and above were considered for appointment.
- **Appointment as IEM:**
 - **Amended Provision:** It states that for appointment as IEM, the Ministry, department or organisation concerned has to forward a panel of suitable persons to the CVC, of those persons who are in the panel maintained by the CVC.
 - **Earlier Provision:** Under the 2017 order, the panel could include those already in the panel maintained by the CVC, or they could propose names of other suitable persons.
- **Tenure:**
 - **Amended Provision:** It states that the IEM will be appointed for a **period of three years** in an organisation.
 - **Earlier Provision:** The 2017 order stated that the **initial tenure of IEM would be three years** which could be **extended for another term of two years** on a request received by the CVC from the organisation concerned.

Central Vigilance Commission

- CVC is the apex vigilance institution, **free of control from any executive authority, monitoring all vigilance activity under the Central Government** and advising various authorities in Central Government organizations in planning, executing, reviewing and reforming their vigilance work.

It is an **independent** body and is **only responsible to the Parliament.**

- It was set up by the Government in February, 1964 on the recommendations of the Committee on Prevention of Corruption, headed by **K. Santhanam.**
- The Parliament enacted **Central Vigilance Commission Act, 2003 (CVC Act)** conferring **statutory status** on the CVC.

Source: TH