

# VIGILANCE ALERT

No. : 11/2024

Date : 07.08.2024

## **Sub: Financial scrutiny/checking of Contractor's bills.**

During periodic inspection conducted by the Vigilance Department, it was observed that the scrutiny of contractual bills lacked thoroughness, resulting in lapses in the audit process.

The repeated raising of observations on the same bill, along with additional subsequent queries, indicates a lack of thorough scrutiny at initial level, leading to delays in settling contractual bills. A procedural lapse occurred when the user department submitted a contractor's bill to the finance department without deducting **liquidated damages for delayed work**. Furthermore, finance officials did not properly scrutinize the bill, resulting in an undue benefit to the contractor.

To address the aforementioned issues, the following measures are suggested:

1. Unit Finance should receive hard copies of contractual bills only after the user department has ensured proper paging of all documents.
2. The scrutiny of contractor's bills should be conducted in a single iteration, rather than requesting multiple clarifications and observations repeatedly. This will ensure that all issues are addressed in one go.
3. The scrutiny of bills should adhere to the guidelines stipulated in the Finance Manual and other relevant guidelines outlined in the applicable manuals of Coal India Limited.
4. A checklist for the scrutiny of similar contractor's bills should be prepared. This checklist will prevent irregularities and discrepancies in the scrutiny process, as well as prevent any omissions or oversights.

*Ch 7/8/24*  
(Pankaj Kumar, IRTS)  
Chief Vigilance Officer/CCL

### Copy To:

1. Chairman cum Managing Director/CCL – For Kind Information
2. Director (T/OP.)/(T/P&P)/(Fin.)/(Pers.) - For Kind Information and Further Necessary Action
3. All Area General Managers – for Necessary Action
4. All Concerned – for Necessary Action