

CHAPTER - 38
STAFF ACCOUNTABILITY

38.1 STAFF ACCOUNTABILITY POLICY

Circular No.: CDO/SA/2/2021 – 22 Dated: 30 Jul 2021

The salient features of the Staff Accountability Policy are as below:

- i. The Policy covers the procedures for examining the Staff Accountability in all the areas of banking viz. Credit Area, Non-credit Areas, Technology/ IT Related Matters, Digital Lending, Treasury Area, Fraud Cases & Complaints etc.
- ii. In respect of accounts subject to credit audit, if the audit observations are rectified and the report is treated as closed by Competent Authority, normally no lapses shall be attributed to the Disbursing/ Branch officials.
- iii. For the accounts eligible for stock audit, any aspect covered in the stock audit report and observations rectified and report closed by the Competent Authority, normally no lapses shall be attributed to the Branch officials with regard to inspection of stocks, calculation of DP for the relevant period.
- iv. For the branches subjected to concurrent audit, if the audit observations have been attended by the branch and accepted by the competent authority, normally no accountability shall lie on the part of branch officials for the areas covered under the scope of concurrent audit.
- v. If sanction is controlled by the Controller, the need to look into accountability angle up to that stage on the part of the sanctioning authority for lapses from policy angle will not be considered unless lapses of serious nature are observed.
- vi. For consortium advances, the appraisal, sanction, treatment of NPA etc. is left to the member Banks, so the staff accountability will be looked into like other loans.
- vii. If the cause of the NPA is by and large due to external factors, i.e. beyond the control of the Bank, it will generally not attract staff accountability.
- viii. In cases where adequate realizable securities are available and/or account closed/ upgraded, the procedural lapses should not be basis for proceeding against the employee concerned unless evidence of fraud/ malafide emerges.
- ix. In case of wilful default by the borrower or when it was not possible to notice the diversion of funds in routine business, no accountability shall generally be fixed. However, if the diversion of funds was apparent and the official concerned was grossly negligent, the official concerned should be held accountable.
- x. Staff accountability shall be examined whenever a loan account slips to NPA (Quick Mortality) category.
- xi. The authority for examining and closing the Staff Accountability will be determined on the basis of the last sanction/ renewal/ reviewing authority.
- xii. The Staff Accountability Exercise to be completed and the report to be obtained within 90 days of account slipped to NPA.

- xiii. Separate formats of Staff Accountability Reports (SARs) for outstanding below Rs. 10 lacs and for outstanding Rs. 10 lacs & above prescribed.
- xiv. In respect of NPA accounts with outstanding below Rs. 10 lacs as on NPA date, Staff Accountability need not be examined unless there is sufficient ground to believe the existence of malafide or gross negligence.
- xv. The empanelled retired DGMs/ GMs, with sufficient experience in high value credit may be used for Staff Accountability Examination (SAE) in high value advances i.e. outstanding above Rs. 50 crores. The services of empanelled retired officials will not be utilized for SAE in advances up to Rs. 50 crores.
- xvi. Staff Accountability need not be fixed in case of NPA accounts which got upgraded/ closed, without any sacrifice, within 90 days from date of NPA except cases of fraud, criminal offences, malafide etc.
- xvii. In case of officials exceeding their powers/ discretion in organizational interests and reporting such transactions for ratification, the Competent Authority to ensure such ratification within a period of one month (30 days), otherwise the transaction in question shall be deemed to have been ratified.
- xviii. All types of omission including avoidance of decision taking / delay in decision making/ Non-fulfilment/ non-achievement of expected business parameters and also avoiding bonafide business decisions without justifiable reasons, will come under the ambit of accountability for non-performance.
- xix. For all non-credit matters, respective Controller to order investigation, analyse the Investigation/ Staff Accountability Report and submit the same to the next higher authority for deciding on the Staff Accountability.
- xx. In cases of fraud, forgery, falsification of records, accommodation, suppression of material facts, bribery etc., by an employee acting independently or in connivance with an outsider, the accountability must be examined and fixed accordingly, without reference to the loss that may be suffered by the Bank.
- xxi. For the decision taken by the Credit Committees or any other committees duly constituted by the Competent Authority, generally the accountability shall not be fixed, except under the certain cases as per the policy.
- xxii. The auditors should not be held accountable for not pointing out the lapses during their inspection except the cases of intentional omissions/ malafide intentions.
- xxiii. For the Officer/ Award staff retiring within a year, the process of investigation/ examination/ fixing Staff Accountability must be completed at least 6 months before the retirement.
- xxiv. No disciplinary proceeding will ordinarily lie for any lapse not detected within two successive inspection of the same account or 4 (Four) years from the date of event or occurrence of the lapse, whichever is later except the cases of Frauds/ misrepresentation/ malafides/ other criminal offences.

38.2 STAFF ACCOUNTABILITY INFRINGEMENT/TRANSGRESSION IN CORE BANKING DATA AND OTHER INFORMATION TECHNOLOGY TOOLS & PACKAGES OF THE BANK UPDATION OF INSTRUCTION.

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