**Circular No.2017/04 13-01-2017.**

**To All our members:**

**STAFF ACCOUNTABILITY: INVESTIGATIONS**

We have sent a communication to the Management on the captioned subject. A copy of the same is enclosed for the information of members.

**(Deepak K. Sharma)**

General Secretary

2017/09/03 10-01-2017.

The Chief General Manager,

State Bank of India,

Chandigarh L.H.O.

Dear Sir,

**STAFF ACCOUNTABILITY: INVESTIGATIONS**

It has been observed that there is a sudden rise in explanations on the basis of examination of staff accountability. In some cases, without maintaining any confidentiality, the complete staff accountability report has been sent to all the officers without crystallizing their role and lapses attributable to them. We agree that the accountability goes hand in glove with the responsibility and the higher the responsibility the more the accountability. The examination of accountability on large scale has created a feeling among officers that there should be no room for error in one’s own work and any decision-making may bounce back with a tag of accountability, if the decision goes wrong and results in a financial loss to the bank. This fear of accountability is spreading vertically and laterally and is bound to affect business development in the Circle as it leads to indecisiveness. For the development of a financial organization, the examination of accountability should send the right signals to the employees and not vice versa.

Sir, the present state of affairs prevailing in the Circle due to increase in pressure, explanations and charge sheets is having a demotivating impact affecting business growth of the Bank. You have been making sincere efforts to correct the situation to motivate the rank and file and encouraged by your positive approach, we are submitting our suggestions/ observations/ feedback on the captioned subject for your kind consideration:

1. The Bank is a commercial organization and not a regulatory body. An advance can go bad due to a number of factors. External factors like change in Government policy, market conditions, economic situation in other countries with whom the business is carried out, inefficient management of borrowing concern, willful default by borrower etc., can be cause of an account becoming NPA. All these factors are beyond the control of the bank or its officials. While examining staff accountability, these factors are required to be commented upon with suggestions for remedial measures.
2. It has been observed that inconsequent procedural lapses are being highlighted in Inspection Reports and accountability fixed. In some cases RFIA auditors have made incorrect observations and inflated risk perception. The very exercise of staff accountability is to safeguard the larger interest of the Bank and to meet that, the first step should be taken to identify areas where rules and procedures are difficult to follow and necessary corrective steps by way of strengthening any knowledge gap or by way of augmenting the resources or any other action to create an environment which should be conducive for better observances of rules and procedures. In many cases, trapping of an officer has been noticed as primary objective of the accountability process overriding the need to take corrective steps.
3. Bank branches / offices and its business are subject to various audits throughout the year like Revenue Audit, Concurrent Audit, Annual Inspection, RBI Annual Inspection, RBI inspection for Government Business & Pension, Statutory Audit, System Audit (IT) and Senior Officials Visit etc. All activities as well as business parameters are monitored on daily real time basis by various authorities. There is enough accountability detection mechanism available from where accountability can be identified.

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1. There is acute staff shortage in all cadres and officers are finding it difficult to complete the desired jobs despite working hard day in and day out. While examining staff accountability, the factors like position of staff, leave, deputation etc. are required to be commented upon.
2. It has been observed many times that investigations have been conducted very casually without clarity of role. Many times, officer sent to investigate into the matter does not possess required knowledge and wide experience in that particular field. Due to lack of knowledge and rich experience in basic branch functioning, KYC norms, laid down instructions, inter-branch/bank settlements, credit, forex, technology etc; a report full of half-truths, assumptions and surmises is submitted. On perusing the report received, the higher officials make certain corrections in it, which alters the basic character of the original report.
3. Investigations/ Staff Accountability conducted by retired officers is detrimental to the interest of the organization in many ways and bound to create a lot of frustration and demotivation in the serving staff. Whenever a retired official is assigned to submit an investigation report on staff accountability, the very nomenclature suggests that he should find someone accountable as he has been given a special assignment and he needs to justify it. Some kind of bias and prejudices creep into the minds of these officers either involuntarily or due to the wrong inputs/feedback given by somebody which affect the objectivity and reliability of the report. On many occasion, the investigating officer is given an advance briefing by his higher officials resulting in indoctrination. It is a general notion in the mind of people that if the management want to help someone out, the contents of report are diluted and on the other hand, if the employees/officers concerned do not enjoy the goodwill and support of the superiors, their fate is sealed by making the language of the report very strong, duly pin pointing their omissions and commissions.

Sir, there is an urgent need to evolve a **structured questionnaire for the Investigating Officers to eliminate subjectivity, bias and prejudice.**

1. Examination of staff accountability in cases relating to retiring employees just before their retirement makes it difficult for them to retire peaceful. It has been observed that old cases are dug up after many years and disciplinary proceedings are initiated just before retirement putting a big question mark on their ability, sincerity and credibility after serving the Institution for many years with full devotion. Therefore, guidelines to be issued in this respect to ensure that old cases should not be revoked when there are six months left for retirement.

We request you to look into the above observations and feedback which are relevant and will definitely improve the dispensation of justice in the staff accountability area. We have immense confidence that given a fair treatment, the same set of officers who are responsible for taking our bank to greater heights shall deliver much better under your able leadership.

Thanking you,

Yours faithfully,

Sd/-

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**(Deepak K. Sharma)**

General Secretary

Copy to: The General Secretary, All India State Bank Officers’ Federation, St. Marks’ Road, Bangalore.

**(Deepak K. Sharma)**

General Secretary