

## Banks' internal audits flawed, encourage scams: CBI

Public sector undertakings, especially nationalised banks, often ignore financial crimes in their internal audits and sometimes even delay the prosecution of their accused employees, a senior Central Bureau of Investigation (CBI) official said here Thursday.

'This practice creates a conducive ground for financial scams,' CBI Superintendent of Police S.S. Gavai said at a conference of vigilance officers from various central government departments.

'Even when there are frauds to the tune to the millions of rupees, internal bank audit reports simply do not reflect these crimes, which in turn encourages such scams,' Gavai said.

'Banks only look at recovering the money loaned out and in the process, precious time is lost... In my 32 years of service in the CBI, I have not come across a single case where a bank's internal audit report points out such frauds in the records,' he added.

Gavai, who heads the anti-corruption unit of the CBI in Goa, also said very few central government institutions in Goa had full-fledged chief vigilance officers functioning.

With increasing development activities undertaken by public sector units in recent times, large-scale irregularities were creeping into the tendering process, which needed to be weeded out, he added.

'In an era of increasing levels of public awareness, vigilance and sting operations, transparency in functioning of PSUs is a must.'

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