

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF POSTS**

**LOK SABHA
UNSTARRED QUESTION NO. 6167
TO BE ANSWERED ON 01ST APRIL, 2026**

REVIEW OF INTERNAL CONTROLS IN POSB OPERATIONS

6167. SHRI E T MOHAMMED BASHEER:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the proposal to enter into a Memorandum of Understanding with the Reserve Bank of India for periodic review of internal controls in Post Office Saving Bank (POSB) operations has been finalised and if so, the details thereof;
- (b) whether the Enterprise Fraud Risk Management (EFRM) solution under IT 2.0 has been implemented and made fully functional, if so, the details thereof; and
- (c) the details of structural reforms have been undertaken to strengthen monitoring, reduce processing time in fraud detection and restore public confidence in postal banking operations?

ANSWER

**MINISTER OF STATE FOR COMMUNICATIONS AND RURAL DEVELOPMENT
(DR. PEMMASANI CHANDRA SEKHAR)**

- (a) The Department of Posts administers Post Office Savings Bank (POSB) based on rules and regulations formulated by Department of Economic Affairs from time to time. POSB does not fall under the supervision of Reserve Bank of India (RBI).
- (b) Enterprise Fraud Risk Management (EFRM) and other similar solutions are examined and implemented, as and when necessary, in consultation with technical experts which the Department engages from time to time.
- (c) The following structural reforms have been undertaken to strengthen monitoring and fraud detection in postal banking operations:
 - (i) A dedicated Fraud Risk Management Unit (FRMU) has been established to generate and centrally monitor alerts based on predefined risk scenarios and suspicious transaction patterns.
 - (ii) Post Offices have been categorised into A, B, and C types based on risk parameters such as transaction volume and operational vulnerability, enabling risk-based supervision.
 - (iii) Circle/Regional Checking Squads undertake targeted inspections of identified post offices based on risk categorisation and defined periodicity to ensure focused monitoring.
 - (iv) Inspection frameworks and questionnaires have been revised in line with the APT IT 2.0 framework to enhance the effectiveness and standardisation of checks.
 - (v) Fraud cases are systematically analyzed to identify modus operandi, and corrective as well as preventive measures are institutionalized for system and process improvements.
