

THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2014-2016)**

SEVENTY EIGHTH REPORT
(Presented on 16th December, 2014)



**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2014**

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On

**Paragraphs relating to Food, Civil Supplies and Consumer Affairs
Departments contained in the Reports of the Comptroller and
Auditor General of India for the years ended
31 March 2010 & 2011 (Civil)**

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INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report on its behalf, present the Seventy Eighth Report on paragraphs relating to Food, Civil Supplies and Consumer Affairs Departments contained in the Reports of the Comptroller and Auditor General of India for the years ended 31 March 2010 and 2011 (Civil).

The Reports of the Comptroller and Auditor General of India for the years ended 31 March, 2010 and 2011 (Civil) were laid on the Table of the House on 28-6-2011 and 22-3-2012 respectively.

The Report was considered and finalised by the Committee at the meeting held on 9th December, 2014.

The Committee place on record its appreciation of the assistance rendered to it by the Accountant General (Audit) in the examination of the Audit Report.

Thiruvananthapuram,
16th December, 2014.

DR. T. M. THOMAS ISAAC,
Chairman,
Committee on Public Accounts.

REPORT

FOOD, CIVIL SUPPLIES AND CONSUMER AFFAIRS DEPARTMENT

FOOD AND CIVIL SUPPLIES DEPARTMENT

AUDIT PARAGRAPH

Computerisation in Civil Supplies Department

Highlights

The Public Distribution System (PDS) came into existence in Kerala with effect from 1st July 1965. Kerala State Civil Supplies Department is vested with the role of market intervention through the effective maintenance of the PDS, enforcement of market discipline and promotion of consumer awareness and protection of their interest. Computerisation process started in the department in 1995-96 and succeeded in issue of computerised ration cards to nearly 69 lakh households in the State. A review on the performance of the computerisation project revealed effective utilisation of personnel in possession of technical know-how in the management of the system by making use of the potential of qualified people, wherever available. At the same time it also brought to light various shortfalls/deficiencies in organisational and management controls, in planning and design of the system, in exercise of internal controls, etc., obstructing its usefulness as a management information system.

Lack of proper IT planning and absence of IT Steering Committee led to casual and delayed implementation of the IT system in the organisation.

In the absence of User Requirement Specifications (URS) the extent to which the intended benefits of the computerisation were achieved, could not be assessed.

Improper designing of database led to development of a system which was deficient for online processing and real-time generation of reports.

The system is devoid of proper login information and vulnerable to miscreant user activities.

The principles of segregation of duties were violated as revealed from majority of records.

Overlooking of input controls caused a number of mistakes in crucial data captured and 14.46 percentage of duplication in house numbers, which is the unique data to ensure authenticity of ration cards.

Imperfect planning at design stage led to sparse user response causing waste of resources and annual financial loss of ₹ 17.20 lakh.

Introduction

The Civil Supplies Department, Government of Kerala is vested with the role of market intervention through the effective maintenance of the Public Distribution System (PDS), enforcement of market discipline and promotion of consumer awareness and protection of their interest. The PDS came into existence in the State with effect from 1st July 1965. The department also has to manage private agencies associated with the distribution process.

Organisational set-up

The Secretary to Government, Food, Civil Supplies and Consumer Affairs is at the apex level. The Commissioner of Civil Supplies is the Principal Head of the Department, assisted by the Director of Civil Supplies (DCS), who is entrusted with the day-to-day administration of the Department. The Secretary to Government holds additional charge of Commissioner of Civil Supplies at present. The Director is assisted by Controller of Rationing at the Directorate, Deputy Controllers of Rationing (DyCR) for two zones*, 14 District Supply Officers (DSOs) and 69 Taluk Supply Officers (TSOs)/City Rationing Officers (CROs).

Objectives of computerisation project

The main objectives of computerisation were:

- Implementation of ration management software in all locations viz. TSO/CRO, DSO and DCS.
- Designing, developing and deploying software packages for the administrative, financial and management functions of DCS in all TSO, DSO and at the Directorate.
- Establishment of a computer network covering the TSO and the DSO Offices and linking them to the Directorate and Secretariat.

* South Zone stationed at Kollam and North Zone at Kozhikode.

Introduction of Information System

The department had invested an amount of ₹ 36.38 lakh on procurement and installation of various IT assets during the period from 1995-96 to 1997-98. However, no software was developed* to make use of its IT assets. During 2001-02 NIC† started developing software titled 'TETRA PDS' (Targeted Efficient Transparent Rationing Allocation System for the Management of Public Distribution System) meant for the computerisation of the following five functional activities of the department:

- *Ration Card Management System (RCMS) Version 4.0:* A work flow based Ration Card Management System developed in vb.net technology in Client Server model.
- *Web based Allocation software:* A work flow based software for allotment of food grains to Authorised Wholesale Dealers (AWDs) and Authorised Retail Dealers (ARDs). Permit and License Management also form part of the software developed in vb.net technology.
- *Inspection monitoring software:* This application is meant for monitoring the daily inspections of retail depots carried-out by Rationing Inspectors.
- *Web based DCB software:* Meant for entering the TSO level demand, collection and balance details.
- *Web based Off-take software:* Meant for entering the TSO level weekly stock details of wholesale and retail dealers.

Status of Hardware and Software

The department is in possession of 75 servers (including six high end servers), 304 PCs, 97 Laser Jet Printers, 83 DMPs, 69 switches (eight port) and 69 UPS (3 KVA). The application server runs MS SQL Server database on MS Windows Server 2003 in the LANs at TSO/CROs. The department switched over (September 2010) to centralised database in web interface and started the services for online applications from the public for new/modified ration cards. The centralised database is maintained in Postgre SQL in addition to the decentralised database continued to be maintained at TSO/CROs in MS SQL Server. Data concurrency is envisaged to be ensured by periodic data transfer between the central server and field offices.

* Mention was made in paragraph 3.15.1 of Comptroller and Auditor General's Audit Report (Civil) for the year ended 31 March 1999 regarding unfruitful expenditure.

† National Informatics Centre (NIC) is a Science and Technology Institution of the Government of India, established in 1976, for providing e-Government/e-Governance Solutions in Government Sector.

Financial Status

Out of total amount of ₹ 6.5 crore sanctioned and allocated to the department during the period from 2000-01 to 2009-10, a sum of ₹ 1.4 crore only could be incurred for computerisation in the department and balance of ₹ 5.1 crore (₹ 4.56 crore in 2002-03) was surrendered during the period due to non-utilisation of the same.

Audit objectives

The objectives of the information system review were to assess the extent of achievement of the objectives of computerisation by ascertaining whether:

- Effective organisational and management controls were in place to ensure safeguarding the business assets;
- Adequate internal and system controls were in place to ensure the achievement of intended results;
- Adequate security measures and business continuity planning were in place;
- Basic attributes of data/information like confidentiality, integrity, availability, reliability, compliance, etc., are maintained; and
- The electronic system was successful in replacing the manual system.

Scope of audit

We evaluated the implementation of RCMS, Allocation, Inspection Monitoring, DCB and Off-take software packages. Since packages other than RCMS were not widely put to use, performance of RCMS package including the web based application was reviewed in detail. Management of IT assets, adequacy of human resources and internal control measures were evaluated in general.

Audit methodology

Audit was conducted during June-September 2010. An entry conference was held with the Secretary to Government, Food, Civil Supplies and Consumer Affairs on 24th June 2010. In addition to the Directorate at Thiruvananthapuram, audit team visited offices of two Deputy Controllers of Rationing*, four District Supply Offices† and 17 TSO/CROs‡ for verification of the working of the system and held interview, on the basis of questionnaire prepared for the purpose, with end-users to

* South Zone at Kollam and North Zone at Kozhikode.

† Emakulam, Kannur, Malappuram, and Thiruvananthapuram.

‡ Geographically stratified random samples were chosen in four districts of Emakulam, Kannur, Malappuram and Thiruvananthapuram.

assess the usefulness and user-friendliness of the software. During field visits, we also verified 30 basic records (application for ration cards) each in 17 offices with the data captured in the system. As separate databases were maintained for 69 TSO/CROs*, backup data in respect of three TSO/CROs† was analysed using CAATs‡. Although we obtained household data from the Corporation of Thiruvananthapuram, in view of the non-standardisation in house number data as referred to in paragraph 1.4.20.2, we could not compare the RCMS data with that of the Local Bodies to ascertain the authenticity of house numbers in the RCMS. The review was sent to the Government in October 2010 and discussed in the exit conference held in December 2010.

Audit Criteria

The Essential Commodities Act, 1955, Public Distribution System (Control) Order, 2001, Kerala Rationing Order, 1966, Kerala State Civil Supplies Department Manual, Vision Document, Project Proposal and Software Requirement Specification of the application packages were relied upon.

Acknowledgement

We would like to place on record our appreciation on the initiatives of the State Government in its efforts in bringing about the fruits of Information Technology in the day-to-day life of the common man in the form of ration cards. We noticed something praiseworthy in the department that it effectively utilised the services of personnel possessing technical knowledge in the field of IT and hardware, wherever available, in the management of the information system. We would also like to place on record our sincere thanks for the co-operation extended by the Government of Kerala, the Commissioner, Director, officers and staff, especially the heads of offices we visited.

* The department made available to us a merged database relating to 69 TSO/CROs in compressed format with a file size of 67.2 GB. We were informed that the original database on disk (in Postgre SQL) had a size of 308 GB.

† RO, Kochi, TSO, Neyyattinkara and Perinthalmanna.

‡ Computer Assisted Audit Techniques.

AUDIT FINDINGS

Management Direction and Planning

IT Planning

Information Technology planning provides a structured means of addressing the impact of technologies, including emerging technologies, on an organisation. We noticed that the whole computerisation process lacked focus in achieving resource optimization in the absence of IT planning, system development, installation of modules and ensuring continuance of operational staff.

IT Steering and Monitoring Committees

IT Steering Committee comprising of members from senior and middle management and all user departments within an organisation ensure achievement of business goals. However, we found that no IT Steering Committee was formed by the department. This has resulted in non-utilisation of various software packages. Our visits of 17 field offices revealed the following:

- Allocation software was put to use only in one office;
- DCB software was put to use only in three offices;
- Off-take software was put to use only in three offices; and
- Inspection monitoring was not put to use in any of the offices.

Although the primary objective was implementation of ration management software in all locations viz. TSO, DSO, DCS, we noticed that the Directorate and District Offices were wholly excluded. All these indicate that the department lacked focus in achieving the optimum results.

The Government stated (December 2010) that an IT Division has since been constituted for the successful implementation of the IT initiatives. However, we are of the view that Government should ensure inclusion of top management in these Committees.

STATUS OF DOCUMENTATION

User Requirement Specifications (URS) and System Requirement Specifications (SRS)

The properly documented User Requirement Specifications (URS) obtained from users and System Requirement Specifications (SRS) by the software development team ensures that the needs of the users of the system have been taken care of and the software developed meets business requirements. However, we noticed that User Requirement Specifications and User Manual were not prepared. Though System Requirement Specifications were prepared, the same were not formally accepted by the department. Also, there was no signing off of the project. In the absence of URS, we were not in a position to assess as to what extent the intended benefits of the proposed computerisation have been achieved.

Lack of documentation resulting in poor version control

Adequate documentation is vital to resume operations within a reasonable time in case of system failure. Exercising proper control over software versions require sufficient documentation, especially in decentralised data processing through separate LANs, to ensure uniformity of installation of applications across field offices.

In the absence of proper documentation and exercising of supervisory controls, the department could not ensure installation of patches* for modification of the system uniformly in all the offices. Our field visits of 17 offices revealed installation of patches as indicated below:

- one patch each in three offices;
- two patches each in two offices;
- three patches each in three offices;
- four patches each in two offices;
- In seven offices the system administrators could not state the exact number of patches.

The Government stated (December 2010) that actions would be initiated to ensure version control.

* A patch is a piece of software designed to fix problems with or update a computer program or its supporting data.

SYSTEM DEVELOPMENT AND DESIGN DEFICIENCIES

Improper designing of database

Adherence to data normalization principles ensures non-redundancy of data, faster storage, processing and retrieval, minimum time in data fetching and effective service to users. As storage of images requires multiple times of space than text and numbers, best IT practices demand that images are not made part of tables used for frequent data fetching. Instead these are to be stored in separate tables/database/servers with proper links to data fetching tables.

We noticed that images of above 68 lakh ration card holders were stored in the primary table of RCMS database hosted in the central server. In data analysis of three offices, we found the ratio between the size of images and data other than images as thirty six times.

As part of data analysis we tested the processing time of executing a query in the table with digital images followed by executing the same query after deleting the images from the table. Our test revealed that the latter execution of query was 19 times faster than the former.

Thus improper design resulted in unmanageable data size making it incapable for online processing. The improper planning at design stage forced the department to resort to periodic batch processing instead of online processing and continue to maintain separate mid-range servers in all the 69 field offices. The effective life of computer equipments being five years, as all these servers are four years old, they would be required to be replaced within one year. It would cause avoidable fixed and variable costs.

The Government stated (December 2010) that digital images would be de-linked from the main table and stored in a separate table.

Incapability of the system in generation of real time reports

Another impact of the deficiency referred to in previous paragraph is that it made the system incapable of generation of real time reports. Although there were 14 reports in RCMS, we noticed that none of these reports were real time reports.

All of these were offline reports generated on a previous occasion. The web page showed a window titled 'card abstract date help' containing two dates (26th August 2009 and 30th October 2009), on which the report was previously generated and stored in the server. When we tried to generate reports for dates other than these, we noticed popping up of error messages displaying "Card abstract details is not yet processed for this date." We also noticed an offline report on 'summary of ration cards in rural and urban areas-State level', which reflected zero values in all columns.

The Government stated (December 2010) that the modification to the data structure would solve the issue.

Lack of foresight adversely affecting user-friendliness

As the ration card is a document prepared in the vernaculars*, the main hurdle in equipping the employees to acquaint themselves with the system is text processing in the vernaculars. At present the user is required to be proficient in vernacular typing, even though they are not familiar with vernacular typing. Users, therefore, shy off from using the system.

Packages are available in the market for text processing in the Indian vernaculars following the principle of transliteration. Thus by keying in 'saritha' in English it would output the text in Malayalam as shown below:

സരിത

Such packages can be integrated with database application as done by Indian Railways in their ticket reservation system. The journey charts prepared in bilingual by the Railways are the results of transliteration process. Had there been proper planning at the design stage, the system could have been integrated with such packages and the user involvement could have been enhanced.

The Government stated (December 2010) that soft keyboard for typing in Malayalam would be provided in the decentralised servers to enhance user-friendliness.

* Malayalam being the official language of the State, the Ration Card is prepared in Malayalam except for border districts, where they are printed in bilingual (Malayalam & Tamil in Palakkad; Malayalam and Kannada in Kasaragod) for the benefit of Tamil and Kannada speaking people.

Absence of mandatory provisions

The primary requirement of a ration card is assigning any one of the family members as owner of the card, which is essential. There can be a ration card for a single person without any family members. On the contrary, no ration card should be generated without an owner. However, in the absence of mandatory provisions we noticed in TSO, Perinthalmanna that one out of 30 ration cards (Card No. 95591) was printed without assigning an owner (*udamasthan/ udamastha*) to it.

Similarly, it is mandatory that every member of the family should inevitably be related to the owner of the card. The master table on relationship contains 44 items. However, we noticed in CRO, Thiruvananthapuram North that one out of 30 ration cards (Card No. 39993) was printed without assigning any relationship to one of its members.

These indicate that mandatory provisions were not enabled in the system.

The Government stated (December 2010) that necessary modifications would be made in the software to rectify the error.

Deficiencies in software

The data entry form of RCMS package has three tabs (pages). Data was not captured in tab on 'bank loan details'. The tab on 'general card details' contains a column to enter the total income of the family while the other tab on 'family member details' has columns to enter income of individual family members. The proper design of the software should be permitting data entry only in columns for 'individual member income' and enabling the system to reckon the total income of the family.

Duplication of data entry would not only adversely affect user-friendliness of the package, but would also be prone to avoidable data entry mistakes. We noticed in 17896 out of ₹ 3.69 lakh records that the total income of family was less than the sum of individual income of family members.

The Government stated (December 2010) that steps would be initiated to confine data entry to individual member income and enable the system to reckon the family income.

Incorrect design of front-end tool

In the analysis of front-end tool we noticed that the name entered in the tab on 'general card details' was automatically displayed in the second on 'family member details'. When a piece of data is captured in the system and if it is required to be displayed elsewhere in the data input form, the practice to be followed is displaying the data in a text box* not enabled for editing lest it should be prone to mistakes and consequent data inconsistencies. However, we noticed that the text boxes were editable. Data analysis revealed that there were differences in 13 out of ₹ 3.69 lakh records in 'card master' and 'family master' tables.

The Government stated (December 2010) that the text boxes have been made 'read only'.

Absence of Management Information System reports

A Management Information System (MIS) is a process that provides information needed to manage organizations effectively and forms part of the overall internal control procedures in a business.

The department discharges the responsibilities of public distribution, enforcement of market discipline and promotion of consumer awareness and protection of their interest. It has two objectives—the first is to ensure availability of food grains to everyone and the second to ensure their availability at price affordable for even the poorest in the State. However, we noticed that no MIS reports were made available to the top level management on allocation and distribution of food grains to authorised wholesale/retail dealers and ration depots.

The Government stated (December 2010) that action would be initiated for generation of the reports.

Imperfect designing of master table

Accuracy of data on Master and Standing files is of vital importance. Data stored in master and standing data files is critical to the processing and reporting of financial and operational data. We noticed that the master table on relationship did not contain feminine gender term in Malayalam for 'owner (*udamastha*)'. Similarly, master table on profession did not contain feminine term for 'student (*vidyarthini*)'. In their absence, cards owned by women were printed with *udamasthan* and girl/woman student with *vidyarthi*.

* A 'text box' is a common element of Graphical User Interface (GUI) of computer programs. Its purpose is to allow the user to input text information to be used by the program.

The Government stated (December 2010) that modifications would be incorporated in the package.

IT assets

Safeguarding of hardware and software is critical to business continuity. Assets of business are required to be watched through asset registers. However, we noticed in 2 offices that hardware items like server (1), computers (4), printers (2), UPS (1), etc. were not entered in the asset register maintained.

The Government stated (December 2010) that directions would be issued to ensure that all hardware assets are taken into stock.

Malfunctioning of computers and printers

Effective functioning of hardware is an essential requirement for ensuring availability of data, one of the basic characteristics of data. We noticed the average downtime in respect of computers and printers to be 33 and 7 days respectively during the first 9 months of the AMC period in 17 offices. While in 3 cases the period of malfunctioning exceeded 150 days in respect of computers, in 2 cases printers were down exceeding 30 days owing to flaws in terms of Annual Maintenance Contract (AMC), as pointed out in the succeeding paragraphs.

The Government stated (December 2010) that action would be initiated to prevent recurrence of hardware malfunctioning.

Lack of control over AMC provider

According to the terms of AMC, in respect of computers and printers, entered into with M/s ACS Technologies, the maximum permissible downtime would be 48 hours. The preventive maintenance was to be done once in three months. However, we noticed that fault log register of hardware was not maintained to watch the duration of downtime. No registers were maintained to monitor the preventive maintenance as well.

We also noticed the following deficiencies in the service level agreement executed with the vendor:

- There was no clause relating to levy of penalty in the event of failure in timely providing of services.

- Decision whether a malfunctioning was the cause of mishandling or not was left solely to the report of the service engineer of the vendor without any say by the department or any third party opinion, like from any other Government departments/agencies. The vendor's decision was final and binding on the department.

The Government stated (December 2010) that penalty clauses would be incorporated in the agreement.

Malfunctioning resulting from flaws in terms of AMC

From the field visits of 17 offices we noticed the flaws in terms of AMC resulting in the following:

- The average time taken to complete a fault call was 8 days. The delay was found to be more than 14 days in 5 offices.
- The failure of AMC provider to attend to fault calls compelled 3 offices to take computers and printers on hire from other local vendors.
- 2 offices used to get the hardware items repaired by other vendors.
- Preventive maintenance of computers and printers was not done in any of the offices.

In the absence of preventive maintenance, we noticed dust accumulation in servers in 8 offices, adversely affecting their performance and life expectancy. The scenes in Figure 1 depict dust accumulation on the servers.

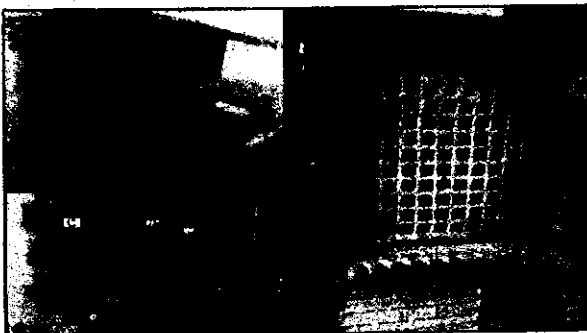


Figure 1

The Government stated (December 2010) that preventive maintenance of the hardware would be ensured.

GENERAL CONTROLS

Organisational and Management Controls

Organisational and management controls are the high level controls adopted by management to ensure that the computer systems function correctly and that they are satisfying business objectives. We noticed that the controls put in place were not sufficient to ensure that the IT activities are adequately controlled.

Absence of change control management

Change control management reduces the possibility that unnecessary changes will be introduced to a system without foresight, introducing faults into the system or undoing changes made by other users of software. We noticed that no change control procedure was followed in the department. Changes to the source code were not documented and got approved at senior management level. Patches were seen installed on need-basis without proper documentation.

A reference was made in paragraph 1.4.12.2 on the differences we found in patches installed in various offices.

Absence of continuity of operational staff

SUPPLYCO*, a fully owned Government company, is managed by the employees of the department on deputation. The entire staff of the Civil Supplies Department is deputed to SUPPLYCO on periodic rotations of five years with the effect that no employee has continuous service in the department for over a period of two years.

The department did not ensure a specific team of employees adequately trained in the system with a continuous service of minimum of five years required for continuity of the project. Without prejudice to the fact of employees' reluctance caused by lack of user-friendliness of the application software referred to in the paragraph 1.4.13.3, it is worth mentioning that though the computerisation process started in the 1990s, the department has not initiated steps to recruit personnel with IT exposure and text processing skill in the vernaculars.

The Government stated (December 2010) that continuance of computer operating staff for a minimum period of five years would be ensured.

* The Kerala State Civil Supplies Corporation, better known as SUPPLYCO, incorporated in 1974 as a fully owned State Government company to meet the limited objectives of regulating the market price of essential commodities at reasonable prices.

Neglect of internal audit

Internal audit is a tool, by which an organisation can ensure safeguarding assets and compliance with laws and regulations. The departmental manual stipulates conducting of internal audits twice a year. However, we noticed that in 13 out of 17 offices the frequency of internal audits were more than 12 months. The interval between two internal audits extended up to 40 months.

The Government stated (December 2010) that steps would be initiated for conducting the internal audits regularly.

Absence of audit module

An audit module is a program, forming part of software development, for equipping the management to exercise effective system controls. The module contains standard and customized generation of reports in graphical user interfaces for easiness in utilisation. But we noticed that the systems did not incorporate any audit module. We also noticed that the internal audit teams were not auditing electronic resources and system controls as they were not trained in the information system.

The Government stated (December 2010) that steps would be initiated for preparation of audit module.

Human Resource Management—Lack of Training

Human Resource Management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets—the people working there who individually and collectively contribute to the achievement of the objectives of the business.

Although computerisation process started in 1995-96, the employees were not trained adequately in the operation of software. In 17 offices visited, we noticed that employees trained in the software package were less than three percentage. The absence of training had the following impact:

- The department had to depend on outsourced personnel for data entry, verification and even for approval of the card in the computerised system.
- Internal controls like logical access controls and segregation of duties could not be put in place.

- Data entry mistakes could be detected only after taking the printouts causing wastage of resources and financial loss as referred to in subsequent paragraph 1.4.20.4.

The Government stated (December 2010) that action would be initiated to impart adequate training.

PHYSICAL AND ENVIRONMENTAL CONTROLS

Ineffective physical access control

During field visits, we noticed the following lapses in physical access control:

- The public were permitted entry into server rooms for capturing their digital images in 11 offices.
- While security guarding at night and on holidays was available in the case of office buildings located in Government office complexes, there was no guarding in 9 offices functioning in rented buildings.
- One building was in dilapidated condition.

Ineffective dust and moisture control

During field visits, we noticed the following lapses in dust and moisture control:

- Dust accumulation in the server machines was noticed in 8 offices as referred to in paragraph 1.4.14.3
- Water was seeping through roof/walls in 3 offices. In CRO, Ernakulam seepage was to such an extent that waterlogging occurred to a height of 2 cm. during rainy season.

Lack of ensuring Uninterruptible Power Supply (UPS)

Efficient performance and better life expectancy of electronic equipments require uninterruptible power supply. We noticed that in 4 offices UPSs were not backed with working battery, thereby adversely affecting the performance of hardware and operating system. In 8 offices, the battery backup was below 30 minutes compelling them to remain idle in case of prolonged power failure.

SECURITY POLICY

Lack of information security policy

Confidentiality, integrity and availability are to be the core principles of information security. We observed the following lapses in this regard:

- The department did not have an IT Security Officer and any team assigned with the responsibility of IT services/support.
- Best practices in IT, like IS Security requirements were not made available to users.
- No mechanism was seen for recording and reporting security incidents.

LOGICAL ACCESS CONTROLS

Absence of password policy

The importance of password policy is to minimise the risk of unauthorized access and modification of data. We observed the following shortcomings arising from absence of password policy:

- Though complex passwords are enabled and passwords encrypted in the case of users of centralized database, simple passwords are enabled and stored without encryption in servers in field offices. Periodic changes of passwords were not ensured.
- No instructions were issued on password policy specifying the structure and length of password, changing of passwords, secrecy to be maintained, etc.
- The length of password was noticed to be as short as three characters. Users were not forced to change the initial passwords set by administrator.

The Government stated (December 2010) that steps would be initiated to formulate password policy and its adherence ensured.

Sharing of login—ids and passwords

Logical access control is exercised through individual login—identifiers and passwords for authentication of users. User identification ensures accountability for user activities so that it acts as a deterrent force in any malevolent user activities.

In 11 out of 17 offices visited, we observed that less than three user-ids were allotted against average staff strength of 11. It compelled users to share user-ids and passwords among them defeating the purpose of exercising logical access controls.

The Government stated (December 2010) that sufficient loginids would be made available.

Failure in deactivating user-ids of retired/transferred employees

Best IT practices demand that in the case of retirement or transfer of employees, the system administrator should immediately deactivate user accounts to prevent unauthorised access to the system. However, we noticed that employees performing the role of system administrators were not provided with the rights for deactivating user accounts. Hence in none of the 17 offices visited, user accounts relating to old staff members were deactivated. In Taluk Supply Offices, Kannur, Thalassery and Tirurangadi there were more than 30 user-ids relating to old staff members.

As a result, the system is devoid of correct login information as to who entered a particular piece of data. This lapse would stand in the way for prevention against miscreant user activities.

The Government stated (December 2010) that deactivation of user-ids would be entrusted to local system administrators.

Inadequate Segregation of Duties

Segregation of duties ensure that the data stored is authenticated at various levels of supervisory officers. Inadequacies in this would increase the risk of errors being made and remaining undetected, fraud and the adoption of inappropriate working practices.

The system provided a workflow automation involving data entry operator, verification at supervisory level and final approval by the head of office. During field visits we noticed that in none of the offices the head of office was approving the data (ration card) through the computerised system. Instead the approval was given by affixing signature on the printout of ration cards. In 11 out of 17 offices the data entry, verification and approval were done in the system by a single user and that too by an outsourced person. Data analysis revealed that in majority of the records, data entry, verification and approval were done by data entry operator, defeating the very purpose of segregation of duties.

Ineffective virus control

Antivirus software is used to prevent, detect, and remove malware* including computer viruses†, worms‡ and trojan horses§. Installation of antivirus packages helps in reducing threat to data caused by virus attacks. We noticed the following lapses in this regard:

- Only in three offices licensed versions of antivirus packages were installed
- Freeware packages were being used in 14 offices
- None of the offices were updating virus definition files
- Systems were seen infected with virus in 12 offices
- In 4 offices virus infection caused non-performance of the system for over a week.

The Government stated (December 2010) that steps would be initiated for sending virus definition files to field offices periodically.

APPLICATION CONTROLS

Input Controls

Organisations employ procedures and controls to ensure that all transactions are authorised before being entered into the computer system so that the data input are complete, accurate and valid.

Lack of authorisation of inputs

Accuracy of data captured in the system is generally ensured by three level controls. First of all input data are to be verified and approved at supervisory level before they are entered into the system. Secondly, the accuracy can be controlled by system level validity checks during data entry by incorporating proper validation rules during design of the system. Finally, the data entered in the system can be authorised by approval at supervisory level before they are moved for further processing or generation of reports—printing of ration cards in the instant case.

* Malware, short for malicious software, is software designed to secretly access a computer system without the owner's informed consent.

† A computer virus is a computer program that can copy itself and infect a computer.

‡ A computer worm is a self-replicating malware computer program. It uses a computer network to send copies of itself to other nodes (computers on the network) and it may do so without any user intervention.

§ A Trojan horse is malware that appears to perform a desirable function for the user prior to run or install but instead facilitates unauthorized access of the user's computer system.

We noticed that all the three controls were overlooked as revealed from verification of 510 basic records (application for ration cards) in 17 offices with the data captured in the system as indicated below:

- There were large number of records with mistakes in vital data capture (21 mistakes in house number, 10 in relationship, 117 in names and initials, 15 in income and 22 relating to age).
- There were 13 mistakes relating to cooking gas connection, four mistakes in electrification and one mistake each relating to incometax payee status and kerosene permit.
- While three genuine members were excluded in a card, one ineligible member was included in another card.

While the above mistakes were examples of disregard of first and third controls stated above, the following mistakes, found in data analysis of 3.69 lakh records, could have been avoided, if system validity checks were in place:

- 1815 records contained incometax Permanent Account Number (PAN) without the requisite 10 alphanumeric characters.
- 1695 records showed as incometax payees, while their annual income was shown less than ₹ 1 lakh*.
- 530 records showed monthly income exceeding ₹ 25,000, where PAN were not captured.
- 3142 records showed monthly income exceeding ₹ 609[†], but their status was shown as Below Poverty Line (BPL).

Data analysis also found that 2445 ration cards were issued without being verified. A reference was made in paragraph 1.4.18 on overlooking of these controls caused by entry, verification and approval of data by the data entry operator.

Non-standardisation in input causing duplicate in house numbers

Standardisation of input data is the basic requirement for further processing of data and accuracy in report generation. The most vital data to ensure uniqueness of data in the RCMS is the house number. While the Local Bodies, the authority for allotting house number, has three columns (ward No., door No., and sub No.), the

* Up to the financial year 2005-06 individuals were exempted from Income tax payment up to ₹ 1 lakh.

† According to Planning Commission, the average monthly income for poverty line was ₹ 287.85 during 1993-94 and ₹ 561.01 in 2004-05 with an annual increase of 8.63 per cent. Applying the same ratio, the average monthly income for poverty line in 2009-10 would work out to ₹ 609.

house number was split only into two columns (wards and house No.) without a column for sub number of houses in the system. This deficiency stood in the way of authenticating RCMS data by the department with that of the Local Bodies.

Data analysis also revealed that the data was not standardised. Numerals contained both Arabic and Roman numbers, separator used for subdivision of a house number varied, like '-', ' ', ' ', '/', etc. Ward numbers contained more than two digits, although no Local Bodies in Kerala has more than 99* wards. We noticed 708 out of 3.69 lakh records contained more than two digits in ward number. The deficiency obstructed us in cross-checking for detecting unauthenticated data. Notwithstanding the above, we noticed 14.46 percentage of duplication in house number field.

Had there been proper utilisation of system validation checks and input masks†, these mistakes could have been prevented.

The Government stated (December 2010) that the house number data would be split into three levels so as to restrict the possibility of duplications.

Non-capture of vital master data

Only 14.09 percentage of records was valid in the name field in the master table 'ARD'. While the name field was filled with '-' in 52.86 percentage of records, other records contained numerals, name of places and junk characters. It would incapacitate the system to generate any valid reports from this data.

Failure in validation of records leading to mistakes and consequent financial loss

Owing to employees' reluctance in using the system and the discontinuity of staff as pointed out in paragraphs 1.4.13.3 and 1.4.15.3, the computerisation process had initially outsourced to Keltron‡ which sublet data entry works to Kudumbashree§ units. Finding the percentage of data entry mistakes exceeding permissible limits, the department outsourced the work to C-DIT¶ at the time of installation of RCMS version 4.0. The agreement with C-DIT stipulated that they should be paid ₹ 13.85 per card. However, the onus of verification, approval and issue of card was to be ensured by the department.

* Though according to the latest reorganisation of Wards, the Corporation of Thiruvananthapuram has 100 Wards, house numbers have not been revised accordingly.

† An input mask refers to a string expression, defined by a developer, which governs what a user is allowed to enter in as input in a text box.

‡ Keltron, Kerala State Electronics Development Corporation Limited, is a public sector electronics company.

§ Kudumbashree unit is women oriented, community based, self help group project forming part of the State Poverty Eradication Mission of Government of Kerala launched in 1998.

¶ Centre for Development of Imaging Technology (C-DIT) established in 1988 by Government of Kerala with a vision to ensure advancement of research, development and training in imaging technology.

We noticed that the verification and approval of ration cards, before being printed, were not done by the department as pointed out in paragraph 1.4.18, which resulted in printing of cards with mistakes. We also noticed reprinting of cards at a monthly average of 150 per office. The annual cost of avoidable wastage of resources on account of this would work out to ₹ 17.20 lakh.

The Government stated (December 2010) that instructions have since been issued to field offices for validation of data.

Ineffective monitoring of data transfer

A reference was made in paragraph 1.4.13.1 on the inability of the department in proceeding with online processing. The batch processing required every field office to connect to the central server for updation of the LANs by data transfer. The interval for data transfer was stipulated to be every three hours. However, we noticed delay in data transfer in 36 out of 69 offices as indicated below:

- 10 days or more in 8 offices
- 4 to 9 days in 13 offices
- 1 to 3 days in 15 offices

The delay could have been avoided, if the data transfer was automated by scheduling a procedure.

The Government stated (December 2010) that the data transfer would be automated by scheduling.

Business continuity and disaster recovery planning

Business Continuity Planning (BCP) is working out how to stay in business in the event of disaster.

Ineffective environmental control on prevention of fire

The objective of environmental controls is to prevent computer equipments and the information from environmental damage, caused by disasters like fire, flood, theft, etc. During field visit of 17 offices, we noticed the following lapses in prevention of fire:

- Fire/smoke detection devices were not installed in 16 offices. In TSO, Thalassery, where the devices were installed, we observed that employees were not trained for handling emergency situations. They were also not certain whether the apparatus was in working condition.

- Fire extinguishers were available only in 9 offices
- Rags and waste papers were seen heaped up in server rooms in 5 offices
- Garbage was seen dumped on battery sets in 2 offices.

The scenes in Figure 2 depict the condition of UPS rooms vulnerable to fire caused by heat emission from UPS and battery.



Figure 2

Insufficient data backup

Backup (making copies of data) is useful in restoring to a state following a disaster and also to restore files after they have been accidentally deleted or corrupted. Though the department had directed to take daily backups, no procedures were prescribed. Backup registers were not maintained in any of the offices enabling head of offices to ensure taking of backups. In its absence, we noticed that backups were taken only twice/thrice a week in three offices, weekly in five offices and fortnightly in four offices.

The Government stated (December 2010) that instructions have since been issued to ensure daily backup.

Absence of external data backup

We noticed the data size in every office as more than one GB. However, DVD writers* were installed only after January 2010. In two offices it was installed in August, four offices in July and five offices in June 2010. In TSO, Kunnathunad it was not installed (August 2010). While in CRO, Thiruvananthapuram North and TSO, Tirur backups were seen taken in pen drive†, backups were not taken in DVD in any of the offices.

Though the data stored in central server is adequately backed up, the data stored in LANs in TSO/CROs cannot be overlooked especially in view of the fact that the department still relies on decentralised servers as pointed out in paragraph 1.4.13.1. The threat of data loss attracts attention in view of the delay in uploading of data to central server as pointed out in paragraph 1.4.20.5.

The Government stated (December 2010) that instructions have since been issued to ensure external backup in DVD media.

Conclusion

Though computerisation project started in 1995-96 and succeeded in issue of computerised ration cards to nearly 69 lakh households (May 2010) incurring an expenditure of above ₹ 1.4 crore, the department has not made a break through in achievement of the objectives of computerisation. In the absence of equipping department's human resource with the essentials of maintaining an information system and ensuring their continued service, the department could not exercise managerial controls and had to unduly depend on outsourced personnel with the consequences of unrestricted avoidable mistakes. Ineffective organisational and management controls, inadequate planning and designing of the system, improper exercise of internal controls, etc., stood in the way of its usefulness as a management information system.

* DVD, also known as Digital Video Disc or Digital Versatile Disc, is an optical disc storage media format capable of storing data size of 1 GB or more. Compact Disc can store data size of 700 MB or below. DVD writer/drive is a computer accessory for copying data to DVD.

† Pen drive is a Universal Serial Bus (USB) flash drive consisting of a flash memory removable data storage device commonly used for easiness in data portability.

Recommendations

- The information system should urgently be redesigned to meet the basic user requirements and data normalisation principles.
- Authorisation and validation of data should be given utmost priority. Completeness and correctness of data should be certified at appropriate levels.
- Information system security and password policies should be formulated and their compliance ensured.
- Immediate steps should be initiated to separate digital images from the primary tables, used for querying, with proper linking.
- Steps should be initiated to equip the system for online processing instead of presently followed batch processing through data porting from central server to individual servers and vice versa.
- Adequate training should be imparted to all levels of staff and their continued service should be ensured for the smooth continuity of the project.
- Management Information System (MIS) reports should be generated on the basis of real-time queries. Further, MIS reports on the entire management of public distribution system, like total allocation, lifting, balance, distribution to ration depots, excess, shortage, etc., should be made available to top/middle management.
- Penalty for failure/delay in providing services should be included in AMC conditions.
- A suitable Business Continuity/Disaster management Plan should be formulated and implemented.

[Audit Paragraph 1.4 contained in the Report of the Comptroller and Auditor General of India for the Financial year ended 31 March 2010 (Civil).]

Notes furnished by Government on the above audit paragraph is included as Appendix II.

The Committee enquired the present position of computerisation in Civil Supplies Department. The Commissioner, Civil Supplies Department replied that based on an end to end computerisation project formulated by the Union Government three level Committees viz., a State level apex committee chaired by Chief Secretary, State Project e-Mission Team (SePMT) chaired by Secretary, Food and Civil Supplies Department and a technical committee in Directorate level chaired by Director and Commissioner, Civil Supplies Department were constituted. Detailed Project Report (DPR) has been under the consideration of the cabinet. Regarding a query of the Committee, the Commissioner, Civil Supplies Department replied that a proposal for creation of post for setting-up a competent I.T. division from commissionerate to Taluk level has also been submitted.

2. To another query, the Commissioner, Civil Supplies Department informed that as a first phase training imparted to technical co-ordinators appointed from existing staff and they were posted for 30 months exempting from deputation. He added that Ration Card Management System (RCMS) was started in 2001 with servers at Taluk level and with no connectivity. It was proposed to revise the entire system by migrating to Central Server based with connectivity and Taluk Level access. Regarding Authorised Retail Dealer (ARD) automation the Commissioner, Civil Supplies Department informed that computerisation was not completed and as a pre-pilot project, machines were installed in six ARD in Thiruvananthapuram Taluk. He submitted that smart card based technology had been adopted in other states whereas in our state AADHAR based system was decided to be implemented. By this method, the data could be validated through the central server of AADHAR. But the software for the transaction had not been developed. The main issue faced during the pre-pilot stage was the delay in time to validate the smart card. The application server of the Department have to communicate with the AADHAR user agency to validate from the central server of AADHAR and this process is time consuming.

3. To a query, the Commissioner, Civil Supplies Department informed that at least 6 months would be needed for completing the pilot project in which a fully web based transaction was envisaged and 18-24 months would be needed for implementing the same in the ARD. After validating the biometric data the machine would accept order and capture the weight of provisions and

automatically generate the bill. Simultaneously the details of the retail sale would be updated to the central server. Through the implementation of this system the sale particulars of each and every ARD could be updated automatically and diversion, leakage etc. of stock could be avoided. He continued that at present the distribution of food grains was done by the wholesale/retail dealers but as per the National Food Security Act, door to door delivery of food grains would become the responsibility of Government. If such a system is adopted, it might burden the Exchequer to the extend of ₹ 250 crore annually. The prevailing public distribution system in our state is well organised and if we plan to switch over to another system, it should be a better one.

4. To the query regarding door to door delivery system, the Commissioner, Civil Supplies Department replied that in Chattisgarh where no ration system was existed, such a system was established successfully. There the ration system was implemented in such a way that it is basically addressed solely by the Government Department and the State Warehousing Corporation which has huge intermediary storage space which can store their requirement of PDS up to 14 months. When enquired about the management of the PDS in Chattisgarh the Commissioner, Civil Supplies Department submitted that there the ration stores were run by Self Help Groups. Since computerisation was effectively carried out, the concept of portability could be adopted there. About 250 stores in the municipality of Raipur, Durg etc. portability was facilitated, so that one card holder could purchase from any ration shop of their convenience.

5. Regarding the query of utilization of fund, the Commissioner, Civil Supplies Department replied that ration card was completely digitalized in 2001 and Kerala is the only State where Right to Services Act was effectively implemented.

6. To a query of the Committee the Commissioner, Civil Supplies Department submitted that at present data was managed by a decentralized server with broadband connectivity and to avoid duplication all datas were uploaded to the Central Server. When the Committee enquired about the obstacle for creating Wide Area Network (WAN), the Commissioner, Civil Supplies Department replied that the extension of KSWAN to all the Taluk Supply Offices would solve the

problem and the database relies upon Postgre SQL, an open source database, computerisation would make ration distribution efficient, transparent and accountable with least inconvenience to the ration card holders.

7. The Committee commented that computerization has positive impact on effective distribution of food grains and curb corruption, to a great extent but expressed its anguish over the slow pace of computerization. It decided to recommend that to achieve intended objectives everything should be brought into one platform with Wide Area Network and a centralized server.

8. Regarding the audit paragraph, 'Lack of documentation resulting in poor version control', the Committee was informed that all the defects pointed out by Audit were rectified and accordingly Detailed Project Report (DPR) for the project has been submitted for cabinet approval.

9. Regarding the audit objection, 'System development and design deficiency', the Commissioner, Civil Supplies Department submitted that the Wide Area Network in the Taluk Supply Offices had neither standard protocol for password policies nor statewide AMC and measures were being taken to ensure committed warranty and AMC after upgrading the hardware completely.

10. The Committee suggested the department to develop a robust database with proper firewalls for security and to ensure a centralised database to avoid duplication and other pilferages. It evaluated that SQL would not be dependable for a database having this much users and remarked to check the feasibility of switching over from SQL to Oracle. The Commissioner, Civil Supplies Department deposed that the centralized database would be acceptable. He continued that the department was in discussion with NIC, which was basically the system integrator for the whole project and also decided to use postgre SQL for database administration. Cloud computing is the preferred mode for data storage. In this regard, an official from the office of Accountant General invited the attention of the Committee towards the difficulties in fetching a data from the database because the whole information including images of the client were stored in a single table. Then the Committee decided to recommend that in the database images should be stored separately which could be linked with the main table.

11. To a query of the Committee, the Director, Civil Supplies Department replied that non-generation of report is an issue of first phase of implementation of the project and after completing end to end computerisation it would be rectified. The Committee opined that without getting real time data RCMS would be a flaw. Meantime the officials from the Office of the Accountant General interfered to inform that unless the photos were stored in a separate table, the Management Information System would not be able to run any real time query. Then the Commissioner, Civil Supplies Department submitted that in 2001, the database was solely based on the photo based ration cards. But at present AADHAR seeded database was depended upon so that queries could be de-linked and processed as per requirement.

12. The Committee enquired whether Malayalam was used as the medium for data input, the Commissioner, Civil Supplies Department answered that locally available SRDH database was in English and typing was being done in Malayalam. The unicode fonts of Malayalam could be translated and converted into English and it was envisaged to index both the database and final decision in this regard had not yet been taken. The Committee suggested that present mode of inputting data in one language and then translating to English would be difficult and advocated to use unicode fonts by keyboard mapping.

13. The Committee observed that unless filling up of certain fields made mandatory, people might skip them. So it reiterated the recommendation of the Accountant General and directed the Civil Supplies Department to make necessary modifications in the software to enable certain mandatory provisions.

14. To the query the Commissioner, Civil Supplies Department replied that every record in the entire database had to be seeded with AADHAR. According to National Food Security Act, male head in the ration card should be replaced with eldest female member of the household. The Committee remarked that for seeding the data with AADHAR, the database of both should be compatible and preferred to prepare database bilingually rather sticking on to Malayalam. The Commissioner, Civil Supplies Department assured to follow bilingual database and accordingly ration card would be issued in Malayalam and the control table should be maintained in English.

15. To the query regarding audit paragraph, the Commissioner, Civil Supplies Department informed that it was a poorly designed project and could not be utilised effectively because of the frequent change of persons handling the system. Now the problem was resolved by appointing Departmental Staff for thirty months after imparting training as technical co-ordinators. After re-vamping the system, the project implementation unit would be constituted with the Commissioner, Civil Supplies Department as the nodal authority, comprising of a Project Management Consultant and a Project Implementation Unit. The system integrator would be NIC. He further added that Customer Relationship Management, Database, Supply Chain Management and ARD Automation are the four components of the programme.

16. Regarding the audit paragraph, 'Absence of Management Information System Reports' the Commissioner, Civil Supplies Department apprised that with the Management Information System (MIS), reports could not be generated and the prevailing system was developed using the technologies of 2001 and at present the entire system is being revamped to implement a novel RCMS. The Committee directed the department to take necessary steps to ensure that system should be designed in such a way that it could be upgraded at a given point of time.

17. Regarding the audit paragraph, 'Imperfect designing of master table', the Commissioner, Civil Supplies Department submitted that RCMS was used to issue ration cards and they were trying to link the allocation tables to ration cards, the Commission to ARD etc. The Committee suggested that instead of waiting for the change over to RCMS version II, the department could have initiated to make necessary modifications in the existing system so that essential reports could be generated out of it. The witness, Commissioner, Civil Supplies Department agreed with the suggestion of the Committee and assured to comply with it. The Commissioner, Civil Supplies Department replied that full fledged presentation of RCMS could be made operational by the middle of January 2014. The Committee decided to review the progress of implementation of the project after March 2014.

18. To the query, the Commissioner, Civil Supplies Department said that the cause of malfunctioning of computers & printers was lack of proper maintenance. Since AMC was implemented through Commissionerate of Civil Supplies, maintenance works reported from sub-offices were not carried out in time. For resolving the issue AMC should be implemented at the district and taluk level offices itself. Now a web based Hardware Asset Management software having Linux as operating system and windows for documentation had been developed to monitor such issues.

19. To the query regarding audit para, 'Lack of control over AMC provider' the witness, Commissioner, Civil Supplies Department replied that the department do not have a real time update on functioning status of the hardware assets and decision was made to follow a web based HAMS (Hardware Asset Management Software). He added that hardware were purchased through e-procurement tender portal of the IT Department and all proposals for procurement that amounts more than ₹10 lakh need mandatory screening by IT Department. The Committee opined that the computers purchased by the department were not stable even though they could purchase better brands at a lower cost through open tender. It further opined that for a centralised database, server must be stable. When informed that the Civil Supplies Department had resorted to short tendering system for computer purchase, the Committee remarked that the purchasing system should be revised. If the computers available with a Government agency which procured them at D G S & D rate method are low in quality the department should opt open tendering system. Then the Commissioner, Civil Supplies Department deposed that it was decided to introduce the e-tendering system in the Civil Supplies Department.

20. When enquired about the measures taken to rectify the flaws pointed out by Audit, the witness, Commissioner, Civil Supplies Department replied that penalty clause was included in agreement executed with the vendor. In Taluk Offices due to space constraints proper protocol such as user access, physical access to the computer, etc. could not be maintained. He added that Central Government of India had provided fund for implementing state data centre in every Government office.

21. To the query, the witness, Commissioner, Civil Supplies Department replied that physical access control was not effective and the achievement was only 20% dust and climate proof accommodation for IT equipment was clearly

explained in end to end computerisation. The Committee was informed that Disaster Recovery was not facilitated with the existing RCMS and during the implementation of end to end computerisation, space would be provided in the National Data Centre for that purpose. The Committee was of opinion that had all the data centres in our state were integrated, lot of manpower, energy etc. could have been saved. It advocated to the use of blade server instead of rack server because power could be saved.

22. Regarding the audit paragraph, 'Lack of ensuring Uninterruptible Power Supply (UPS)' the Director, Civil Supplies Department apprised that many offices do not have UPS. The Committee suggested to rectify such discrepancies at the earliest.

23. The Committee was informed that the Civil Supplies Department had no password policy and none of the defects pointed out by Audit had been rectified even after these years. So it decided to recommend that a password policy should be implemented in the department at the earliest without waiting for the completion of end to end computerisation. It was also instructed to take necessary measures to deactivate the user id of retired/transferred employees to prevent unauthorised access to the system.

24. When enquired about measures taken for virus control, the Commissioner, Civil Supplies Department submitted that after completing end to end computerisation, antivirus and firewall should invariably be provided with the system as a part of AMC. Then the Committee expressed its displeasure over the irresponsible attitude of the department that no step had been taken to rectify the defects pointed out by Accountant General in 2009-10. It reminded that without waiting for the implementation of version 2 the department should take steps to rectify the issue.

25. To the query of the Committee, the Commissioner, Civil Supplies Department apprised that at present data entry was done by the contract staff from C-Dit under the supervision of Taluk Supply Officer. It was decided to entrust certain technical staff of the department itself with the specific responsibility of data consistency, password, user access, any issue related to virus, not uploading any current data which has been generated on site to the central server etc.

26. Regarding the audit paragraph, 'Ineffective environmental control on prevention of fire' the Commissioner, Civil Supplies Department submitted that the condition of UPS rooms has been improved and assured that proper measures would be taken during the implementation of the end to end computerisation project and also due care would be taken to facilitate a disaster proof housing for IT assets which would be erected damp proof.

27. Regarding the 'Absence of external data backup' the Committee emphasized the importance of setting-up two separate servers so that data could be retrieved in case of contingency, if any.

Conclusion/Recommendation

28. **The Committee expresses its displeasure over the slow pace of computerisation in the Civil Supplies Department and directs the department to gear up the actions to complete computerisation at the earliest. It is optimistic that with the computerisation, effective and equal distribution of food grains could be ensured. Also corruption in the prevailing rationing system could be curtailed to a great extent. It recommends that in order to achieve the intended objectives, all data should be brought under one platform through a Wide Area Network with a centralized server.**

29. **The Committee suggests the Civil Supplies Department to develop a robust database with proper firewalls for security and ensure a centralised database to avoid duplication and other pilferages. Taking into account of the huge number of beneficiaries under the scheme, the Committee urges the Civil Supplies Department to check the feasibility of switching over the database from SQL to Oracle. The Committee understands that enormous data including images are included in a single spread sheet which result in huge time loss in fetching a single information. So it recommends the Civil Supplies Department to take necessary steps to modify the database with images stored separately as a single unit which could be linked to the main table as and when necessary.**

30. **The Committee advocates to follow a system which use unicode fonts for inputting data rather than typing in one language and then converting into another.**

31. Regarding the audit paragraph 'absence of mandatory provisions,' the Committee remarks that unless certain fields made mandatory people may skip them. So it directs the Civil Supplies Department to modify the software to incorporate mandatory provisions.

32. The Committee is of the opinion that for seeding the data with AADHAR the database of both should be compatible. So it urges the Civil Supplies Department to prepare a bilingual database instead of preparing it only in Malayalam and to furnish the details of steps taken in this regard.

33. The Committee directs the Civil Supplies Department that the revised version of the Ration Card Management System(RCMS) should be designed with provisions to upgrade it in accordance with the future requirements and evolving technologies.

34. The Committee understands that the present version of RCMS is used only for issuing ration cards. So the Committee suggests that the Civil Supplies Department should take necessary steps to modify the current version so that essential reports could be generated out of it without waiting for the change over to RCMS Version II.

35. The Committee remarks that the mode of purchase of computers followed in the Civil Supplies Department should be revised. It suggests that the Civil Supplies Department should opt for open tender system for procuring more advanced and stable computers and other accessories rather than procuring them at DGS&D rate from Government agencies. It also urges to furnish a report detailing the steps taken to introduce e-tender system in the Department.

36. The Committee opines that if all the data centres in our state are integrated, lot of manpower, energy etc. could have been saved and advocates to use the power saving Blade Server instead of Rack Servers. So it exhorts the Civil Supplies Department to take immediate steps to rectify such discrepancies.

37. The Committee recommends that a password policy should be implemented in the Civil Supplies Department at the earliest without waiting

for the completion of end to end computerisation. It also instructs to take necessary measures to deactivate the user id of the retired/transferred employees to prevent unauthorized access to the system.

38. The Committee is displeased to note that the Civil Supplies Department had not been taken any step to rectify the defects pointed out by Accountant General in 2009-10. It notices that the department is hesitant to install any antivirus package to the existing system and simply waiting for completion of the end to end computerization for getting everything fine. It directs the Civil Supplies Department to make necessary arrangement to install antivirus software in each and every computers in the department.

39. The Committee reiterates the recommendations of the Accountant General that authorization and validation of data should be given utmost priority. It also directs that completeness and correctness of data should be certified at appropriate levels.

40. The Committee concludes that the Civil Supplies Department should take necessary steps for setting-up two separate servers so that data could be retrieved in case of contingencies, if any. It stresses that a suitable Business Continuity/Disaster Management Plan should also be implemented.

CONSUMER AFFAIRS DEPARTMENT

AUDIT PARAGRAPH

COMPLIANCE OF STANDARDS OF WEIGHTS AND MEASURES ACTS AND RULES BY THE LEGAL METROLOGY DEPARTMENT

Introduction

The Standards of Weights and Measures Act, 1976 provides for the establishment of standards of weights and measures and the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 regulate the sale of commodities in a packaged form. The Standards of Weights and Measures (Enforcement) Act, 1985 provides for the enforcement of the provisions of the Act in the country. These Acts and the Rules stipulate consumer protection in respect of weights and measures used in trade and commerce. The Legal Metrology Department in the State is the authority to implement the above enactments so as to protect the consumers from exploitation and unfair trade practices.

The main activities of the department are initial and periodical verification of weights and measures and weighing and measuring instruments*; issue of licences; maintenance of working and secondary standards; inspection and surprise visits of trade premises; control on packaged commodities, etc. These are carried-out through a Controller who heads the department; three Deputy Controllers in three Regions†; 14 Assistant Controllers (district level); 11 Assistant Controllers [Flying Squad (FS)]; one Assistant Controller (Central Laboratory) and one Assistant Controller (Net Content Verification)

Test check of the records of the Controller, three Deputy Controllers‡, four Assistant Controllers§ (district level) out of 14, four Assistant Controllers¹ (FS) out of 11, Assistant Controller (Net Content Verification) and Assistant Controller (Central Laboratory) for the period 2006-07 to 2010-11 revealed the following:

Delay in upgradation of enforcement mechanism

Government of India released ₹ 33 lakh (₹ 30 lakh in September 2006 and ₹ 3 lakh in May 2007) under the scheme 'Strengthening of Legal Metrology Wing of the States' for purchase of Class I working standard balances. The Government issued the administrative sanction in February 2007 and the department invited tenders for the purchase of Electronic balances of various capacities (200 gm., 2 kg., 20 kg. and 50 kg.) for the upgradation of enforcement mechanism. However, the expert committee recommended purchase of 19 Electronic balances of capacity 200 gm. from the lowest tenderer and rejected the purchase of 50 kg., 20 kg. and 2 kg. balances due to their poor quality. This necessitated re-tendering for these items which delayed the procurement of the balances. Hence, the procurement of balances was made only during 2008-11 (₹ 32.79 lakh). The delayed procurement resulted in delay in upgradation of the enforcement mechanism for more than four years.

Inadequate verification of auto-rickshaw fare meters

At present there is no provision in the Acts or Rules relating to weights and measures to insist fare meter in passenger auto-rickshaws and taxi cabs. The enforcement of the provisions of the weights and measures Acts and Rules arises

* Measuring instruments include automatic weighing instruments, volumetric weighing instruments, linear measuring instruments, flow meter, water meter, clinical thermometer, etc.

† South region, Centre region and North region.

‡ At Ernakulam, Kozhikode and Thiruvananthapuram.

§ Assistant Controllers at Kannur, Kozhikode, Thrissur and Thiruvananthapuram.

¹ Assistant Controllers (Flying Squad), Kannur, Kozhikode, Thrissur and Thiruvananthapuram.

only after fixing of fare meters in the vehicles. According to item 12 of Schedule XII of the Kerala Standards of Weights and Measures (Enforcement) Rules 1992, as amended during March 2006, a fee of ₹ 100 per meter was leviable for re-verification of auto-rickshaw/taxi meters. Test check of records* for the period 2007 to 2010 revealed that the number of auto-rickshaw meters subjected to verification and stamping by the Legal Metrology Department ranged from 4.84 to 29.8 per cent (Appendix III) of the total number of 656127 auto-rickshaws for which fitness certificates had been issued by the Motor Vehicles Department during 2007-10. The department was stamping only the auto-rickshaws brought voluntarily for verification. The Controller admitted (June 2011) that there was no provision in the Acts or Rules relating to weights and measures to insist upon fare meter in an auto-rickshaw or a taxi and stated that amendment of the Motor Vehicles Act alone would solve the problem. Thus, the objective of protecting the interest of the consumers was not fully achieved. Moreover, the Government continued to incur revenue loss due to non-collection of fees towards verification/re-verification.

Inspections

Inspection of weights and measures to verify whether such instruments are in conformity with the standards prescribed under the Standards of Weights and Measures Act, 1985 is one of the important functions of the department in protecting the interests of the consumers. According to Rule 15(7)†, an inspector should visit as frequently as possible during the period specified in Rule 14(1), every premise within the limits of his jurisdiction to inspect and test any weight or measure. Audit scrutiny revealed the following deficiencies:

General deficiencies

The department fixed financial targets for the district offices every year. The percentage of inspections conducted in the State ranged from 17.26 to 27.33 per cent of total weights and measures re-verified during 2006-07 to 2010-11 (Appendix III). The inspectors detected violations of Weights and Measures Rules and Packaged Commodities Rules ranging from 11.69 to 30.83 per cent in the inspections conducted (Appendix III).

* Kozhikode, Thrissur, Thiruvananthapuram.

† Kerala Standards of Weights and Measures (Enforcement) Rules, 1992.

The main function of the Assistant Controller (FS) is to conduct surprise inspections of business premises in the district to detect malpractices, if any, in connection with weights and measures instruments and packaged commodities rules. Audit observed that the Assistant Controller (FS) inspected only 0.63 to 2.35 per cent of the total number of units re-verified* in the selected districts during 2006-07 to 2010-11 (Appendix III). The Assistant Controller (FS), Kozhikode attributed (June 2011) the shortfall in inspections to the departmental vehicles being in dilapidated condition and lack of clerical staff. The Assistant Controller (FS), Kannur stated (June 2011) that out of the two vehicles in the office, one was ordered to be condemned and the other vehicle was required for several other official purposes. Hence, the vehicle was not available for conducting surprise inspections by the Flying Squad, Kannur.

As there were no separate Assistant Controllers (FS) in the districts of Kasaragode and Wayanad, the charge of these districts was assigned to the Assistant Controllers (FS) Kannur and Kozhikode respectively. This indicated that the department failed to protect the interests of the consumers as envisaged in the Act by not having an adequate enforcement mechanism in place.

Deficiencies in inspection of petrol pumps and Net Content Verification in packages

The Controller directed (February 2000) the Assistant Controllers (FS) to conduct inspection of at least 20 petrol pumps in a month. The Controller also issued (July 2007) directions for conducting verifications of the net content in packing establishments and factories as described below:

- The Assistant Controller (Net Content Verification), Ernakulam was to conduct net content verifications of at least five units in a month in each of the three zones of the State.
- The Assistant Controllers (FS) were to conduct net content verifications of at least five establishments in a month under their jurisdiction.

The following deficiencies were noticed in the compliance of the above instructions:

- The Assistant Controller (Net Content Verification), Ernakulam was to conduct 180† inspections in the State annually. However, audit scrutiny revealed shortfalls ranging from 52.78 to 72.78 per cent during the period 2008-09 to

* Re-verification and stamping is done at the prescribed intervals subsequently. Original verification and stamping is done at the time of purchase of weights and measures.

† 5 units x 3 zones x 12 months.

2010-11 (Appendix III). The Assistant Controller (Net Content Verification) stated (June 2011) that additional duty as liaison officer at the Advocate General Office/High Court of Kerala resulted in the shortfall in inspections.

- The records of three Assistant Controllers* (FS) revealed shortfalls in the number of inspections of establishments in their respective jurisdictions. Audit noticed that no inspection was conducted in Kozhikode and Kannur during 2008-09 to 2010-11 as against the required number of 60 inspections in a year. In Thrissur, five inspections were conducted in 2008-09, but no inspection was conducted in 2009-10 and 2010-11. The Assistant Controller (FS), Kozhikode replied (June 2011) that the office was not equipped to conduct such verification due to provision of only skeleton staff, absence of laboratory and the allotted vehicle being old. The Assistant Controller (FS), Kannur replied (June 2011) that they had not been supplied with working standards.
- The Assistant Controller (FS), Thrissur replied (June 2011) that high precision working standard balances had not been provided to them by the department. It was observed that there was a high percentage (ranging from 60 to 88.5 per cent) of violations of Packaged Commodities Rules detected in the inspections by the Assistant Controller (Net Content Verification). This pointed towards the need for inspecting more establishments to protect the consumers from exploitation.
- The inspections conducted by the Assistant Controllers* (FS) in the petrol pumps during 2006-07 to 2010-11 were less than half of the prescribed number of 240 inspections in a year in all cases except in Kannur for 2006-07. In Kozhikode, no inspection was conducted during 2006-07 to 2008-09, whereas in 2009-10 and 2010-11 the percentage of verification was 12 and 26 respectively. During 2006-07 to 2010-11 the percentage of inspections in Thrissur and Kannur ranged between 12.91 and 40.41; 8.75 and 58.75 respectively (Appendix III). The Assistant Controller (FS), Kozhikode gave (June 2011) the poor condition of vehicles as the reason for not achieving the prescribed number of inspections. The Assistant Controller (FS), Thrissur replied (June 2011) that the existing manpower was used to concentrate in those areas where collection of compounding fees was high so as to increase the revenue to the State exchequer.

* Kannur, Kozhikode, Thrissur.

The Assistant Controller (F/S), Kannur replied (June 2011) that it was not practical to conduct 20 inspections in a month due to large scale expansion of petrol pumps after the year 2000. The number of nozzles in each pump had increased considerably increasing the working load. Hence the limit of 20 inspections in a month fixed during 2000 was impossible to achieve.

Gold Testing Laboratory

The gold purity testing laboratory set-up (2004) at Central Laboratory, Ernakulam with the assistance of the Centre for Earth Sciences Studies (CESS) Thiruvananthapuram was taken over by the Legal Metrology Department in August 2006. The cost of capital equipment procured at the time of setting-up the laboratory was ₹ 18.10 lakh. There were two types of methods—destructive (fire assay) and non-destructive (X-ray Fluorescent spectrometer)—adopted for testing purity of gold. The X-Ray Fluorescent Machine installed in August 2003 at a cost of ₹ 11.34 lakh was not working since January 2008 as the high voltage transformer of the equipment became defective. Hence, with the defective machinery, the laboratory could not check the purity of gold using non-destructive method, which had immense demand among the public. The department thus, failed to discharge its obligation with regard to ensuring the purity of gold. GOI sanctioned (July 2010) financial assistance of ₹ 25.44 lakh from the Consumer Welfare Fund for upgrading the Gold Purity Testing Laboratory into a Referral Assay Laboratory for Gold. For upgradation and getting recognition by the Bureau of Indian Standards (BIS) for testing and marking the purity of gold, the Assistant Controller, Central Laboratory, Ernakulam requested (December 2010) the Controller to sanction posts of technical personnel such as Assaying Centre Manager, Quality Manager, Assay Master, Operator for XRF machine, Sampler, Receptionist and Security which had not been provided till June 2011. Hence, the department could not apply for recognition. The department thus failed to protect the interests of the consumers with regard to the purity of gold.

Pending Cases in Prosecution

In the wake of setbacks faced by the department in a number of cases, in various courts, citing delay in filing cases, the Controller issued (April 2005) a circular authorising the inspecting offices to file cases directly in the courts. The circular directed the field offices to forward copies of judgement of all cases to the

office of the Controller for watching the follow-up action. It also contained the procedures to be followed by the Deputy Controllers and Assistant Controllers to monitor the cases handled by the officers under their control on a quarterly basis.

Even though the Controller directed (April 2005) all the field offices to forward copies of all judgements, this was not done by the field offices. There was also no system to watch the prompt receipt of the same by the Controller. The Controller also did not maintain a centralised database of the court cases filed by various officers of the department. In the following cases, judgements were against the department due to departmental lapses:

TABLE 2.3.2 JUDGEMENTS AGAINST THE DEPARTMENT FOR DEPARTMENTAL LAPSES

<i>Sl. No.</i>	<i>Case No.</i>	<i>Date of judgement</i>	<i>Reason for judgement against the department</i>
1	CC1063/03 JFCM II, Aluva	20th July, 2010	Lack of clinching evidence and inordinate delay in filing the case.
2	ST-474/08 JFCM II, Harippad	30th December, 2010	Material evidence not produced in the court.
3	CC-631/02 JFCM II, Thrissur	31st May, 2005	Shabby evidence tendered by the departmental officers
4	5671/03 JFCM, Chittur	31st March, 2006	Not observing the rules and procedures at the time of inspection.

Source: Records of the department.

It is evident that there was lapse on the part of the departmental officers in filing the cases in time after observing the procedures prescribed in the relevant Acts and Rules. This enabled the offenders in winning the cases.

Internal control mechanism

The deficiencies noticed in the enforcement of internal control mechanism are discussed below:

Internal audit

The functions of the internal audit wing include examining, evaluating and maintaining the adequacy of the accounting and internal control systems. It also

helps in assessing the organisation's systems and procedures in order to prevent fraud, errors, etc. There is no separate wing for internal audit in the department. Internal audit was conducted by deputing the available staff in Head Office. Test check showed that out of 130 offices which are to be audited every year, shortfalls in internal audit ranged from 61 to 74 offices from 2007-08 onwards (June 2011).

Annual Administrative Report

As per Government instructions (February 1984), an Annual Administrative Report showing the annual activities of the department is to be prepared and submitted to the Government every year. The format of the report was revised in December 2008. It was, however, noticed that the department had not prepared any Administrative Report since 2008-09. In the absence of such reports, information about the activities/performance of the department during the year could not be made available to other departments/public.

Disciplinary cases pending settlement

It was observed that 32 disciplinary cases in connection with irregularities in stamping, issue of licences, compounding offences, etc. from 2002 onwards were pending against 30 departmental officers. Details are given in Appendix III. Inordinate delay in finalising the proceedings diluted the deterrent effect of disciplinary action.

Conclusion

There were delays in utilisation of Central funds, inadequate verification of auto-rickshaw fare meters, deficiencies in inspection of petrol pumps and 'net content' in packages. The percentage of inspections conducted on the re-verified weights and measures was low during the period covered under audit. Inspections conducted revealed a large number of violations of the provisions of the Acts and Rules relating to weights and measures. This implied that the inspections conducted were inadequate to check the violations and the compliance of the Acts and Rules. There was lack of proper follow-up action in prosecution cases.

Recommendations

- The Government may evolve a mechanism for making it mandatory that all auto-rickshaw permits are issued/renewed annually on production of certificates of stamping from the Legal Metrology Department.
- Government should fix targets for inspection on a scientific basis to ensure prompt compliance of the Acts/Rules so as to protect the interest of consumers.

The matter was referred to the Government in July 2011; Their reply had not been received (October 2011).

[Audit Paragraph 2.4 contained in the Report of the Comptroller and Audit or General of India for the Financial Year ended 31 March 2011(Civil).]

Notes furnished by the Government on the above Audit Paragraph is included as Appendix II.

41. To the query, the Controller, Legal Metrology Department replied that verification of faremetres installed in auto-rickshaws was the responsibility of Motor Vehicles Department and they were instructed to check the fitness certificate while verification.

42. Regarding the audit paragraph, 'General deficiencies', the Controller, Legal Metrology Department submitted that the department had succeeded in achieving the target. Out of the current years' target of ₹ 25 crore; ₹ 18 crore has already been collected.

43. When enquired about the inspection conducted at the petrol pumps, the Controller, Legal Metrology Department submitted that at present the Legal Metrology Department is well equipped to conduct a massive inspection. An average of 5 inspections per month were being conducted in petrol pumps. During November 2013, 173 inspections had been conducted and 13 cases were registered and ₹ 1,20,000 was collected as penalty. Then the Committee directed that the Legal Metrology Department should take effective measures to enforce rules and also to conduct inspections at regular intervals.

44. To a query, the controller, Legal Metrology Department replied that gold testing laboratory was functional, but the purity of gold was determined by cutting the ornaments so people were reluctant to come. The Committee decided to recommend that a system for testing the purity of gold without cutting ornaments should be made available with the Legal Metrology Department.

45. The Committee enquired whether any disciplinary action had been taken against officers who failed to file cases in time. Then the witness, Controller, Legal Metrology Department replied in the negative. The Committee admonished the officials in not taking any disciplinary action against the delinquents and viewed it with serious concern that the department could not comply with the assurance they had furnished two years back to the Committee. It strongly condemned the department for the lapse and decided to recommend that immediate explanation should be sought from the officers and instructed the department to take appropriate disciplinary action.

46. To a query, the Controller, Legal Metrology Department submitted that internal audit system was not set-up in the Department. But periodical inspections were made by Assistant Controllers and Deputy Controllers. Then she explained that the department was facing the dearth of staff to depute for internal audit.

47. Regarding audit paragraph, 'Annual Administrative Report' the Controller, Legal Metrology Department replied that the Annual Administrative Report during 2008-09 had been published. The reports for the period 2009-10, 2010-11, 2011-12 were under preparation and could be sent to Government at the earliest.

48. When enquired the present position of the cases, the Controller, Legal Metrology Department apprised that out of 33 cases 26 cases were disposed off and 6 cases were still pending with the Government.

Conclusion/Recommendation

49. The Committee directs the Legal Metrology Department to establish an effective enforcement mechanism to protect the interest of the consumers as envisaged in the Standard Weights and Measures Act. It also recommends to conduct inspections at regular intervals in petrol pumps.

50. The Committee recommends to install state of the art machinery in the gold testing laboratory which use non-destructive methods for testing the purity of gold and that would help more people to avail this facility.

51. The Committee admonishes the officials in not taking any disciplinary action against the delinquents for their lapse in not filing the cases in time. It strongly recommends that immediate explanation should be sought from the officers concerned and instructs the Legal Metrology Department to take appropriate disciplinary action against the officers who failed to file cases in time.

52. The Committee urges the Department to set-up an internal audit wing in the Department urgently.

Thiruvananthapuram,
16th December, 2014.

DR. T. M. THOMAS ISAAC,
Chairman,
Committee on Public Accounts.

APPENDIX I

SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

Sl. No.	Para No.	Department concerned	Conclusion/Recommendation
1	2	3	4
1	28	Food and Civil Supplies	The Committee expresses its displeasure over the slow pace of computerisation in the Civil Supplies Department and directs the department to gear up the actions to complete computerisation at the earliest. It is optimistic that with the computerisation, effective and equal distribution of food grains could be ensured. Also corruption in the prevailing rationing system could be curtailed to a great extent. It recommends that in order to achieve the intended objectives, all data should be brought under one platform through a Wide Area Network with a centralized server.
2	29	"	The Committee suggests the Civil Supplies Department to develop a robust database with proper firewalls for security and ensure a centralised database to avoid duplication and other pilferages. Taking into account of the huge number of beneficiaries under the scheme, the Committee urges the Civil Supplies Department to check the feasibility of switching over the database from SQL to Oracle. The Committee understands that enormous data including images are included in a single spread sheet which result in huge time loss in fetching a single information. So it recommends the Civil Supplies Department to take necessary steps to modify the database with images stored separately as a single unit which could be linked to the main table as and when necessary.

1	2	3	4
3	30	Food and Civil Supplies	The Committee advocates to follow a system which use unicode fonts for inputting data rather than typing in one language and then converting into another.
4	31	”	Regarding the audit paragraph 'absence of mandatory provisions', the committee remarks that unless certain fields made mandatory people may skip them. So it directs the Civil Supplies Department to modify the software to incorporate mandatory provisions.
5	32	”	The Committee is of the opinion that for seeding the date with AADHAR the database of both should be compatible. So it urges the Civil Supplies Department to prepare a bilingual database instead of preparing it only in Malayalam and to furnish the details of steps taken in this regard.
6	33	”	The Committee directs the Civil Supplies Department that the revised version of the Ration Card Management System (RCMS) should be designed with provisions to upgrade it in accordance with the future requirements and evolving technologies.
7	34	”	The Committee understand that the present version of RCMS is used only for issuing ration cards. So the Committee suggests that the Civil Supplies Department should take necessary steps to modify the current version so that essential reports could be generated out of it without waiting for the change over to RCMS Version II.

1	2	3	4
8	35	Food and Civil Supplies	The Committee remarks that the mode of purchase of computers followed in the Civil Supplies Department should be revised. It suggests that the Civil Supplies Department should opt for open tender system for procuring more advanced and stable computers and other accessories rather than procuring them at DGS & D rate from Government agencies. It also urges to furnish a report detailing the steps taken to introduce e-tender system in the Department.
9	36	"	The Committee opines that if all the data centres in our state are integrated, lot of manpower, energy etc. could have been saved and advocates to use the power saving Blade Server instead of Rack Servers. So it exhorts the Civil Supplies Department to take immediate steps to rectify such discrepancies.
10	37	"	The Committee recommends that a password policy should be implemented in the Civil Supplies Department at the earliest without waiting for the completion of end to end computerisation. It also instructs to take necessary measures to deactivate the user-id of the retired/transferred employees to prevent unauthorized access to the system.
11	38	"	The Committee is displeased to note that the Civil Supplies Department had not been taken any step to rectify the defects pointed out by Accountant General in 2009-10. It notices that the department is hesitant to install any antivirus package to the existing system and simply waiting for completion of the end to end computerization for getting everything fine. It directs the Civil Supplies Department to make necessary arrangement to install antivirus software in each and every computers in the department.

1	2	3	4
12	39	Food and Civil Supplies	The Committee reiterates the recommendations of the Accountant General that authorization and validation of data should be given utmost priority. It also directs that completeness and correctness of date should be certified at appropriate levels.
13	40	"	The Committee concludes that the Civil Supplies Department should take necessary steps for setting-up two separate servers so that data could be retrieved in case of contingencies, if any. It stresses that a suitable Business Continuity/Disaster Management Plan should also be implemented.
14	49	Consumers Affairs (Legal Metrology)	The Committee directs the Legal Metrology Department to establish an effective enforcement mechanism to protect the interest of the consumers as envisaged in the Standard Weights and Measures Act. It also recommends to conduct inspections at regular intervals in petrol pumps.
15	50	"	The Committee recommends to install state of the art machinery in the gold testing laboratory which use non-destructive methods for testing the purity of gold and that would help more people to avail this facility.
16	51	"	The Committee admonishes the officials in not taking any disciplinary action against the delinquents for their lapse in not filing the cases in time. It strongly recommends that immediate explanation should be sought from the officers concerned and instructs the Legal Metrology Department to take appropriate disciplinary action against the officers who failed to file cases in time.
17	52	"	The Committee urges the Department to set-up an internal audit wing in the Department urgently.

**NOTES FURNISHED BY GOVERNMENT
REMEDIAL MEASURES TAKEN REPORT ON COMPTROLLER AND AUDITOR GENERALS REPORT**

Sl. No.	Department	Para No	Details	Remedial Measures Taken
1	Food, Civil Supplies & Consumer Affairs Department	1.4.11 1.4.11.1	<p style="text-align: center;">MANAGEMENT DIRECTION AND PLANNING IT Planning</p> <p>Information Technology Planning provides a structured means of addressing the impact of technologies, including emerging technologies, on an organization. We noticed that the whole computerisation process lacked focus in achieving resource optimization in the absence of IT planning, system development, installation of modules and ensuring continuance of operational staff.</p>	<p>A major problem is that the staff in the Civil Supplies Department remains on deputation to the Civil Supplies Corporation and this being a continuous process it is not feasible to train and equip the staff for a specific role during the End to End computerisation as it requires specialized training and cognition and implementation under tight time lines. Presently, the situation is such that once a particular staff is just about comfortable with a particular I.T related role assignment and is ready for further scale out of the I.T related work, he moves on deputation and his or her replacement is having very little knowledge about the I.T related role and has to be trained again which brings in momentum dislocation and a lag time, and again, unfortunately, cyclically once this staff is ready, he or she is again sent on deputation. The department is in the process of creating an I.T Division created vertically from the Commissionerate (headquarters) onwards to the District and Taluk Level and this I.T Division created with the existing permanent staff of the department is also supplemented with contractual work force that is technically skilled. A minimum period of three years of suspension of the deputation policy for those staff brought into the thus created I.T Division should be there and the contractual engagement for the end to end computerisation should also be for a period of three years initially. The various cells to be created to address the various sub areas</p>

<p>in the End to End Computerisation is also delineated along with the staff strength necessitated for each sub area. The following remedial steps have been taken</p>	<p>(a) Creation of I.T. Division is suggested.</p> <p>(b) For the Ration card Management System technical coordinators to be trained and appointed from existing staff for a period of 30 months exempting from deputation.</p> <p>(c) The entire I.T initiative is being brought under the umbrella of End to End Computerisation of PDS having four distinct components</p> <p>(i) Transparency portal and grievance redressal</p> <p>(ii) Digitisation of ration card data base</p> <p>(iii) Supply chain management</p> <p>(iv) ARD Automation. This entire project is to be implemented on Mission mode basis with statutory approval of a detailed project report by the State Project e-Mission Team (SePMT) headed by Secretary and the State Apex Committee headed by Chief Secretary.</p> <p>This will ensure resource optimization, proper system/ module development and technically skilled manpower would be provided for through a PIU (Project Implementation Unit).</p>	<p>For the IT Steering Committee as mentioned a state level Apex Committee with Chief Secretary as the Chair and State Project e-Mission Team with Secretary, Food and Civil Supplies as the head and Commissioner of Civil Supplies has been notified as the nodal implementing authority.</p> <p>For the various software modules, the entire software is being revamped with a Common Application Software (CAS) developed by NIC being proposed to be used after</p>
		<p>IT Steering and Monitoring Committees</p> <p>IT Steering Committee comprising of members from senior and middle management and all user departments within an organization ensure achievement of business goals. However, we found that no IT steering Committee was formed by the department. This has resulted in non-utilization of various software packages. Our visits of 17 field officers revealed the</p>
	1.4.11.2	
2	Food, Civil Supplies & Consumer Affairs Department	

3	Food, Civil Supplies & Consumer Affairs Department	1.4.12 1.4.12.1	<p>following.</p> <ul style="list-style-type: none"> Allocation software was put to use only in one office, DCB software was put to use only in three offices, Off - take software was put to use only in three offices and inspection monitoring was not put to use in any of the offices <p>Although the primary objective was implementation of ration management software in all locations viz. TSO, DSO, DCS, we noticed that the Directorate and District Officers were wholly excluded. All these indicate that the department lacked focus in achieving the optimum results.</p> <p>The Government stated (December 2010) that an IT Division has since been constituted for the successful implementation of the IT initiatives. However, we are of the view that Government should ensure inclusion of top management in these committees.</p>	<p>local state authorization. The hallmark of the Central software is the web-based transparency portal with all modules such as allocation, lifting, stock, sale, receipt of stock, inspection being enforced online with minimal human intervention in data entry; emphasis being on system derived data and process flow.</p>
	<p>STATUS OF DOCUMENTATION <u>User Requirement Specifications(URS)</u> <u>and System Requirement Specifications(SRS)</u></p>	<p>The properly documented User Requirement Specifications (URS) obtained from users and System Requirement Specifications (SRS) by the software development team ensures that the needs of</p>	<p>The audit observation has been noted and in the proposed End to End Computerisation, there shall be full assistance of Software Requirement Specification (SRS), Software Design Document (SDD), Test Plan (TP) and User Manual (UM) for all components.</p>	

		<p>The audit observation has been noted. In the proposed revamp of the R.C.M.S and other modules of the End to End Computerisation care shall be taken to test in the pilot phase and standardize version of software prior to introduction in individual office. A standard platform shall be applicable in the local office automation being done away with to allow for an online based work/process flow uniformly. This will remedy the situation of patches being uploaded frequently at various sites separately the system administrator shall ensure Central updation of the software including remote units being in synchronization.</p> <p>All the district coordinators have been provided with handbooks, which explain the steps to resume operations in case of system failures. A handbook is also available on the Civil Supplies site for downloading. Any changes or enhancements required in the RCMS application by the Department is documented and handed over to NIC. After incorporating the changes in the application software, a</p>
<p>the users of the system have been taken care of and the software development needs business requirements. However, we noticed that User Requirement Specifications and User Manual were not prepared. Though System Requirement Specifications were prepared, the same were not formally accepted by the department. Also, there was no signing off of the project. In the absence of URS, we were not in a position to assess as to what extent the intended benefits of the proposed computerisation have been achieved.</p>	<p><u>Lack of documentation resulting in poor version control</u></p>	<p>Adequate documentation is vital to resume operations within a reasonable time in case of system failure. Exercising proper control over software versions require sufficient documentation especially in decentralized data processing through separate LANs, to ensure uniformity of installation of applications across field officers.</p> <p>In the absence of proper documentation and exercising of supervisory controls, the department could not ensure installation of patches for modification of the system uniformly in all offices. Our field visits of 17 offices revealed installation of patches as indicated below :</p> <ul style="list-style-type: none"> • one patch each in three offices
4	1.4.12.2	<p>Food, Civil Supplies & Consumer Affairs Department</p>

			<ul style="list-style-type: none"> • two patches each in two offices • three patches each in three offices • four patches each in two offices • In seven offices the system administrators could not state the exact number of patches <p>The Government stated (December 2010) that actions would be initiated to ensure version control.</p>	<p>communication in this regard is given to the department by NIC for approval. The patches are loaded on the web site for downloading by the TSOs/CROs. Each patch uploaded on the site contains the date of release of the patch and the related 'Read me' document file. If the patch contains a version of the software, then that application will be operational only if the scripts attached with it have been executed on the database. Thus, in each TSO/CRO location, the application version and its database are consistent. However a module will be incorporated in the application to ensure that in a TSO office, while downloading the latest patch, all previous patches available on the site have been downloaded and executed.</p>
5	Food, Civil Supplies & Consumer Affairs Department	1.4.13 1.4.13.1	<p>SYSTEM DEVELOPMENT AND DESIGN DEFICIENCIES <u>Improper designing of database</u></p> <p>Adherence to data normalization principles ensures non-redundancy of data, faster storage, processing and retrieval minimum time in data fetching and effective service to users. As storage of images requires multiple times of space than text and numbers, best IT practices demand that images are not made part of tables used for frequent data fetching. Instead these are to be stored in separate tables/ database/ servers with proper links to data fetching tables.</p> <p>We noticed that images of above 68 lakh ration card holders were stored in the primary table of RCMS data base hosted in the central server. In data analysis of three</p>	<p>The tables in RCMS application have been designed using the normalization techniques to avoid redundancy of data. Provision was given in the software to store images only below the size of 15 K. The images of the card owners have been stored in the table so as to ensure the image is authentic and it cannot be tampered with. If the images were stored in a different directory and a link to the images was given in the table, the possibility of manipulating the image files i.e. by replacing the original image with some other image can be done, thus affecting the security and authenticity of the images. The online processing of ration cards from the Central Server cannot be implemented without the availability of stable reliable data connectivity. Under the existing infrastructure available at the Taluk Supply Offices/City Rationing Offices, the processing of ration cards on decentralized servers is more efficient than the online processing. In case of a network failure, the issue</p>

	<p>officers, we found the ratio between the size of images and data other than images as thirty six times.</p> <p>As part of data analysis we tested the processing time of executing a query in the table with digital images followed by executing the same query after deleting the images from the table. Our test revealed that the latter execution of query was 19 times faster than the former. Thus improper design resulted in unmanageable data size making it incapable for online processing. The improper planning at design stage forced the department to resort to periodic batch processing instead of online processing and continue to maintain separate mid-range servers in all the 69 field officers. The effective life of computer equipments being five years, as all these servers are four years old, they would be required to be replaced within one year. It would cause avoidable fixed and variable costs. The Government stated (December 2010) that digital images would be de-linked from the main table and stored in a separate table.</p>	
<p>of new ration cards to citizens or updations in the cards will not be affected. The State Data Center is not equipped for enabling online processing of ration cards on the Central Server. The capacity of the Central Servers and security arrangements have to be enhanced. For this, sufficient funds have to be made available to the Department for upgrading the Servers. However in the long run, when stable connectivity to TSOs/CROs are established, adequate space is allotted in the Data Center for collocating the Central Servers, and when sufficient funds are available for upgrading the Servers, online processing of the ration cards from the Central Server can be considered. Action is being taken to implement End to End Computerisation of PDS.</p>	<p>Incapability of the system in generation of real-time reports</p> <p>Another aspect of the deficiency referred to in previous paragraph is that it made the system incapable of generation of real-time reports. Although there were 14 reports in</p>	<p>6</p> <p>Food, Civil Supplies & Consumer Affairs Department.</p>
	<p>For querying purpose and for generating reports, only the required selected fields are accessed from the table. In almost all the reports, the image data is not retrieved, as it is not required in the reports. Thus the processing time for</p>	

7	<p>Food, Civil Supplies & Consumer Affairs Department</p>	<p>1.4.13.3</p> <p><u>Lack of foresight adversely affecting user-friendliness</u></p> <p>As the ration card is a document prepared in the vernaculars, the main hurdle in equipping the employees to acquaint themselves with the system is text processing in the vernaculars. At present the user is required to be proficient in vernacular typing, even though they are not familiar with vernacular typing. Users, therefore, shy off from using the system. Package are available in the market for text processing in the Indian vernaculars following the principle of transliteration.</p>	<p>RCMS, we noticed that none of these reports were real-time reports. All of these were offline reports generated on a previous occasion. The web page showed a window titled ' card abstract date help' containing two dates (26 August 2009 and 30 October 2009) on which the report was previously generated and stored in the server. when we tried to generate reports for dates other than these, we noticed popping up of error messages displaying "Card abstract details is not yet processed for this date". We also noticed an offline report on 'summary of ration cards in rural and urban areas - State level ' which reflected zero values in all columns.</p> <p>The Government stated (December 2010) that the modification to the data structure would solve the issue.</p>	<p>querying and generating reports is not considerably affected. Image files are retrieved only at the time of printing of ration cards. All the reports available on the site are generated on real-time basis. The prerequisite for generation of any State level report requires the card abstract details to be created. 'Card Abstract creation' is a module for consolidation of the entire ration card data details with ARD as the basic level (14,235 ARDs). Once the card abstraction data is created for a particular date, all the fourteen reports can be generated (ARD wise, TSO wise, district wise or State wise) from the card abstract details for that particular date without any time delay. Since the generation of each report involves processing of approximately 69 lakh ration cards and 3.2 crore family members, the best practice to generate reports with the existing infrastructure and servers would be to initially create the card abstract details. Steps have been taken to update the hardware and to make the Ration Card Management System (RCMS) 100% online.</p>	<p>Ration Card data was initially digitized in 2001 and CDAC ISM software was used for local language support in the database. With the advancement in technology and software, the conversion of the ration card data from ML TT Revathi font to Unicode was done in 2008. This enabled the department to eliminate the user of a third party tool for incorporating the local language in RCMS in all 69 TSOs/CROs and thereby saving the expenditure that would incur for purchasing the language support software for 80 sites. Presently the TSO officials take approximately 2-3 days time for learning to type the data in Unicode Malayalam font. However online keyboard help for typing</p>
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<p>Thus by keying in saritha in English it would output the text in Malayalam as shown below:</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 10px auto;"> <p>രൂക്ഷ</p> </div> <p>Such packages can be integrated with database application as done by Indian Railways in their ticket reservation system. The journey charts prepared in bilingual by the Railways are the results of transliteration process. Had there been proper planning at the design stage, the system could have been integrated with such packages and the user involvement could have been enhanced.</p> <p>The Government stated (December 2010) that soft keyboard for typing in Malayalam would be provided in the decentralized servers to enhance user friendliness.</p>	<p>in Malayalam would be provided in the client-server application so as to make it user-friendly for the officials. However, this aspect of the RCMS will be revised in the RCMS version 2 wherein the feature pointed out in the performance audit shall be made reluctant and a system designed for user friendliness both at the Employee level and the Citizen level shall be incorporated.</p>		
<p>8</p>	<p>Food, Civil Supplies & Consumer Affairs Department</p>	<p>The 'relation' of the member in the ration card is a mandatory field in the software. The owner of the ration card is assigned the 'Owner (Udamashtam)' relation by the system and it is not an editable column. The error specified was the result of the data entry operator entering the data using a wrong set of sequences instead of the normal steps. This error was detected during the initial phase of implementation of the software and necessary modifications were done in the software to rectify the error. Separately in the version 2 of the RCMS proposed the objective is to have a 100% AADHAR seeded database thereby not only rectifying data entry inconsistency but also</p>	<p>1.4.13.4</p> <p>Absence of mandatory provisions</p> <p>The primary requirement of a ration card is assigning any one of the family members as owner of the card, which is essential. There can be a ration card for a single person without any family members. On the contrary, no ration card should be generated without an owner. However, in the absence of mandatory provisions we noticed in TSO, Perinthalmanna that one out of 30 ration cards (Card No.95591) was printed without assigning an owner (udamashtam/udamashtas) to it.</p>

9	Food, Civil Supplies & Consumer Affairs Department	1.4.13.5.	<p>Similarly, it is mandatory that every member of the family should inevitably be related to the owner of the card. The master table on relationship contains 44 items. However, we noticed in CRO, Thiruvananthapuram North that one out of 30 ration cards (Card No.39993) was printed without assigning any relationship to one of its members.</p> <p>These indicate that mandatory provisions were not enabled in the system.</p> <p>The Government stated (December 2010) that necessary modifications would be made in the software to rectify the error.</p>	<p>undertaking de-duplication.</p>
			<p><u>Deficiencies in software</u></p> <p>The data entry form of RCMS package has three tabs (pages). Data was not captured in tab on 'bank loan details'. The tab on general card details contains a column to enter the total income of the family while the other tab on 'family member details' has columns to enter income of individual family members. The proper design of the software should be permitting data entry only in columns for 'individual member income' and enabling the system to reckon the total income of the family.</p> <p>Duplication of data entry would not only adversely affect user-friendliness of the package, but would also be prone to</p>	<p>It was as per the user requirement that the form to capture the bank loan details was included in the application. As per the requirement of the Department, the details in the ration card entry form such as Income, PAN, Income tax payee, Voter's Identification number and Category of the individual were provided only for information and are not mandatory fields. The department is not physically verifying the income certificates or other certificates related to these items. In the version 2 of the RCMS the income details as pointed out shall be reworked and necessary corrections made.</p>

	<p>avoidable data entry mistakes. We noticed in 17,896 out of 3.69 lakh records that the total income of family was less than the sum of individual income of family members.</p> <p>The Government stated (December 2010) that steps would be initiated to confine data entry to individual member income and enable the system to reckon the family income.</p>		
<p>RCMS application has been designed in such a way that the text box containing owner's name and relation in the family tab are not editable. The read only text box displays the card owner's name that has been entered using the 'Ration card details' tab. Any change in the owner's name in the family can be done by using the first tab only i.e. 'Ration card details'.</p>	<p><u>Incorrect design of front-end tool</u></p> <p>In the analysis of front-end tool we noticed that the name entered in the tab on 'general card details' was automatically displayed in the second on 'family member details'. When a piece of data is captured in the system and if it is required to be displayed elsewhere in the data input form, the practice to be followed is displaying the data in text box not enabled for editing lest it should be prone to mistakes and consequent data inconsistencies. However, we noticed that the text boxes were editable. Data analysis revealed that there were differences in 13 out of 3.69 lakh records in 'card master' and 'family master' tables.</p> <p>The Government stated (December 2010) that the text boxes have been made read only.</p>	<p>10</p> <p>Food, Civil Supplies & Consumer Affairs Department</p>	<p>1.4.13.6</p>

11	Food, Civil Supplies & Consumer Affairs Department	1.4.13.7	<p><u>Absence of Management information system reports</u></p> <p>A Management information system (MIS) is a process that provides information needed to manage organizations effectively and forms part of the overall internal control procedures in a business.</p> <p>The department discharges the responsibilities of public distribution enforcement of market discipline and promotion of consumer awareness and protection of their interest. It has two objectives the first is to ensure availability of food grains to everyone and the second to ensure their availability at price affordable for even the poorest in the State. However, we noticed that no MIS reports were made available to the top level management on allocation and distribution of food grains to authorised wholesale/retail dealers and ration depots.</p> <p>The Government stated (December 2010) that action would be initiated for generation of the reports.</p>	<p>The workflow based Allocation software was not implemented due to lack of infrastructure in the TSOs/CROs, lack of systems in TSOs and lack of stable network connectivity to these sites. The modules for allotment of food grains to TSOs and distribution to the dealers are available on the portal. The data for these modules are not available and hence the related MIS reports are not generated. The transparency portal shall contain certain basic mandated details and shall be in English and Malayalam. All details that are there in the English portal shall also be factored for in the Malayalam portal and the site visitor shall have an option at the first web page itself to log into the Malayalam version of the website.</p> <p>The transparency portal has certain specific prescriptions from the Government of India wherein ideally the following aspects should be there,</p> <p>(a) There should be only one portal – here in Kerala we have a Civil Supplies Portal and another portal for Consumer Affairs, a decision has been taken to integrate the same.</p> <p>(b) There are specific reports that need to be there on the portal which are as follows</p> <ul style="list-style-type: none"> • We shall have a real time Transparency Portal with all allocation, sale, movement of stock being shown on the transparency portal • Details of all ARDs, AWDs including stock arrival, daily sale reports, stock position shall be there for anybody to see • The transparency portal shall be in English and
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Malayalam

- The transparency portal shall also integrate the Consumer awareness and consumer protection portal into the transparency portal making it unique and combined portal where all sections, beneficiaries, ration card holder, ARDs, AWDs, Food and Civil Supplies staff – will have access to data etc
- The payment of administrative charges and commissions to the AWDs and ARDs shall be through the transparency portal and AADHAR based payment gateway
- All status details shall be reflected in the Transparency portal for the staff too- promotions, seniority, performance appraisals, postings etc but these of course shall be in a intra website requiring a unique password from the staff only and a secure area
- The Transparency portal shall be a live portal facilitating a discussion blog, latest news on the rates of the commodities, reports on stock, inspection reports and status reports of ration issued and outstanding
- The transparency portal shall also have a complaint redressal section where a consumer can register a complaint and the same is redressed within an effective time period
- The transparency portal shall be the one stop information and data for the Civil Supplies Department with secure mail exchange facilities to each of the officials and web video conferencing facilities or web based video calls etc which shall be factored for
- Inspection details and tour details of Civil supplies staff shall all be recorded and

12	Food, Civil Supplies & Consumer Affairs Department	1.4.13.8	<p><u>Imperfect designing of master table</u></p> <p>Accuracy of data on Master and Standing files is of vital importance. Data stored in master and standing data files is critical to the processing and reporting of financial and operational data. We noticed that the master table on relationship did not contain feminine gender term in Malayalam for 'owner (udamastha)'. Similarly, master table on profession did not contain feminine term for 'student (vidyarthini)'. In their absence, cards owned by women were printed with udamasthan and girl/woman student with vidyarthi.</p> <p>The Government stated (December 29010) that modifications would be incorporated in the package.</p>	<p>displayed, all official activity shall also be reflected real time, like minutes of meeting notifications, GOs etc</p> <ul style="list-style-type: none"> • Linked to the transparency portal shall be elaborate 24 X 7 call centre that shall be toll free and responsive to complaints. <p>Based on these, the online website shall have Geospatial indexed reports as a decision support system for policy designers and top Management and also real time reports in all aspects-ration card allotments, off take, prices in market, stock in hand and so on.</p>
			<p>The insufficiencies in the Master tables such as female owner, student etc. will be provided in the Master data. The correction in software is being made by NIC.</p>	

13	Food, Civil Supplies & Consumer Affairs Department	1.4.14	<p>II.Assets</p> <p>Safeguarding of hardware and software is critical to business continuity. Assets of business are required to be watched through asset registers. However, we noticed in 2 offices that hardware items like server(1), computers (4), printers (2), UPS(1) etc. were not entered in the asset register maintained.</p> <p>The Government stated (December 2010) that directions would be issued to ensure that all hardware assets are taken into stock.</p>	<p>Strict directions will be given to sub offices to enter the details of the assets like Computer hardware items like Server, Computers, Printers UPS etc where the details are not entered yet. A separate module on the I.T assets stock shall be included on the web portal subsequently in the Enc to End Computerisation.</p>
14	Food, Civil Supplies & Consumer Affairs Department	1.4.14.1	<p>Malfunctioning of computers and printers</p> <p>Effective functioning of hardware is an essential requirement for ensuring availability of data, one of the basic characteristics of data. We noticed the average down time in respect of computers and printers to be 33 and 7 day s respectively during the first 9 months of the AMC period in 17 offices. While in 3 cases the period of malfunctioning exceeded 150 days in respect of computers, in 2 cases printers were down exceeding 30 days owing to flaws in terms of annual Maintenance Contract (AMC), as pointed out in the succeeding paragraphs.</p>	<p>Effective function of Hardware is essential for the smooth functioning of the IT initiatives. The implementation of AMC in sub offices was a centralized process through the Commissionerate of Civil Supplies. The support from the AMC vendor was a failure as they were not able to reach the sub offices in the entire state in time. Hence directions are given to sub offices for entering into AMC, district wise for attaining effective care for the hardware assets from the AMC vendors. Steps will be taken to ensure that preventive maintenance is done every three months by the AMC Vendor and to include penalty clause in the AMC agreement. Directions will be given to sub offices for maintaining Registers to monitor the preventive maintenance of the Hardware. In the future the system maintenance shall be an integral part of the system design.</p>

<p>15</p>	<p>Food, Civil Supplies & Consumer Affairs Department</p>	<p>I.4.14.2</p>	<p>The Government stated (December 2010) that action would be initiated to prevent recurrence of hardware malfunctioning.</p> <p><u>Lack of control over AMC provider</u></p> <p>According to terms of AMC, in respect of computers and printers, entered into with M/s ACS Technologies, the maximum permissible downtime would be 48 hours. The preventive maintenance was to be done once in three months. However, we noticed that fault log register of hardware was not maintained to watch the duration of downtime. No registers were maintained to monitor the preventive maintenance as well.</p> <p>We also noticed the following deficiencies in the service level agreement executed with the vendor:</p> <ul style="list-style-type: none"> • There was no clause relating to levy of penalty in the event of failure in timely providing of services. • Decision whether a malfunctioning was the cause of mishandling or not was left solely to the report of the service engineer of the vendor without any say by the department or any third party opinion, like from any other Government departments/ agencies. The vendor's decision was final and binding on the department. 	<p>with a decentralized AMC arrangements with specified down time maximum period and a penalty clause to service provider.</p> <p>Effective function of Hardware is essential for the smooth functioning of the IT initiatives. The implementation of AMC in sub offices was a centralized process through the Commissionerate of Civil Supplies. The support from the AMC vendor was a failure as they were not able to reach the sub offices in the entire state in time. Hence directions are given to sub offices for entering into AMC, district wise for attaining effective care for the hardware assets from the AMC vendors. Steps will be taken to ensure that preventive maintenance is done every three months by the AMC Vendor and to include penalty clause in the AMC agreement. Directions will be given to sub offices for maintaining Registers to monitor the preventive maintenance of the Hardware. In the approach to End to End Computerisation the AMC shall be on a decentralized basis with specific deliverables.</p>
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16	Food, Civil Supplies & Consumer Affairs Department	<p>The Government stated (December 2010) that penalty clauses would be incorporated in the agreement.</p> <p><u>Malfunctioning resulting from flaws in terms of AMC</u></p> <p>From the field visits of 17 offices we noticed the flaws in terms of AMC resulting in the following :</p> <ul style="list-style-type: none"> • The average time taken to complete a fault call was 8 days. The delay was found to be more than 14 days in 5 offices. • The failure of AMC provider to attend to fault calls compelled 3 offices to take computers and printers on hire from other local vendors. • Two offices used to get the hardware items repaired by other vendors. • Preventive maintenance of computers and printers was not done in any of the offices. <p>In the absence of preventive maintenance, we noticed dust accumulation in servers in eight offices, adversely affecting their performance and life expectancy. The scenes in Figure I depict dust accumulation on the servers.</p> <p>The Government stated (December 2010) that preventive maintenance of the hardware would be ensured.</p>	
	1.4.14.3		<p>The audit observation have been noted. In future during the implementation of the End to End Computerisation the following attributes shall be an integral part of the Maintenance contracts,</p> <ul style="list-style-type: none"> (a) Periodic Preventive Maintenance Service. (b) I.T asset assessment and upgrade software/hardware. (c) Pre-defining repair time and down-time. (d) Penalty clause for non-performance. (e) Failure at AMC level leading to limited termination and penalty and local outsourcing for repair after exceeding down time. (f) Decentralised and location specific standardization AMC. <p>The above shall be strictly adhered to in the Maintenance module.</p>

17	Food, Civil Supplies & Consumer Affairs Department	<p>1.4.15 1.4.15.1</p> <p><u>GENERAL CONTROLS</u> <u>Organisational and Management controls</u></p> <p>Organisational and management controls are the high level controls adopted by management to ensure that the computer system function correctly and that they are satisfying business objectives. We notice that the controls put in place were not sufficient to ensure that the IT activities are adequately controlled.</p>	<p>The audit team has suggested that the organizational and management controls put in place were not sufficient to ensure that the IT activities are adequately controlled. The whole computerization process lacked focus in achieving resource optimization in the absence of IT planning, system development, installation of modules and ensuring continuance of operational staff.</p> <p>In the proposed End to End Computerisation a periodic review of the systems functioning from Taluk/ District/ Head quarters level shall be ensured through Quarterly inspection and reports mandatory certification by the top management on the systemic functioning.</p>
18	Food, Civil Supplies & Consumer Affairs Department	<p>1.4.15.2</p> <p><u>Absence of change control management</u></p> <p>Change control Management reduces the possibility that unnecessary changes will be introduced to a system without foresight, introducing faults into the system or undoing changes made by other users of software. We noticed that no change control procedure was followed in the department. Changes to the source code were not documented and got approved at senior management level. Patches were seen installed on need-basis without proper documentation.</p> <p>A reference was made in paragraph 1.4.12.2 on the differences we found in patches installed in various offices.</p>	<p>All the district coordinators have been provided with handbooks, which explain the steps to resume operations in case of system failures. A handbook is also available on the Civil Supplies site for downloading. Any changes or enhancements required in the RCMS application by the Department is documented and handed over to NIC. After incorporating the changes in the application software, a communication in this regard is given to the department by NIC for approval. The patches are loaded on the web site for downloading by the TSOs/CROs. Each patch uploaded on the site contains the date of release of the patch and the related 'Read me' document file. If the patch contains a version of the software, then that application will be operational only if the scripts attached with it have been executed on the database. Thus, in each TSO/CRO location, the application version and its database are consistent. However a module will be incorporated in the application</p>

19	Food, Civil Supplies & Consumer Affairs Department	1.4.15.3	<p>Absence of continuity of operational staff</p> <p>Supplyco, a fully owned Government company, is managed by the employees of the department on deputation. The entire staff of the Civil Supplies department is deputed to Supplyco on periodic rotations of five years with the effect that no employee has continuous service in the department for over a period of two years.</p> <p>The department did not ensure a specific team of employees adequately trained in the system with a continuous service of minimum of five years required for continuity of the project. Without prejudice to the fact of employees reluctance caused by lack of user-friendliness of the application software referred to in the paragraph 1.4.13.3, it is worth mentioning that though the computerization process started in the 1990s the department has not initiated steps to recruit personnel with IT exposure and text processing skill in the vernaculars.</p>	<p>to ensure that in a TSO office, while downloading the latest patch, all previous patches available on the site have been downloaded and executed. Separately, as replied earlier in the proposed End to End Computerisation the standardization of software shall be ensured Centrally along with detailed change management strategy being chalked out in the department.</p>
<p>The department is in the process of selecting administrators/coordinators from each Tahak/District and one State co-ordinator for co-ordinating the computerization activities in the state. End to End Computerisation shall necessitate technical nature of work which is not routinely handled by presently recruited staff and further for the presently working permanent staff a specific component of such staff has to be given systematic exposure and training and deployed on a continuous basis for a minimum period of 3 years for completion of the End to End Computerisation. This implies that in the Directorate of Civil Supplies a vertical and horizontal staffing pattern gleaned from the existing staff is created as a dedicated I.T. Division and separately to make provision for technically competent man power. Technically qualified individuals are to be recruited on a contractual basis.</p>			<p>The department is in the process of selecting administrators/coordinators from each Tahak/District and one State co-ordinator for co-ordinating the computerization activities in the state. End to End Computerisation shall necessitate technical nature of work which is not routinely handled by presently recruited staff and further for the presently working permanent staff a specific component of such staff has to be given systematic exposure and training and deployed on a continuous basis for a minimum period of 3 years for completion of the End to End Computerisation. This implies that in the Directorate of Civil Supplies a vertical and horizontal staffing pattern gleaned from the existing staff is created as a dedicated I.T. Division and separately to make provision for technically competent man power. Technically qualified individuals are to be recruited on a contractual basis.</p>	
<p>The Government stated (December 2010)</p>				

20	Food, Civil Supplies & Consumer Affairs Department	1.4.15.4	<p>that continuance of computer operating staff for a minimum period of five years would be ensured.</p> <p><u>Neglect of internal audit</u></p> <p>Internal audit is a tool, by which an organization can ensure safeguarding assets and compliance with laws and regulations. The departmental manual stipulates conducting of internal audits twice a year. However, we noticed that in 13 out of 17 offices the frequency of internal audits were more than 12 months. The interval between two internal audits extended up to 40 months.</p> <p>The Government stated (December 2010) that steps would be initiated for conducting the internal audits regularly.</p>	<p>Steps are being taken for conducting the internal audits regularly and strictly as per the department manual, in sub offices and preparation of audit module software on consultation with the National Informatics Centre. This shall be an integral part of the End to End Computerisation project with an internal audit I.T wing specifically inducted for the same purpose.</p>
21	Food, Civil Supplies & Consumer Affairs Department	1.4.15.5	<p><u>Absence of audit module</u></p> <p>An audit module is a program, forming part of software development, for equipping the management to exercise effective system controls. The module contains standard and customized generation of reports in graphical user interfaces for ease in utilization. But we noticed that the systems did not incorporate any audit module. We also noticed that the internal audit teams were not auditing electronic resources and system controls as they were not trained in the information system.</p>	<p>Steps are being taken for conducting the internal audits regularly and strictly as per the department manual, in sub offices and preparation of audit module software on consultation with the National Informatics Centre. As mentioned above the internal audit of I. T assets and their performance shall be made an integral part of the internal I.T audit in the End to End project.</p>

		<p>The Government stated (December 2010) that steps would be initiated for preparation of audit module.</p>	<p>The department has conducted a number of training programs through IMG and NIC for the officials of the TSOs/CROs on RCMS from 2004 onwards. Master Trainers and district coordinators were identified and extensive training was given to them at NIC Training center, Trivandrum. E-learning sessions were also conducted to train the officials. NIC had also suggested that decentralized training programme on RCMS to be done periodically i.e. training programs to be conducted at training halls at individual District Collectorate for the TSO/CRO officials of the respective districts. However, the audit observations are correct, to remedy the situation prior to the implementation of the End to End Computerisation, the following aspects shall be addressed</p> <p>(a) Mandatory training for field staff prior to posting shall be ensured.</p> <p>(b) I.T. division with staff with Technical skills to be created vertically/horizontally in the department.</p> <p>(c) Regular training and refresher training and TNA(Training Needs Analysis) and Trainy adults shall be ensured in the End to End Computerisation.</p>
22	<p>Food, Civil Supplies & Consumer Affairs Department</p>	<p>1.4.15.6</p>	<p><u>Human resource management-Lack of training</u></p> <p>Human resources management (HRM) is the strategic and coherent approach to the management of an organisation's most valued assets – the people working there who individually and collectively contribute to the achievement of the objectives of the business.</p> <p>Although computerization process started in 1995-96, the employees were not trained adequately in the operation of software. In 17 offices visited, we noticed that employees trained in the software package were less than three percentage. The absence of training had the following impact:</p> <ul style="list-style-type: none"> • The department had to depend on outsourced personnel for date entry, verification and even for approval of the card in the computerized system. • Internal controls like logical access controls and segregation of duties could not be put in place. • Date entry mistakes could be detected only after taking the print

23	Food, Civil Supplies & Consumer Affairs Department	<p>ous causing wastage of resources and financial loss as referred to in subsequent paragraph 1.4.20.4. The Government state (December 2010) that action would be initiated to impart adequate training.</p> <p>PHYSICAL AND ENVIRONMENTAL CONTROLS Ineffective physical access control During field visits, we noticed the following lapses in physical access control:</p> <ul style="list-style-type: none"> • The public were permitted entry into server rooms for capturing their digital images in 11 offices. <p>While security guarding at night and on holidays was available in the case of office building located in Government office complexes, there was no guarding in nine offices functioning in rented buildings. One building was in dilapidated condition.</p>	
24	Food, Civil Supplies & Consumer Affairs Department	<p>Ineffective dust and moisture control During field visits, we noticed the following lapses in dust and moisture Control:</p> <ul style="list-style-type: none"> • Dust accumulation in the server machines was noticed in eight offices as referred to in paragraph 1.4.14.3 <p>Water was seeping through roof/ walls in three offices. In CRO, Ernakulam seepage was to such an extent that water logging occurred to a height of two cm during rainy season.</p>	<p>Strict Instructions will be issued to the Taluk Supply/City Rationing Officers regarding ineffective physical control and ineffective dust and moisture control. Separately, during the implementation of the End to End Computerisation specific attention shall be given to the components to ensure proper arrangements for housing the server and security of the premises with proper entry protocols for authorized personnel.</p>
24	Food, Civil Supplies & Consumer Affairs Department	<p>Ineffective dust and moisture control During field visits, we noticed the following lapses in dust and moisture Control:</p> <ul style="list-style-type: none"> • Dust accumulation in the server machines was noticed in eight offices as referred to in paragraph 1.4.14.3 <p>Water was seeping through roof/ walls in three offices. In CRO, Ernakulam seepage was to such an extent that water logging occurred to a height of two cm during rainy season.</p>	<p>Strict Instructions will be issued to the Taluk Supply/City Rationing Officers regarding ineffective physical control and ineffective dust and moisture control. The same shall be remedied in the End to End Computerisation by ensuring proper infrastructure for servers, I.T assets housings, ensuring dust free environment and moisture control.</p>

25	Food, Civil Supplies & Consumer Affairs Department	1.4.16.3	<p><u>Lack of ensuring uninterruptible power supply(UPS)</u></p> <p>Efficient performance and better life expectancy of electronic equipments require uninterruptible power supply. We noticed that in four offices UPSs were not backed with working battery, thereby adversely affecting the performance of hardware and operating system. In eight offices, the battery backup was below 30 minutes compelling them to remain idle in case of prolonged power failure.</p>	<p>Uninterrupted Power Supply (UPS) were purchased in all Taluk Supply/City Rationing Offices in the year 2006. The batteries attached to these devices are mostly in obsolete condition and to be replaced. Since the yearly budgetary provision for computerization of Civil Supplies Department is very low, the department is unable to meet all the hardware requirements of the entire offices in Kerala. Further, provision of features solely for proper back up at select TSOs has to be included in the End to End Computerisation.</p>
26	Food, Civil Supplies & Consumer Affairs Department	1.4.16.4	<p><u>SECURITY POLICY</u></p> <p><u>Lack of information security policy</u></p> <p>Confidentiality, integrity and availability are to be the core principles of information security. We observed the following lapses in this regard.</p> <ul style="list-style-type: none"> • The department did not have an IT Security Officer and any team assigned with the responsibility of IT services/support. • Best practices in IT, like IS Security requirements were not made available to users. • No mechanism was seen for recording and reporting security incidents. 	<p>The department is in the process of constituting an IT division with various cells to be created to address the various sub areas in the End to End Computerisation is also delineated along with the staff strength necessitated for each sub area for the successful implementation of our IT initiatives with the responsibility of IT services/support. The I.T security aspect shall also be ensured as a critical part of the End to End Computerisation.</p>

27	Food, Civil Supplies & Consumer Affairs Department	1.4.17 1.4.17.1	<p>LOGICAL ACCESS CONTROLS Absence of password policy</p> <p>The importance of password policy is to minimise the risk of unauthorized access and modification of data. We observed the following shortcomings arising from absence of password policy.</p> <ul style="list-style-type: none"> • Though complex passwords are enabled and passwords encrypted in the case of users of centralized database, simple passwords are enabled and stored without encryption in servers in field offices. Periodic changes of passwords were not ensured. • No instructions were issued on password policy specifying the structure and length of password, changing of passwords, secrecy to be maintained etc. • The length of password was noticed to be short as three characters. Users were not forced to change the initial passwords set by administrator. <p>The Government stated (December 2010) that steps would be initiated to formulate password policy and its adherence ensured.</p>	<p>The password policy adopted by NIC has been implemented in the web application and steps will be taken to ensure the same is implemented in the Client-Server application 'RCMS'. The observation of the audit shall be strictly complied with in the prospective implementation of the End to End Computerisation in terms of a password policy and I. T security policy in the department.</p>
28	Food, Civil Supplies & Consumer Affairs Department	1.4.17.2	<p>Sharing of login-ids and passwords</p> <p>Logical access control is exercised through individual login-identifies and passwords for authentication of users. User</p>	<p>Ration Card Management System 4.0 is a workflow based software compatible with Unicode databases. Strict instructions are given to Taluk Supply Officers concerned</p>

29	Food, Civil Supplies & Consumer Affairs Department	<p>Identification ensures accountability for user activities so that it acts as a deterrent force in any malevolent user activities.</p> <p>In 11 out of 17 offices visited, we observed that less than three user-ids were allotted against average staff strength of 11. It compelled users to share user-ids and passwords among them defeating the purpose of exercising logical access controls.</p> <p>The Government stated (December 2010) that sufficient login-ids would be made available.</p>	<p>for validating the work and for giving utmost priority for Authorisation and validation of data and completeness and correctness of data will be certified at appropriate levels. In case of retirement or transfer of employees, the administrator shall immediately deactivate user accounts to prevent unauthorized access to the system. User-ids had been provided to all DSO/TSOs for monitoring the details and for addition and deletion of users. The principle of one user one password and user I.D shall be imposed, further subsequently in the End to End Computerisation a biometric valuation module can be built in to ensure correct login by the correct person.</p>
1.4.17.3.		<p><u>Failure in deactivating user-ids of retired/transferred employees</u></p> <p>Best IT practices demand that in the case of retirement or transfer of employees, the system administrator should immediately deactivate user accounts to prevent unauthorized access to the system. However, we noticed that employees performing the role of system administrators were not provided with the rights for deactivating user accounts. Hence in none of the 17 offices visited, user accounts relating to old staff members were deactivated. In Taluk Supply Offices, Kannur, Thalassery and Tirunagudi there were more than 30 user-ids relating to old staff members.</p> <p>As a result, the system is devoid of correct login information as to who entered a</p>	<p>Ration Card Management System 4.0 is a workflow based software compatible with Unicode databases. Strict instructions are given to Taluk Supply Officers concerned for validating the work and for giving utmost priority for Authorisation and validation of data and completeness and correctness of data will be certified at appropriate levels. In case of retirement or transfer of employees, the administrator shall immediately deactivate user accounts to prevent unauthorized access to the system. User-ids has been provided to all DSO/TSOs for monitoring the details and for addition and deletion of users. This shall be ensured by the department.</p>

30	Food, Civil Supplies & Consumer Affairs Department	1.4.18	<p>particular piece of data. This lapse would stand in the way for prevention against miscreant user activities.</p> <p>The Government stated (December 2010) that deactivation of user-ids would be entrusted to local system administrators.</p>	
<p>Inadequate Segregation of Duties</p> <p>Segregation of duties ensure that the data stored is authenticated at various levels of supervisory officers. Inadequacies in this would increase the risk of errors being made and remaining undetected, fraud and the adoption of inappropriate working practices. The system provided a workflow automation involving data entry operator, verification at supervisory level and final approval by the head of office. During field visits, we noticed that in none of the offices the head of offices was approving the data (ration card) through the computerised system. Instead the approval was given by affixing signature on the print out of ration cards. In 11 out of 17 offices the data entry, verification and approval were done in the system by a single user and that too by an outsourced person. Data analysis revealed that in majority of the records, data entry, verification and approval were done by data entry operator, defeating the very purpose of segregation of duties.</p>			<p>The system provided was a workflow automation involving data entry operator, verification at supervisory level and final approval by the head of the Office. Due to the lack of systems in the sub offices, the work flow model is not being followed in these offices. For the successful implementation of the workflow process additional systems are required in these offices. But the budgetary provision for computerization is only 15 Lakhs per year which is only sufficient for the AMC of computers and peripherals. The E- RCMS is presently managed at the Taluk level offices with servers and other hardware that have been provided in 2005 and are now obsolete and causing serious malfunction in maintaining the E-RCMS, since under the End to End computerisation a policy decision shall eventually be taken to migrate the entire E- RCMS to the SIMS of the Common Application Software of NIC and further the Taluk and District Offices need a complete hardware upgrade. Further the concept of affixing of digital signature for the approval of the ration cards management system online itself.</p>	

31	Food, Civil Supplies & Consumer Affairs Department	1.4.19	<p>Ineffective virus control</p> <p>Antivirus software is used to prevent, detect, and remove malware, including computer virus, worms, and trojan horses. Installation of antivirus packages helps in reducing threat to data caused by virus attacks. We noticed the following lapses in this regard.</p> <ul style="list-style-type: none"> • Only in three offices licensed versions of antivirus packages were installed. • Freeware packages were being used in 14 offices. • None of the offices were updating virus definitions files. • Systems were seen infected with virus in 12 offices. • In four offices virus infection caused non-performance of the system for over a week. <p>The Government stated (December 2010) that steps would be initiated for sending virus definition files to field offices periodically.</p>	<p>The presence of virus infection in computers in the Taluk Supply/City rationing offices causes non-performance of the Ration Card Management System. Accordingly sanction was issued to the Taluk Supply/City Rationing Offices for purchase of licensed versions of antivirus packages if necessary. In the End to End Computerisation standardization of the anti-virus package shall be made available.</p>
32	Food, Civil Supplies & Consumer Affairs Department	1.4.20	<p>APPLICATION CONTROLS</p> <p>Janat controls</p> <p>Organisations employ procedures and controls to ensure that all transactions are authorised before being entered into the computer system so that the data input are complete, accurate and valid.</p>	

33	Food, Civil Supplies & Consumer Affairs Department	1.4.20.1	<p>Lack of authorization of inputs</p> <p>Accuracy of data captured in the system is generally ensured by three level controls. First of all input data are to be verified and approved at supervisory level before they are entered into the system. Secondly, the accuracy can be controlled by system level validity checks during data entry by incorporating proper validation rules during design of the system. Finally, the data entered in the system can be authorised by approval at supervisory level before they are moved for further processing or generation of reports - printing of ration cards in the instant case.</p> <p>We noticed that all the three controls were overlooked as revealed from verification of 510 basic records (application for ration cards) in 17 offices with the data captured in the system as indicated below:</p> <ul style="list-style-type: none"> • There were large number of records with mistakes in vital data capture (21 mistakes in house number, 10 in relationship, 117 in names and initials, 15 in income and 22 relating to age). • There were 13 mistakes relating to cooking gas connection, four mistakes in electrification and one mistake each relating to income-tax payee status and kerosene permit. • While three genuine members were excluded in a card, one ineligible 	<p>The observation of audit have been examined and as suggested a three tier screening system for data capture shall be incorporated in the entire RCMS (version 2) during the implementation of the End to End Computerisation. The three tier structure shall fix responsibility at the data entry level, data validation level and approval for data inclusion in the data base and the redundancy of all data records/ fields shall be ensured by fixing responsibility on the data entry at these three steps. It was as per the user requirement that the form to capture the bank loan details was included in the application. As per the requirement of the Department, the details in the ration card entry form such as Income, PAN, Income tax payee, Voter's Identification number and Category of the individual were provided only for information and are not mandatory fields. The department is not physically verifying the income certificates or other certificates related to these items.</p>
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member was included in another card.

While the above mistakes were examples of disregard of first and third controls stated above, the following mistakes, found in data analysis of 3.69 lakh records, could have been avoided, if system validity checks were in place.

- 1,815 records contained income-tax permanent account number (PAN) without the requisite 10 alphanumeric characters.
- 1,695 records showed as income-tax payees, while their annual income was shown less than Rs. one lakh.
- 530 records showed monthly income exceeding Rs.25,000, were PAN were not captured.
- 3,142 records showed monthly income exceeding Rs.609, but their status was shown as below poverty line (BPL).

Data analysis also found that 2,445 ration cards were issued without being verified. A reference was made in paragraph 1.4.18 on overlooking of these controls caused by entry, verification and approval of data by the data entry operator.

34	Food, Civil Supplies & Consumer Affairs Department	1.4.20.2	<p><u>Non-standardization in input causing duplicate in house numbers</u></p> <p>Standardisation of input data is the basis requirement for further processing of data and accuracy in report generation. The most vital data to ensure uniqueness of data in the KCMS is the house number. While the Local Bodies, the authority for allotting house number, has three columns (ward No., door No., and sub No.), the house number was split only into two columns (wards and house No.) without a column for sub number of houses in the system. This deficiency stood in the way of authenticating RCMS data by the department with that of the Local Bodies. Data analysis also revealed that the data was not standardised. Numerals contained both Arabic and Roman numbers, separator used for sub division of a house number varied like . . . / . etc. Ward numbers contained more than two digits, although no Local Bodies in Kerala has more than 99 wards. We noticed 708 out of 3.69 lakh records contained more than two digits in ward number. The deficiency obstructed us in cross checking for detecting unauthenticated data. Notwithstanding the above, we noticed 14.46 percentage of duplication in house number field.</p> <p>Had there been proper utilisation of system validation checks and input masks, these</p>	<p>In the discussions held by the department in 2001 for digitization of the ration card data, it was decided to store the address of the card owner. The address was to comprise of the ward number, house number and address details. In some districts like Malappuram, the officials were issuing more than one ration card to the same house number and hence the duplication in house number occurs. In RCMS, warning message was displayed to indicate whenever a house number was duplicated. The number of panchayats and wards change over the time. To make the application flexible for any number of wards within a local body, the length of the field 'ward number' was not limited to 2 digits. The audit observation has been noted to incorporate the same in the RCMS version 2 with adequate checks to allow for non duplicity. Further, the key vital data is proposed to be the unique AADHAR I.D which will allow the de-duplication but also factor for multiple AADHAR I.D s having ration card under one house number.</p>
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	<p>mistakes could have been prevented. The Government stated (December 2010) that the house-number data would be split into three levels so as to restrict the possibility of duplications.</p>		
<p>The mandatory fields that are given in the ARD master entry are the ARD number and the zone in which it is situated. Initially the 'name field' was also made mandatory but later it was removed because it was found in many records that the same name was typed by the officials for all the ARD numbers thereby creating confusions.</p>	<p><u>Non-capture of vital master data</u></p> <p>Only 14.09 percentage of records was valid in the name field in the master table 'ARD'. While the name field was filled with '.' in 52.86 percentage of records, other records contained numerals, name of places and junk characters. It would incapacitate the system to generate any valid reports from this data.</p>	<p>35</p> <p>Food, Civil Supplies & Consumer Affairs Department</p> <p>1.4.20.3</p>	
<p>Ration Card Management System 4.0 is a workflow based software compatible with Unicode databases. Strict instructions are given to Taluk Supply Officers concerned for validating the work and for giving utmost priority for Authorization and validation of data and completeness and correctness of data will be certified at appropriate levels. The specific issue of unnecessary wastage in reprinting has been noted and shall be rectified by enable print out on approval of soft format of Ration Card by appending digital signature of the TSO concerned only.</p>	<p><u>Failure in validation of records leading to mistakes and consequent financial loss</u></p> <p>Owing to employee's reluctance in using the system and the discontinuity of staff as pointed out in paragraphs 1.4.13.3 and 1.4.15.3, the computerisation process had initially outsourced to Keltron, which sub let data entry works to Kudumbashree units. Finding the percentage of data entry mistakes exceeding permissible limits, the department outsourced the work to C-DIT at the time of installation of RCMS version 4.0. The agreement with C-DIT stipulated that they should be paid Rs.13.85 per card. However, the onus of verification, approval and issue of card was to be ensured by the department.</p>	<p>36</p> <p>Food, Civil Supplies & Consumer Affairs Department</p> <p>1.4.20.4</p>	

	<p>We noticed that the verification and approval of ration cards, before being printed, were not done by the department as pointed out in paragraph 1.4.18, which resulted in printing of cards with mistakes. We also noticed reprinting of cards at a monthly average of 150 per office. The annual cost avoidable wastage of resources on account of this would work out to Rs.17.20 lakh. The Government stated (December 2010) that instructions have since been issued to field offices for validation of data.</p>	<p>The details of Data transfer procedure from Taluk Supply Offices can be monitored from the Directorate of Civil Supplies which is being done by the RCMS State level coordinator. Steps are being taken to ensure that the data transfer from TSOs will be automated by scheduling the procedure. In the End to End Computerisation project the first step is to make the RCMS version 2 truly online without the provision for batch processing and buffering of data locally and uploading later. In effect all data shall be uploaded truly online and all ration cards issued online.</p>
37	<p>Food, Civil Supplies & Consumer Affairs Department</p>	<p><u>1.4.20.5</u> <u>Ineffective monitoring of data transfer</u></p> <p>A reference was made in paragraph 1.4.13.1 on the inability of the department in proceeding with online processing. The batch processing required every field office to connect to the central server for updation of the LANs by data transfer. The interval for data transfer was stipulated to be every three hours. However, we noticed delay in data transfer in 36 out of 69 offices as indicated below:</p> <ul style="list-style-type: none"> • 10 days or more in eight offices • four to nine days in 13 offices • one to three days in 15 offices <p>The delay could have been avoided, if the data transfer was automated by scheduling a</p>

38	Food, Civil Supplies & Consumer Affairs Department	<p>The Government stated (December 2010) that the data transfer would be automated by scheduling.</p> <p><u>Business continuity and disaster recovery planning</u></p> <p>Business continuity Planning (BCP) is working out how to stay in business in the event of disaster.</p>	<p>At present there is no Data Recovery Center (DRC) at the State Center. The IT department is in the process of preparing the DRC. The decentralized servers at TSOs/CROs act as redundant servers till a Disaster Recovery Plan is formulated and implemented. Civil Supplies Department has requested the IT Department to provide for the same.</p>
39	Food, Civil Supplies & Consumer Affairs Department	<p><u>Ineffective environmental control on prevention of fire</u></p> <p>The objective of environmental controls is to prevent computer equipments and the information from environmental damage, caused by disasters like fire, flood, theft etc. During field visit of 17 offices, we noticed the following lapses in prevention of fire:</p> <ul style="list-style-type: none"> • Fire/smoke detection devices were not installed in 16 offices. In TSO, Thalassery, where the devices were installed, we observed that employees were not trained for handling emergency situations. They were also not certain whether the apparatus was in working condition. 	<p>Fire extinguishers were purchased centrally under the Service Delivery project (SDP) under MGP based on the requests of requirements received from the Taluk Supply/City Rationing Officers in 2006. While installing the devices training were given to the office staff on handling the apparatus by the vendors. Training modules on environmental controls will be included in the Training sessions for the departmental staff as part on End-to-End computerization of PDS. The proper rectification of the audit observation shall be in the implementation of the End to End project where due care shall be taken to factor for disaster proof housing for the I.T assets and erected damp proof.</p>

40	Food, Civil Supplies & Consumer Affairs Department	1.4.21.2	<ul style="list-style-type: none"> • Fire extinguishers were available only in 9 offices. • Rags and waste papers were seen heaped up in server rooms in 5 offices. • Garbage was seen dumped on battery sets in 2 offices. <p>The scenes in Figure 2 depict the condition of UPS rooms vulnerable to fire caused by heat emission from UPS and battery.</p>	
41	Food, Civil Supplies & Consumer Affairs Department	1.4.21.3	<p>Insufficient data backup</p> <p>Backup (making copies of data) is useful in restoring to a state following a disaster and also to restore files after they have been accidentally deleted or corrupted. Though the department had directed to take daily backups, no procedures were prescribed. Backup registers were not maintained in any of the offices enabling head of offices to ensure taking of backups. In its absence, we noticed that backups were taken only twice/thrice a week in three offices, weekly in five offices and fortnightly in four offices. The Government stated (December 2010) that instructions have since been issued to ensure daily backup.</p>	<p>Guidelines/ Directions were issued to the sub offices to ensure that the daily backup of the Ration Card databases are taken and Backup registers of the same are maintained. This would be made mandatory and system drive once the RCMS (version 2) is operational in fully online.</p>
41	Food, Civil Supplies & Consumer Affairs Department	1.4.21.3	<p>Absence of external data backup</p> <p>We noticed the data size in every office as more than one GB. However, DVD writers were installed only after January 2010. In</p>	<p>Guidelines were given to the sub offices to maintain the backup on DVDs. A copy of the backup on the main server is to be copied onto the 4 client machines every day so as to</p>

<p>two offices it was installed in August, four offices in July and five offices in June 2010. In TSO, Kunnathunad it was not installed (August 2010). While in CRO, Thiruvananthapuram North and TSO, Tirur backups were seen taken in pen drive, backups were not taken in DVD in any of the offices.</p>	<p>ensure there is a second backup. The latest 3 backups can be stored on the systems and the others were to be removed periodically. In standing instruction O P D.D shall be allowed for backup mandatory as per the prescribed manner only till the RCMS version 2 is fully operational. Ideally it would imply that all data is entered online and all respects/ratton card generated online in system driven backup is automatically ensured. This kind of a situation shall be factored for the implementation of the End to End Computerisation.</p>
<p>Though the data stored in central server is adequately backed up, the data stored in LANs in TSO/CROs cannot be overlooked especially in view of the fact that the department still relies on decentralised servers as pointed out in paragraph 1.4.13.1.1. The threat of data loss attracts attention in view of the delay in uploading of data to central server as pointed out in paragraph 1.4.20.5.</p>	
<p>The Government stated (December 2010) that instructions have since been issued to ensure external backup in DVD media.</p>	

Report of the Comptroller & Auditor General of India for the year ended 31st March 2011 (Civil)
Action Taken Report on para 2.4.1 to 2.4.8.

Dept.	Para-graph	Gist of the Audit Report	Remedial Measures Taken
Consumer Affairs Dept.	2.4	Compliance of Standards of Weights & Measures Acts and Rules by the Legal Metrology Department.	
	2.4.1	<p>Introduction</p> <p>The Standards of Weights and Measures Act, 1976 provides for the establishment of Standards of Weights and Measures and the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 regulate the sale of commodities in a packaged form. The Standards of Weights and Measures (Enforcement) Act, 1985 provides for the enforcement of the provisions of the Act in the Country. These Acts and the Rules stipulate consumer protection in respect of Weights and Measures used in trade and commerce. The Legal Metrology Dept. in the State is the authority to implement the above enactments so as to protect the consumers from exploitation and unfair trade practices.</p> <p>The main activities of the Department are initial and periodical verification of Weights and Measures and weighing and measuring instruments; issue of licences; maintenance of working and secondary standards; inspection and surprise visits of trade premises; control on packaged commodities, etc. These are carried out through a Controller who heads the department; three Deputy Controllers in three Regions; 14 Assistant Controllers (District level); 11 Assistant Controllers (Flying Squad (FS)); one Assistant Controller (Central Laboratory) and one Assistant Controller (Net Content Verification).</p> <p>Test check of the records of the Controller, three Deputy Controllers, four Assistant Controllers (district level) out of 14, four Assistant Controllers (FS) out of 11, Assistant Controller (Net Content</p>	<p>This para is about the Organisational set up of Legal Metrology Dept. Hence no action is called for.</p>

		Verification) and Assistant Controller (Central Laboratory) for the period 2006-2007 to 2010-2011 revealed the following:	
2.4.2	<u>Delay in upgradation of enforcement mechanism</u>	<p>Government of India released Rs.33 lakh (Rs.30 lakh in September 2006 and Rupees Three lakh in May 2007) under the scheme 'Strengthening of Legal Metrology Wing of the States' for purchase of Class-I Working Standard balances. The Government issued the administrative sanction in February 2007 and the department invited tenders for the purchase of Electronics balances of various capacities (200 gm. Two kg, 20 kg, and 50 kg.) for the upgradation of enforcement mechanism. However, the expert committee recommended purchase of 19 Electronics Balances of capacity 200 gm. from the lowest tenderer and rejected the purchase of 50 kg, 20 kg, and two kg. balances due to their poor quality. This necessitated re-tendering for these items which delayed the procurement of the balances. Hence, the procurement of balances was made only during 2008-2011 (Rs.32.79 lakh). The delayed procurement resulted in delay in upgradation of the enforcement mechanism for more than four years.</p>	<p>Government of India vide letter No.WM 8 (1)/05 dated 27.10.06 sanctioned an amount of Rs. 30 lakhs for the purchase of Class I Electronic Working Standard Balances to the Legal Metrology Dept. Government of Kerala accorded administrative sanction for the purchase vide G.O (Rt) No.720/07/RD dated 15.02.07. Legal Metrology Dept. submitted the note before the Departmental Purchase Committee to utilize the amount before the end of the financial year. Finance Department vide GO(Rt) No.2309/07/Fin. 26.03.07 accorded sanction to deposit Rs.30 lakhs by opening a Special TSB Account in the District Treasury, Thiruvananthapuram.</p> <p>The Expert Committee constituted by Government vide GO(Rt) No.1348/07/RD dated 26.03.07, met on 24.12.07 and recommended to purchase 19 Nos of 200 g balances from the lowest tenderer and rejected the balances of 50 Kg, 20 Kg, and 2Kg. due to poor quality. The Government accorded sanction for purchasing 200 g balances 19 in number on the basis of decision taken by Departmental Purchase Committee meeting held on 19.03.2008. Re-tender was invited and balances were purchased after completing all necessary official formalities. The Legal Metrology Dept. has not made any intentional delay in the upgradation of the enforcement mechanism. The delay occurred was only in completing the procedures of formalities for procurement as per rules.</p>
2.4.3	<u>Inadequate verification of auto-rickshaw fare meters</u>	<p>At present there is no provision in the Acts</p>	<p>As there is no provision in the Legal Metrology Act and Rules, Legal Metrology Dept. has no jurisdiction to insist fare meters in all types of auto-</p>

	<p>or Rules relating to weights and measures to insist fare meter in passenger auto-rickshaws and taxi cabs. The enforcement of the provisions of the weights and measures Acts and Rules arises only after fixing of fare meters in the vehicles. According to item 12 of Schedule XII of the Kerala Standards of Weights and measures (Enforcement) Rules, 1992 as amended during March, 2006 a fee of Rs.100 per meter was leviable for re-verification of auto-rickshaw/taxi meters. Test check of records for the period 2007 to 2010 revealed that the number of auto-rickshaw meters subjected to verification and stamping by the Legal Metrology Department ranged from 4.84 to 29.8 per cent (Appendix 2.11) of the total number of 6,56,127 auto-rickshaws for which fitness certificates had been issued by the Motor Vehicles Department during 2007-2010. The department was stamping only the auto-rickshaws brought voluntarily for verification. The Controller admitted (June 2011) that there was no provision in the Acts or Rules relating to weights and Measures to insist upon fare meter in an auto-rickshaw or a taxi and stated that amendment of the Motor Vehicles Act alone would solve the problem. Thus, the objective of protecting the interest of the consumers was not fully achieved. Moreover, the Government continued to incur revenue loss due to non-collection of fees towards verification/re-verification.</p>	<p>rickshaws. Those auto-rickshaws plying taxi in the State shall install fare meters. Legal Metrology Dept. has jurisdiction to ensure that all the fare meters used in taxi auto-rickshaws are duly certified, verified and stamped. The sanctioned strength of Inspectors in the State for the verification of fare meter is only 3.</p> <p>The maximum number of fare meters that can be verified in a year in the State is 24000.</p>
2.4.4	<p>Inspections</p> <p>Inspection of weights and measures to verify whether such instruments are in conformity with the Standards prescribed under the Standards of Weights and Measures Act, 1985 is one of the important functions of the department in protecting the interests of the consumers. According to Rule 15(7), an Inspector should visit as frequently as possible during the period specified in Rule 14(1), every premise within the limits of his jurisdiction to inspect and test any weight or measure. Audit scrutiny revealed the following deficiencies:</p>	

2.4.4.1	<p>General deficiencies</p> <p>The department fixed financial targets for the District offices every year. The percentage of inspections conducted in the State ranged from 17.26 to 27.33 per cent of total weights and measures re-verified during 2006-2007 to 2010-2011 (Appendix 2.12). The inspectors detected violations of Weights and Measures Rules and Packaged Commodities Rules ranging from 11.69 to 30.83 per cent in the inspections conducted (Appendix 2.13).</p> <p>The main function of the Assistant Controller (FS) is to conduct surprise inspections of business premises in the District to detect malpractices, if any, in connection with Weights & Measures instruments and packaged commodities rules. Audit observed that the Assistant Controller (FS) inspected only 0.63 to 2.35 per cent of the total number of units re-verified in the selected districts during 2006-2007 to 2010-2011 (Appendix 2.14). The Assistant Controller (Flying Squad) Kozhikode attributed (June 2011) the shortfall in inspections to departmental vehicles being in dilapidated condition and lack of clerical staff. The Assistant Controller (FS) Kannur stated (June 2011) that out of the vehicles in the office, one was ordered to be condemned and the other vehicle was required for several other official purposes. Hence, the vehicle was not available for conducting surprise inspections by the Flying Squad, Kannur. As there were no separate Assistant Controllers (FS) in the districts Kasaragod and Wayanad, the charge of these districts was assigned to Assistant Controllers (FS) Kannur & Kozhikode respectively. This indicated that the Department failed to protect the interests of the consumers envisaged in the Act by not having an adequate enforcement mechanism in place.</p>	<p>The manpower for inspection and verification is not increasing even though there is day by day increase in the commercial and business establishments and traders in the State. The present staff strength of this Dept. is only one fifth of the actual requirements needed.</p> <p>The enforcement officers in the Legal Metrology Dept. including Assistant Controller (Flying Squad), Senior Inspectors and Inspectors have to perform ministerial works also in addition to their enforcement duties as there are no sanctioned posts of clerks in their offices.</p>
2.4.4.2	<p>Deficiencies in inspection of petrol pumps and Net Content Verification in packages.</p> <p>The Controller directed (February, 2000)</p>	<p>The main duty cast upon the Flying Squad Assistant Controllers is to conduct surprise inspections in the</p>

	<p>the Assistant Controllers (FS) to conduct inspection of at least 20 petrol pumps in a month. The Controller also issued (July 2007) directions for conducting verifications of the net content in packing establishments and factories as described below :</p> <ul style="list-style-type: none"> * The Assistant Controller (Net Content Verification), Ernakulam was to conduct net content verifications of at least five units in a month in each of the three zones of the State. * The Assistant Controllers (FS) were to conduct net content verification of at least five establishments in a month under their jurisdiction. <p>The following deficiencies were noticed in the compliance of the above instructions.</p> <ul style="list-style-type: none"> * The Assistant Controller (Net Content Verification), Ernakulam was to conduct 180 inspections in the State annually. However, audit scrutiny revealed shortfalls ranging from 52.78 to 72.78 per cent during the period 2008-2009 to 2010-2011 (Appendix 2.15). The Assistant Controller (Net Content Verification) stated (June 2011) that additional duty as liaison officer at the Advocate General office/High Court of Kerala resulted in the shortfall in inspections. * The records of three Assistant Controllers (FS) revealed shortfalls in the number of inspections of establishments in their respective jurisdictions. Audit noticed that no inspection was conducted in Kozhikode and Kannur during 2008-2009 to 2010-2011 as against the required number of 60 inspections in a year. In Thrissur, five inspections were conducted in 2008-2009, but no inspection was conducted in 2009-2010 and 2010-2011. The Assistant Controllers (FS), Kozhikode replied (June 2011) that the office was not equipped to conduct such verification due to provision of only skeleton staff, absence of laboratory and the allotted vehicle being old. The Assistant Controller (FS), Kannur replied (June 2011) that they had not been supplied with Working Standards. 	<p>trade premises and to process packing registrations and to detect violations of the Act and the Rules. With an intention to enhance the performance of the enforcement wing, the Controller of Legal Metrology issued circular to inspect a minimum of 20 pumps and five net content units (packing centers) in a month. But they cannot fulfil the said target due to the lack of sufficient vehicles and they are overburdened with ministerial work in their offices.</p>
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	<p>The Assistant Controller (FS), Thrissur replied (June 2011) that high precision Working Standard Balances had not been provided to them by the Dept. It was observed that there was a high percentage (ranging from 60 to 88.5 per cent) of violations of Packaged Commodities Rules detected in the inspections by the Assistant Controller (Net Content Verification). This pointed towards the need for inspecting more establishments to protect the consumers from exploitation.</p> <p>* The inspection conducted by the Assistant Controllers (FS) in the petrol pumps during 2006-2007 to 2010-2011 were less than half of the prescribed number of 240 inspections in a year in all cases except in Kannur for 2006-2007. In Kozhikode, no inspection was conducted during 2006-2007 to 2008-2009, whereas in 2009-2010 and 2010-2011 the percentage of verification was 12 and 26 respectively. During 2006-2007 to 2010-2011 the percentage of inspections in Thrissur and Kannur ranged between 12.91 and 40.41; 8.75 and 58.75 respectively (Appendix 2.16). The Assistant Controllers (FS), Kozhikode gave (June 2011) the poor conditions of vehicles as the reason for not achieving the prescribed number of inspections. The Assistant Controllers (FS), Thrissur replied that the existing manpower was used to concentrate in those areas where collection of compounding fees was high so as to increase the revenue to the State exchequer.</p> <p>The Assistant Controllers (FS), Kannur replied (June 2011) that it was not practical to conduct 20 inspections in a month due to large scale expansion of petrol pumps after the year 2000. The number of nozzles in each pump had increased considerably increasing the working load. Hence the limit of 20 inspections in a month fixed during 2000 was impossible to achieve.</p>	
2.4.5	<p><u>Gold Testing Laboratory</u></p> <p>The Gold Purity Testing Laboratory set up</p>	<p>The proposal for creation of posts of technical personnel such as Senior Assay Master, Quality Manager,</p>

	<p>(2004) at Central Laboratory, Ernakulam with the assistance of the Centre for Earth Sciences Studies (CESS) Thiruvananthapuram was taken over by the Legal Metrology Dept. in August 2006. The cost of capital equipment procured at the time of setting up the laboratory was Rs.18.10 lakh. There were two types of methods – destructive (fire assay) and non-destructive (X-ray Fluorescent spectrometer)- adopted for testing purity of gold. The X-ray Fluorescent Machine installed in August, 2003 at a cost of Rs.11.34 lakh was not working since January 2008 as the high voltage transformer of the equipment being defective. Hence, with the defective machinery, the laboratory could not check the purity of gold using non-destructive method, which had immense demand among the public. The Dept. thus, failed to discharge its obligation, with regard to ensuring the purity of gold.</p> <p>Govt. of India sanctioned (July 2010) financial assistance of Rs.25.44 lakh from the Consumer Welfare Fund for upgrading the Gold Purity Testing Laboratory into a Referral Assay Laboratory for Gold. For upgradation and getting recognition by the Bureau of Indian Standards (BIS) for testing and marking the purity of gold, the Assistant Controller, Central Laboratory, Ernakulam requested (December 2010) the Controller to sanction posts of technical personnel such as Assaying Centre Manger, Quality Manager, Assay Master, Operator for XRF machine, Sampler, Receptionist and Security which had not been provided till June 2011. Hence, the department could not apply for recognition. The department thus failed to protect the interests of the consumers with regard to the purity of gold.</p>	<p>Assay Master, Sampler, Receptionist and Security to the Gold Testing Laboratory was examined. The Finance Dept. has agreed to create 1 post of Assay Master & 1 post of Junior Assay Master subject to the approval of Council of Ministers. Action is being taken for getting the approval of the Council of Ministers.</p>
2.4.6	<p>Pending cases in prosecution</p> <p>In the wake of setbacks faced by the department in a number of cases, in various courts, citing delay in filing cases, the Controller issued (April 2005) a circular authorising the inspecting officers to file cases directly in the Courts. The circular</p>	<p>The laches in filing cases in the Court in time – non production of material evidence and objects, shabby evidence, non observance of Act and Rules in filing cases will be viewed seriously as observed in the report. Immediate disciplinary action will be</p>

	<p>directed the field offices to forward copies of judgement of all cases to the office of the Controller for watching the follow-up action. It also contained the procedures to be followed by the Deputy Controllers and Assistant Controllers to monitor the cases handled by the officers under control on a quarterly basis.</p> <p>Even though the Controller directed (April 2005) all the field offices forward copies of all judgements, this was not done by the field offices. There was also no system to watch the prompt receipt of the same by the Controller. The Controller also did not maintain a centralised database of the court cases filed by various officers of the department. In the following cases, judgement were against the department due to departmental lapses :</p> <p><u>Table 2.32 : Judgements against the department for departmental lapses.</u></p> <p>(Table attached separately)</p> <p>It is evident that there was lapse on the part of the departmental officers in filing the cases in time after observing the procedures prescribed in the relevant Acts and Rules. This enabled the offenders in winning the cases.</p>	<p>initiated against those officers whose omissions and commissions in filing cases in various Courts caused acquittal of accused.</p>
<p>2.4.7</p> <p>2.4.7.1</p>	<p>Internal Control Mechanism</p> <p>The deficiencies noticed in the enforcement of internal control mechanism are discussed below :</p> <p>Internal audit</p> <p>The functions of the internal audit wing include examining, evaluating and maintaining the adequacy of the accounting and internal control systems. It also helps in assessing the Organisation's systems and procedures in order to prevent fraud, errors, etc. There is no separate wing for internal audit in the department. Internal audit was conducted by deputing the available staff in Head Office. Test check showed that out of 130 offices</p>	<p>It is admitted that no internal audit wing was constituted in the Dept. The hierarchical checks have been done by the Assistant Controllers to the Controller. The lapse in this respect have been rectified by constituting an internal audit wing headed by the Controller of Legal Metrology.</p>

which are to be audited every year, shortfalls in internal audit ranged from 61 to 74 offices from 2007-2008 onwards (June 2011).

2.4.7.2 Annual Administrative Report

As per Government instructions (February 1984), an Annual Administrative Report showing the annual activities of the department is to be prepared and submitted to the Government every year. The format of the report was revised in December, 2008. It was, however, noticed that the department had not prepared any administrative Report since 2008-2009. In the absence of such reports, information about the activities / performance of the Department during the year could not be made available to other departments/public.

The Annual Administrative reports for the year 2008-2009 is nearing completion. The Administrative report for the remaining period is under preparation.

2.4.7.3 Disciplinary cases pending settlement

It was observed that 32 disciplinary cases in connection with irregularities in stamping, issue of licences, compounding offences, etc. from 2002 onwards were pending against 30 departmental officers. Details are given in Appendix 2.17. Inordinate delay in finalising the proceedings diluted the deterrent effect of disciplinary action.

Now 14 disciplinary action cases are pending in Legal Metrology Dept. Immediate and effective action is being taken to finalize and dispose the above pending disciplinary action files.

Table 2.22

Sl. No.	Case No.	Date of Judgement	Reason for judgement against the department
1	CC 1063/03 JFCM II, Aluva	20 th July 2010	Lack of clinching evidence and inordinate delay in filing the case.
2	ST-474/08 JFCM II, Harippad	30 th December, 2010	Material evidence not produced in the Court.
3	CC-631/02 JFCM II, Thrissur	31 st May, 2005	Shabby evidence tendered by the departmental officers
4	5671/03 JFCM, Chittur	31 st March, 2006	Not observing the rules and procedures at the time of inspection.

APPENDIX III
APPENDICES FROM AG'S REPORT

Appendix 2.11
Details of inspection of auto-rickshaw fare meters
(Reference: Paragraph 2.4.3, Page 63)

2007	40987	7733	18.86	45833	5037	11.03	47908	2875	6.00
2008	44236	9947	22.48	49655	4403	8.87	64249	3483	5.42
2009	51439	13888	26.99	54870	4282	7.80	67529	3268	4.84
2010	53391	16512	29.80	59609	4468	7.50	74421	4476	6.01

Appendix 2.12
Details of inspections conducted
(Reference: Paragraph 2.4.4.1, Page 63)

2006-07	304564	59304	19.47
2007-08	247026	60909	24.66
2008-09	294627	80522	27.33
2009-10	240181	55007	22.90
2010-11	300675	51890	17.26

Appendix 2.13
Details of violations detected
(Reference: Paragraph 2.4.4.1, Page 63)

2006-07	59304	6935	11.69
2007-08	60909	13761	22.59
2008-09	80522	24824	30.83
2009-10	55007	15209	27.65
2010-11	51890	12020	23.16

Appendix 2.14
Inspections by Assistant Controller (Flying squad)
(Reference: Paragraph 2.4.4.1, Page 64)

Year	Number of Inspections	Number of Offences	Number of Vehicles Inspected	Number of Drivers Inspected	Number of Vehicles with Defects	Number of Drivers with Defects	Number of Vehicles with Major Defects	Number of Drivers with Major Defects	Number of Vehicles with Critical Defects	Number of Drivers with Critical Defects	Number of Vehicles with Dangerous Defects	Number of Drivers with Dangerous Defects
2006-07	22837	254	1.07	29358	186	0.63	42044	578	1.37	39368	662	1.68
2007-08	16888	324	1.92	29096	633	2.18	28275	667	2.35	39713	707	1.78
2008-09	23835	302	1.27	101643	923	0.91	39141	485	1.23	24002	436	1.25
2009-10	21116	353	1.67	50623	296	1.17	29900	484	1.61	22829	303	1.33
2010-11	16529	329	1.99	94479	856	0.91	40885	674	1.65	33249	313	0.95

Appendix 2.15
Inspections of Not Content verification
(Reference: Paragraph 2.4.4.2, Page 64)

Year	Number of Inspections	Number of Offences	Number of Vehicles Inspected
2008-09	180	85	52.78
2009-10	180	70	61.12
2010-11	180	49	72.78

Appendix 2.16
Inspections of petrol pumps
(Reference: Paragraph 2.4.4.2, Page 65)

Year	Number of Inspections	Number of Offences	Number of Vehicles Inspected	Number of Drivers Inspected	Number of Vehicles with Defects	Number of Drivers with Defects	Number of Vehicles with Major Defects	Number of Drivers with Major Defects	Number of Vehicles with Critical Defects	Number of Drivers with Critical Defects	Number of Vehicles with Dangerous Defects	Number of Drivers with Dangerous Defects
2006-07	240	Nil	Nil	240	141	58.75	240	47	19.58			
2007-08	240	Nil	Nil	240	29	41.25	240	35	22.91			
2008-09	240	Nil	Nil	240	27	11.25	240	31	12.91			
2009-10	240	28	11.66	240	21	8.75	240	50	20.83			
2010-11	240	63	26.25	240	31	12.91	240	97	40.41			

Appendix 2.17
Details of disciplinary cases pending settlement
(Reference: Paragraph 2.4.7.3, Page 67)

Sl. No.	File No.	Name and Designation	Charge
1	SI-3323/09	P.M.Nazir, Former Assistant Controller	Discrepancies in respect of stamping of weights and measure equipments
2	SI-6582/08	Anil X (Former Controller) P.Baburaj, Deputy Controller E.Lathief, Former Administrative Officer	Discrepancy in issuing licence
3	SI-6763/09	C.Shannon, Inspector	Discrepancy in re-verification camp
4	SI-95/10	T.K.Mohandas, Senior Inspector	Irregularity in the Petrol Pump
5	SI-1902/10	Sudhoor Raj, Inspector Sree Mirali, Inspector	Discrepancy in re-verification camp
6	SI-8892/02	Babu Raj, Deputy Controller	MRG Enterprises - Judgement against the department
7	SI-1555/03	Babu Raj, Deputy Controller	Koduvayoor Petrolsum Agency - Action has not been taken in time in respect of the cases detected.
8	SI-8628/04	Babu Raj, Deputy Controller	Discrepancies in issuing licence to Rejikkumar
9	SI-821/04	Babu Raj, Deputy Controller	Action has not been taken in respect of the cases detected.
10	SI-2593/05	Ratheshkumar, Sepoy	Unauthorized absence
11	SI-1081/07	Reena Gopal C.V.Babu Sailashkumar Pushkaran	Discrepancies in connection with tanker calibration
12	SI-8855/06	P.T.Sreekanth, Inspector	Unauthorized absence from duty and non-keeping of office records
13	SI-3510/07	S.Parasuraman, Senior Inspector (Retd) K.A.Mohanan, Asst. Controller (Retd) M.K.Gangadharan, Deputy Controller (Retd)	Discrepancies in settlement of cases
14	SI-2233/08	Sailashkumar, Assistant Controller	Deficiency in the cases registered
15	SI-4876/08	K.Vijayakumar, Assistant Controller S.Jaya, Inspector	Non-conducting of inspections in time
16	SI-1161/09	Roy Felix, Assistant Controller	Filing of case in the court before taking a decision for appeal
17	SI-2723/09	John Mathai, Assistant Controller	Lapse in the official duty
18	SI-8742/06	P.Baburaj, Deputy Controller	Petition relating to mental torturing of Smt.Reena Gopal, Asst. Controller
19	SI-3133/09	Lathief	Lapse in the official duty
20	SI-4396/09	E.Lathief, Former Administrative Officer	Missing files and action not taken
21	SI-5689/09	P.Baburaj, Deputy Controller E.Lathief, Former Administrative Officer	Not registering the Tapals
22	SI-2885/10	P.Baburaj, Deputy Controller	Could not contact over telephone

	File No.	Name	Remarks
23	2951/10	S.Suallikumar, U.D Clerk	Timely action not taken in the files
24	S1-4039/10	Venu.K.Mani, Inspecting Assistant	Petition regarding collection of money from commercial establishments
25	S1-5032/10	A.S.Rajesh, Fulltime Watcher	Dereliction from official duty
26	S1-7315/10	V.M.Rajeshkumar, Sepoy	Misuse of telephone and misbehavior
27	S1-9143/10	T.J.Joshi, Inspector D.Sarishkumar, Inspecting Assistant	Discrepancies in re-checking camp
28	S1-8935/06	N.K.Gangadharan, Deputy Controller (Retd.)	Discrepancies in settlement of cases
29	S1-8710/10	Kozhikode Assistant Controller Office	Complaint about the office
30	S1-803/11	Sudhakarn, Sepoy	Disobeying senior officer
31	S1-803/11	Driver, Kollam Office	Complaint against the driver
32	S1-7642/10	1. B.S.Ajith Kumar, Senior Inspector 2. P.B.Santhosh, Sepoy	Vigilance Report