THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE
ON
PUBLIC ACCOUNTS
(2011-2014)

FOURTH REPORT

(Presented on 20th March, 2012)

SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2012

THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

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(2011-2014)

FOURTH REPORT

On

**Action Taken by Government on the Recommendations contained
in the One Hundred and Sixth Report of the Committee
on Public Accounts (2004-2006)**

423/2012.

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INTRODUCTION

I, the Chairman, Committee on Public Accounts having been authorised by the Committee to present this Report on their behalf present the Fourth Report on Action Taken by Government on the recommendations contained in the One Hundred and Sixth Report of the Committee on Public Accounts (2004-2006).

The Committee considered and finalised this Report at the meeting held on 23rd November 2011.

Dr. T. M. Thomas Isaac,

Thiruvananthapuram,   *Chairman,*
20th March, 2012.   *Committee on Public Accounts.*

REPORT

This Report deals with the Action Taken by Government on the recommendations contained in the 106th Report of the Public Accounts Committee (2004-2006).

The 106th Report of Committee on Public Accounts (2004-2006) was presented to the House on 14th February 2006. The Report contains 8 recommendations relating to Information Technology, Finance, Civil Supplies, Local Self Government (Town and Country Planning), Health and Family Welfare, Taxes (Registration) and Motor Vehicles Departments. Government were addressed on 29th March 2006 to furnish the Statements of Action Taken on the recommendations contained in the report and the final replies were received on 8th September 2010.

The Committee examined the Statements of Action Taken at its meetings held on 18-11-2008, 6-1-2009, 18-11-2009, 6-1-2010, 18-8-2010, 8-9-2010 and 8-12-2010.

The Committee was not satisfied with the replies on recommendations contained in Para No. 9 (Finance Department) and Para No.-26 (LSG Department) and decided to pursue it further. Those recommendations, replies from Government and further recommendation of the Committee are incorporated in Chapter I of this Report.

The Committee decided not to pursue further action on the remaining recommendations in the light of the replies furnished by Government. Such recommendations and Government replies are incorporated in Chapter II of this Report.

CHAPTER I

RECOMMENDATIONS IN RESPECT OF WHICH ACTION TAKEN BY GOVERNMENT ARE NOT SATISFACTORY AND WHICH REQUIRE REITERATION

Recommendation

(Sl. No. 1, Para No. 9)

FINANCE DEPARTMENT

1.1 Computerisation of Government Departments was envisaged with a view to modernise and integrate the functioning of Government. But due to the haphazard way of implementation of the scheme and lack of vision and expertise

during the earlier years, the scheme has been reduced into a mere spending spree on computer hardware. It is revealed in the audit paragraph that a total amount of ₹ 10.42 crore was spent by 44 departments on computerisation during the period from 1993-94 to 1998-99. But in most of the Departments either the computers were stacked in storerooms or were used merely as a substitute for typewriters. The requirements of both the software and hardware and the feasibility of the projects were not properly assessed by the Department before embarking on such large-scale purchases. The Committee suspects that the hurried purchase of computers was done mainly to avoid lapse of budget allotment for the purpose. The Committee would like to remind the Government that the electronic world is fast changing and technology is advancing day by day. Hence investing on electronic items like computers merely to save the lapse of budget allotment that also without developing the software needed for each department is a mere waste of money and locking up of capital that could have been used for other purposes. This in fact amounts to mis-utilisation of public money. The Committee, therefore, recommends that while allocating budget provision for such schemes, the Finance Department should examine whether all the requirements for implementation of the schemes have been satisfied or not.

Action Taken

FINANCE DEPARTMENT

1.2 These observation and recommendation of PAC are of general nature involving 10.42 crore spent by 44 Departments during 1993-94 to 1998-99. As regards the Treasury Department is concerned Computerisation and purchase of computers for the same began during 1998-99. *Now all the 197 Treasuries in the State have been computerized and on-Line transaction is being conducted in all these Treasuries.* A Dial-up Networking is also operational. Computers and accessories purchased for the purpose during various periods starting from 1998-99 are fully utilised for the above purpose. At present no items are kept idling in Treasury Department. With regards the recommendations of the PAC, the concerned sections/wings of Finance Department have to examine and allot funds after going through the merits of each case. Besides during the current financial year an amount of ₹ 2.64 crore is allotted to Treasury Department and out of it an amount of ₹ 1.10 crore has already been *expended for the maintenance, upkeep* and purchase of accessories in connection with computerisation. For the smooth functioning of the system, action for the purchase of batteries for UPS, Print heads for printers have been finalised and action to purchase additional computers for Treasuries, Generator Sets, and

Air Conditioner is progressing. In order to provide additional facilities in the new treasury building (Government buildings) civil and electrical works have also to be completed. And hence the anticipated expenditure during the last quarter is ₹ 1.75 crore, for effecting the above mentioned purchase.

1.3 From the above facts, it is clear that Treasury Department has already fulfilled the basic facilities for computerisation.

Further Recommendation of Committee

1.4 The Committee recommend that the reasons for the non-utilisation of Computer purchased by the Administrative Department should be enquired into and action taken thereon. The Committee further recommend that the Government should conduct a study on this and take appropriate action. The further steps taken in this regards shall be intimated to the Committee.

Recommendation

(*Sl. No. 5, Para No. 26*)

LOCAL SELF GOVERNMENT DEPARTMENT

1.5 The Committee opines that the service being rendered by Friends is highly laudable. It suggests that the authority concerned should chalk out a proposal to extend the Service of Friends to Taluk level too.

Action Taken

LOCAL SELF GOVERNMENT DEPARTMENT

1.6 While the IT department would be able to give further details in the matter, it is pointed out that the Local Self Government Department has already introduced "Front Office" in all local bodies both in Rural and Urban areas for delivery of services such as that provided by the "Friends" centre to citizens in a time bound manner. In view of the provision of "Front Office" in all local bodies going even beyond the level of Taluks, delivery of services to citizens at their doorstep has already been achieved to a significant extent as far as the local bodies are concerned.

Further Recommendation

1.7 The Committee recommend that in the offices where 'Front Office' facility is available the certificates should be issued on the same day of receipt of application considering the seniority of the applications.

<small>CHAPTER **II**</small>

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE
TO PURSUE IN THE LIGHT OF THE REPLIES
FURNISHED BY GOVERNMENT

Recommendation

(*Sl. No.1, Para No. 9*)

I. T. DEPARTMENT

2.1 Computerisation of Government Departments was envisaged with a view to modernise and integrate the functioning of Government. But due to the haphazard way of implementation of the scheme and lack of vision and expertise during the earlier years the scheme has been reduced into a mere spending spree on computer hardware. It is revealed in the Audit Paragraph that a total amount of ₹ 10.42 crore was spent by 44 Departments on computerisation during the period from 1993-94 to 1998-99. But in most of the Departments either the computers were stacked in store rooms or were used merely as a substitute for typewriters. The requirements of both the software and hardware and the feasibility of the projects were not properly assessed by the Department before embarking on such large-scale purchases. The Committee suspects that the hurried purchase of computers was done mainly to avoid lapse of budget allotment for the purpose. The Committee would like to remind the Government that the electronic world is fast changing and technology is advancing day by day. Hence investing on electronic items like computers merely to save the lapse of budget allotment that also without developing the software needed for each department is a mere waste of money and locking up of capital that could have been used for other purposes. This in fact amounts to mis-utilisation of public money. The Committee, therefore, recommends that while allocating budget provision for such schemes, the Finance Department should examine whether all the requirements for implementation of the schemes have been satisfied or not.

Action Taken

INFORMATION TECHNOLOGY DEPARTMENT

2.2 After the setting up of IT Department several steps are being taken under this Department to prevent wasteful expenditure of public money and resources while implementing IT projects in various Departments. IT Department has issued guidelines to all Departments for (i) choosing and engaging Total Solution Providers who would undertake to perform the technical functions like

consultancy, procurement, development, training and maintenance of computersation for the department at standard rates, (ii) standard buy back rates for outdated computers for procurement of new computers in lieu and Annual maintenance of out of warranty computers. Government have approved the procedure for empanelment of Vendors/Service providers in IT area for the procurement of Information and Communication Technology (ICT) products.

2.3 Orders have also been issued for getting the approval of ITD for computerisation projects of other Departments considering that the Finance Department may not always be in a situation to review the merits of the technical and commercial viability of such projects.

2.4 While examining the computerisation/e-governance proposal submitted by various Departments for technical advice and approval, IT Department insists on certain strict procedure with regard to administrative sanction and implementation. IT Department has taken the initiative of setting up common IT Infrastructure for use by all Departments. The most important among such infrastructure is State Data Centre (SDC). IT Department insists on the utilisation of facility at the State Data Centre by all Departments. Kerala State Wide Area Network (KSWAN) is another infrastructure of prime importance. IT Department insists on using KSWAN to connect the field offices of the Departments which are covered under KSWAN. These infrastructure provide a common platform for commencing operation of computerisation projects of Departments without incurring major additional expenditure for new hardware, software, network security and management. IT Department has also identified common IT enabled services required in various departments. These have been included in IT enabled services projects like Akshaya, Citizen Service Centre, FRIENDS Bill Payment Centre etc. IT Department insists that all the service of the Department shall be made available through Akshaya and FRIENDS Centres. Common application like the Payroll System viz. SPARK, File Tracking System viz. IDEAS, Electronic File Flow System viz. MESSAGE, e-procurement System and Inventory Management system viz. AASTHI are being implemented and developed under the initiative of IT Department in a time bound manner. These can prevent additional expenditure for development of new software services and management, and the delay in implementation.

2.5 IT Department insists on developing website by all Departments and migrating the website to a Content Management Framework (CMF) which will enable the department to manage the content updates by themselves regularly without depending on the Service provider. The Kerala State IT Mission is co-ordinating the migration process which will provide inputs to the Departments for this process.

2.6   IT Policy 2007 stresses the need for maximum use of ICT to improve efficiency and transparency in the working of Government. The policy envisages promotion of use of Internet, e-mails and other communication facilities, open standards of Unicode, use of free and open source software, etc. with a view to prevent the unnecessary expenditure and uniformity in implementation.

2.7   Government have found it imperative to create IT Divisions in all Government Departments/Organisations in view of the limitations in depending on external agencies for implementing various e-governance applications. In this circumstances orders have been issued for the creation of IT Division in all Government Departments and PSUs including Local Self Government Institutions.

2.8   An IT Cell which will act as an interface with the Technical Agencies/ Total Solution Providers and Government on a broader picture of different e-governance applications being implemented in the Government Secretariat was also constituted. In order to achieve the expected pace of the implementation of the e-governance initiatives and to avoid infructous expenditure a circular was issued directing that all e-governance programmes at District/Sub level offices, will be implemented with prior approval of their respective Heads of Departments.

2.9   As stated above this Department has already taken initiatives to prevent mis-utilisation of public money and resources while implementing IT projects in various Departments.

Recommendation

(*Sl. No.2, Para No.10*)

FOOD, CIVIL SUPPLIES AND CONSUMER AFFAIRS DEPARTMENT

2.10   The Committee understands that the computersation of the Civil Supplies Department is only at a snail's pace. The Department had computerised only the process of issuing ration cards. Considering the essentiality of strengthening and making efficient the public distribution systems, it is high time that the Directorate of Civil Supplies, District Supply Offices, City Rationing Offices and Taluk Supply Offices are linked together so that the latest stock position, the quantum of food grains lifted from the depots each month, monthly allotment, etc. could be obtained quickly. The Committee, therefore recommends that the NIC should be requested to develop and handover the necessary software for the computeristation of the other function of the Civil Supplies Department without any further delay. The action taken in this regard should be intimated to the Committee.

Action Taken

FOOD, CIVIL SUPPLIES AND CONSUMER AFFAIRS DEPARTMENT

2.11   As part of Computerisation, a comprehensive project proposal has been prepared by NIC. The Software "Ration Card Entry and Printing" for issuing of ration cards is implemented in all 68 Taluk Supply Offices with the support of Kudumbasree. NIC has also developed the RCMS (Ration Card Management System), a work flow based solution for all citizen services to be implemented in the Taluk Supply Offices. Citizen interact with the Taluk Supply Offices for issue of new ration cards, addition, deletion of names of members, change of address, etc., and issue of certificates. The RCMS has been implemented in City Rationing Office (North), Kanjirampara since April 20th, 2005. This work flow based application software can print the following certificates and reports. Reduction Certificate, Surrender Certificate, Non-Inclusion Certificate, Non-Renewal Certificate and Printing of acknowledgement receipts, Query on application status, Query on pending applications, Panchayat-wise list of ration cards, No. of Ration Cards/Certificates issued, date-wise card abstract report.

2.12   The software will be implemented in all the 68 locations after the Card Renewal process. The development of allocation software has also been completed. It consists of modules for allocation of food grains, kerosene and Civil Supplies Commodities, permits Management System of licenses. The proceeding letters for dealers, authority to FCI and authority list to whole dealers are generated through the system. The allocation software has been piloted in City Rationing Office (North) from November 2006. The same can also be introduced in other TSOs/CROs in Kerala.

2.13   The Civil Supplies Portal (http:/civilsupplieskerala.gov.in): provides services to the Department and Public. The Portal has been launched in March 2005. All the 14 District Supply Offices are sending the weekly off-take details of Taluk Supply Offices and monthly DCB (Demand Collection and Balance) data to the Portal through NIC District Offices. The web based off-take monitoring will enable the decision making Rationing and Allocation to be made easy. The following are some of the important reports generated from the system:

2.14   Pending off-take details for any week ending date, Generation of weekly State level abstract report on off-take details, Generation of weekly District-wise reports on off-take and issue details with dealers, Generation of weekly District-wise reports on lifting details, Closing stock with Retail and Wholesale dealers, Pending DCB (Demand Collection and Balance) details from District Supply Offices, Generation of monthly consolidated State level/ District-wise DCB statement Generation of monthly item-wise State level/ District-wise DCB statement. Generation of Pending Collection report, etc.

2. *Renewal Process*

NIC is in process of developing program for generating Data Sheets updating the corrections, Check lists and printing of laminated ration cards with photo and barcode. The renewal process is supported by agencies like Keltron, Kudumbasree etc.

3. *Hardware Infrastructure at District Supply Offices*

At present weekly Off take details and monthly DCB data are entered and uploaded to the web server at NIC through NIC district offices. The Hardware and software infrastructure need to be set-up in each District Supply Office for Computerising the DSOs.

4. *Hardware Infrastructure at Directorate of Civil Supplies*

The Directorate is generating the State level weekly Off take reports and monthly DCB reports from the Civil Supplies portal hosted at NIC Centre. At present, Directorate of Civil Supplies is equipped with systems for software development only. The Hardware and Software infrastructure need to be set-up at the Directorate of Civil Supplies for computerising its activities.

5. *Networking*

The Department can initiate the connectivity (e.g. "Data One Plan 700 from BSNL) at TSOs, CROs and DSOs so that the data generated at each location can be sent to Web Server at NIC and publish the data on the Internet. Various reports queries and status which are useful to citizen and various organizations can be published from the portal.

6. *Training*

134 Kudumbasree data entry operators trained in digitized ration cards.

100 TSO officials trained in Ration Card Entry and Printing software.

14 District Supply Officials and 5 officials from Directorate trained in Civil Supplies portal.

9 Master trainers identified and one week intensive training given in RCMS software.

700 Taluk Supply Office officials trained through IMG with the help of Master trainers on RCMS.

7. *Future Programmes*

Ration Card Management System software to be implemented in all the TSOs/CROs.

Allocation software to be rolled out in all TSOs/CROs.

Computerization of activities in DSOs.

Computerization of activities in Directorate of Civil Supplies.

Networking of all offices of Civil Supplies Department.

The data generated at each Taluk Supply Office, CRO District Supply Offices and Directorate can be sent to Central Data Server.

Generate various reports for the Department and Citizen.

(1)   The Unicode based Ration Card Management System (RCMS) Software is ready for implementation. This can be rolled out immediately after the issue of new laminated ration cards.

(2)   The web based Allocation software can be made operational after the roll out of RCMS in each TSO/CRO. The web based Off-take software for District Supply Offices/Taluk Supply Offices is ready for implementation.

(3)   This can be implemented depending on the availability of KSWAN/ Broad band connectivity. The Development of web based DCB software for District Supply Offices/ Taluk Supply Offices is initiated and will be completed in a month's time.

(4)   Various types of compiled reports for Directorate can be generated after the roll out of the above mentioned software.

(5)   The Department is taking steps for networking of all offices of Civil Supplies Department.

(6)   The implementation of Central Data Base of Ration Cards will be done after the issue of new laminated ration cards in all 69 TSOs/ CROs in the State.

(7)   Various citizen centric services can be initiated after setting up necessary infrastructure in all the data centres.

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Recommendation

(Sl. No.3 Para No.11)

LOCAL SELF GOVERNMENT DEPARTMENT

2.15   During the discussion the Committee noted that even though necessary computer and software had been bought in the Town and Country Planning Department, there was delay in introducing Geographic Information Systems. The Committee finds that preparation of maps is being done by various institutions. So it is of the opinion that same nature of work being carried out by different agencies would not only create duplication but also lead to unnecessary expenditure. Hence, steps to integrate, co-ordinate and allocate the work among the various agencies should be initiated. The Committee also stresses that the empowered Committee should have a pivotal role for avoiding such duplication of work.

Action Taken

LOCAL SELF GOVERNMENT DEPARTMENT

2.16   The GIS system is being used by all the district offices and head office at various levels of plan preparation. Training of staff was also done at different levels and presently revision of various schemes are done in the GIS platform at various offices in the department. The initial delay was only due to getting accustomed with the new system. No additional staff for using the system were provided and hence the staff available in the department were given training to use the systems.

2.17   Department of Town and Country Planning is actually involved in the preparation of Master Plan and DTP Schemes for various towns in the State. For the preparation of Master Plan and basic maps such as cadastral level information city level information has to be provided by other agencies in digital form which would assist Department of Town and Country Planning in preparation of Plans for various areas. The function of the department is mainly planning work. Presently the data is not available in digital formats (maps) from any of these departments. Hence department is forced to prepare base maps for doing Master Plans/DTP Schemes which forms additional work and delay in preparation of these Master Plans/DTP Schemes. Once the base map is prepared GIS forms a tool in data and preparation of plans. Hence there is a need to have an empowered committee to various departments to prepare base maps (eg. Survey and land records, ULB etc.) so as to enable this department to prepare Master Plan Schemes more efficiently.

2.18 "Chief Town Planner has been authorized to furnish details to form an empowered Committee with pivotal role so as to avoid duplication of work related to preparation of Maps required for effective Town Planning. Accordingly the CTP has furnished names of the following officials to form the Committee:

    (1)   Secretary, Revenue Department.

    (2)   Director, Survey and Land Records.

    (3)   Secretary, IT Department.

    (4)   Secretary, Local Self Government Department

    (5)   CTP Town and Country Planning Department.

Government is taking urgent action to form the Empowered Committee". The list of members is being finalized.

Recommendation

(*Sl. No.4 Para No.12*)

HEALTH AND FAMILY WELFARE DEPARTMENT

2.19 The Committee notes that the Health and Family Welfare Department installed the computers purchased in 1996 only in mid 1999. The Committee opines that if the Department had procured the hardware after ensuring the necessary infrastructure facilities for installing them, the delay could have been avoided. The delay in installation of the computers had not only resulted in the idling of the machines but also lead to unnecessary locking up of capital. The Committee, therefore, stresses the need for a fore-sight in planning befitting the financial position of the State.

Action Taken

HEALTH AND FAMILY WELFARE DEPARTMENT

2.20 The DHS has reported that there was delay in the installation of Computers purchased during 1996. The computers were installed only during 1999. The main reason for the delay was the absence of proper electrical installation, Power Supply etc.

2.21 Subsequently the work of Computerisaton of the Directorate in Health Services was awarded to CDAC, Thiruvananthapuram vide G.O.(Rt.) 40/2003/H&FWD dated 31-1-2003, who have installed 2 servers, connecting software, 22 computers, 17 printers, 24 UPS and a Network having 150 Nodes. Necessary training was also given to the Staff. Now the work for the implementation of 'SPARK' is implemented through I.T. Mission, Kerala.

2.22   Based on the recommendation of the Hon'ble Committee it is now ensured that the infrastructural facilities are in place, before effecting purchase of electronic/electrical instruments/machines in the Department of Health Services.

Recommendation

(*Sl. No.5 Para No.26*)

IT DEPARTMENT

2.23   The Committee opines that the service being rendered by Friends is highly laudable. It suggests that the authority concerned should chalk out a proposal to extend the service of Friends to Taluk level too.

Action Taken

IT DEPARTMENT

2.24   Through the e-payment facility available through Akshaya Centres, several facilities such as payment of BSNL Land Phone and Mobile Phone Bill, payment of water charges of Kerala Water Authority, payment of Electricity bills of KSEB can be made. Moreover software of FRIENDS is being modified so that from any Internet facility (including all Akshaya Centres) all payment of FRIENDS will become possible. Therefore, there is no felt need for setting up FRIENDS at Taluk level.

Recommendation

(*Sl. No. 6 Para No.27*)

TAXES (REGISTRATION) DEPARTMENT

2.25   The Committee observes that the Registration Department had failed to conduct proper market study to evaluate the rates quoted by Keltron before placing orders on them for supply of computers and accessories. The Committee feels the need of a more transparent system in purchase of such items where the market is very competitive. The Committee, therefore, recommends that as revealed by the Secretary, Information Technology Department a transparent web frame work be established so as to enable each department to publish their requirement and obtain quotations from the suppliers directly without the help of any intermediaries. The Committee also desires to be clarified about the discrepancies seen in the dates of Government sanction, placing of orders and quotation for supply of hardware.

Action Taken

TAXES REGISTRATION DEPARTMENT

2.26   The PEARL Project sanctioned for implementation in 14 Sub Registry Offices was later decided to be implemented in four SROs only due to lack of funds. The SROs selected were Nemom, Thodupuzha, Palakkad and Thalassery. The project was extended to 50 Sub Registry Offices in the 2nd phase during 2001-2002. Before placing order to KELTRON (March 2000) the Department did conduct a market study by inviting quotations from a private company named "NEXUS Computers Ltd.", T.C. 28/885, 3rd Floor, CSI Building, M. G. Road, Thiruvananthapuram. The rates quoted by them for the same specifications was ₹ 28,12,700 on 28-2-2000, whereas the rates offered by KELTRON was ₹ 32,21,450 KELTRON's rate was only 14.5% excess than that of "NEXUS". Further as per the request of the Inspector General of Registration, the Director of Information Systems, Government of Kerala conducted negotiations with KELTRON and they were forced to reduce the price to ₹ 31.68 lakh. Hence it may be seen that before placing orders to KELTRON for supply of computer hardware, the Department, had conducted a market study. The procedure under Para 57 (a) (ii) of the Store Purchase Manual was followed. Since the normal market price was less than 25% of the ordered price it need not be finalized by the concerned Minister. Government have accorded sanction for the purchase of computer and its accessories worth ₹ 31,08,000 as per G.O.(Ms.) No. 7/2000/TD dated 1-2-2000 of Taxes (E) Department. As per Order No. E9/33928/99 dated, 1-3-2000 of Inspector General of Registration, supply order has been issued to KELTRON for ₹ 31,08,000. So there is no discrepancy on the part of Department in getting Government sanction and placing orders for supply of Hardware. (Appendix-II)

Recommendation

(*Sl. No. 7 Para No. 28*)

TRANSPORT DEPARTMENT

2.27   The Committee desires to know whether the computersation of the Motor Vehicles Department had been completed in March 2005 as expected and whether the software supplied by NIC had been put into operation successfully and necessary training imparted to the staff.

Action Taken

TRANSPORT DEPARTMENT

2.28   The computerisation of the Motor Vehicles Department (FAST Project) was not completed by on 1-1-2007 (as expected, due to delay in

finding out the service provider. However the implementation of "FAST" project is in progress in a Speedy Manner and it is expected that the same will be implemented in all the offices functioning under Motor Vehicles Department by the end of September 2006.) The software developed by National Informatics Centre had been put into operation successfully in the Regional Transport Offices and Sub Regional Transport Offices, where "FAST" project was already implemented. The Electronic Corporation of India Limited, the service provider selected for the computersation of Motor Vehicles Department had given training to all the employees of the Department.

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Recommendation

(*Sl. No. 8 Para No. 29*)

TAXES DEPARTMENT

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2.29 The Committee urges the Commercial Taxes Department to speed up the modernisation of the software in accordance with the VAT system and to computerise all the remaining offices and to provide net working between the various offices within a time frame.

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Action Taken

TAXES DEPARTMENT

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2.30 Government vide G.O.(Ms.)No.148/04/TD dated 3-9-2004 have accorded sanction for the supply and integration of Local Area Network at a total cost of ₹ 77,29,964. Accordingly M/s. Keltron has completed the LAN in District Offices, Sub Offices and check posts of the Department. Meanwhile, some offices have been shifted to new places for want of space, re-deployment to new Mini Civil Station, Revenue Towers etc. In these building electrification and net working is to be done. With respect to these pending works all Deputy Commissioners are directed to complete the work in a time frame. As per G.O.(Ms.) No. 109/2005 dated 17-6-2005, Government have accorded sanction for the purchase of VAT software from M/s.CMC Ltd. at a total cost of ₹ 1,40,00,000. The software is in the final stages of development.

2.31 With the implementation of VAT software the Department envisages achieving the following results in due course of time.—

    (1) Effective and transparent VAT administration with maximum tax collection and minimum tax evasion.

    (2) Complete elimination of all manual recorders.

    (3) Visible improvement in quality of service to dealers.

    (4) A completely self sustainable system.

2.32   The VAT Administrative software has been developed under J2EE Environment with oracle as the database server. The VAT software is going to be implemented centrally for all the CTOs and check posts across the State. For the implementation of the VAT software all Commercial Taxes Offices are to be linked to the Data Center over a WAN. The proposal submitted by Commissioner of Commercial Taxes for issuance of A.S. (Admn. Sanction) for the purchase of equipments, installation of the equipments, integration of the Local Area Networks with the State Information Infrastructure (SII) to form an end-to-end VPN network of the Taxes Department and maintenance of the network as per Service Level Agreements entered into, throughout the duration of the contract. Government vide G.O.(Ms.) No.58/2006/TD dated, 24-5-2006 accorded A.S. for the purchase of networking equipments at a non-recurring cost of ₹ 433.21 Lakhs. The Commercial Taxes Department invited competitive tenders in sealed cover fixing last date of submission of tender as on 30-6-2006 and opening of commercial bid on 1-7-2006 from reputed Computer Vendors/systems integration and maintenance of Wide Area Network for the Kerala VAT system.

2.33   It has been decided to go in for a re-tender for KVAT Wide Area Network. The Department has invited competitive tenders in sealed cover fixing last date of submission of tender as on 16-10-2006 and opening of technical bid on 17-10-2006 from reputed computer vendors/system integrators for the supply, integration and maintenance and Wide Area Network for the Kerala Value Added Tax System. The Department expects the implementation of KVAT WAN during January, 2007. (Appendix -III).

Dr. T. M. Thomas Isaac,

Thiruvananthapuram,   *Chairman,*
20th March, 2012.   *Committee on Public Accounts.*

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APPENDIX I

SUMMARY OF MAIN CONCLUSIONS/RECOMMENDATIONS

Sl. No.	Para No.	Department Concerned	Conclusions/Recommendations
1	1.4	Finance	The Committee recommend that the reasons for the non utilisation of Computer purchased by the Administrative Department should be required into and action taken thereon. The Committee further recommend that the Government should conduct a study on this and take appropriate action. The further steps taken in this regards shall be intimated to the Committee.
2	1.7	LSGD	The Committee recommend that in the offices where 'Front Office' facility is available the certificates should be issued on the same day of receipt of application considering the seniority of the applications.