

Performance Audit on Information Technology System in Transport Department

Executive Summary

Performance Audit on “Computerisation in Motor Vehicle Department” was taken up and included in the Audit Report (Revenue Receipts) for the year ended 31 March 2011. Since then the Department has implemented three new softwares, viz., Vahan 4.0, Sarathi 4.0 and E-Challan App during the period 2016-17 to 2020-21. Transport Department contributes approx. six *per cent* of the total revenue of the State. During five years i.e. 2016-17 to 2020-21, revenue collection from on-line system was ₹ 20,122.61 crore. The revenue collection through on-line system has increased from 41.03 *per cent* to 82.79 *per cent* from year 2016-17 to 2020-21.

The Performance Audit of IT-based revenue collection system in Transport Department was conducted for a period of five years, i.e., from 2016-17 to 2020-21 to examine whether the implementation of Vahan (application for vehicles), Sarathi (application for driving licenses) and E-Challan App (for enforcement) led to the achievement of the objectives of the Department; whether the Security and other general controls for Vahan, Sarathi and E-Challan App were defined and adhered to in line with business requirement; and whether business rules were properly mapped and all required functionalities were provided in the IT application.

Audit noticed that the Department initiated the implementation of Sarathi 4.0 and Vahan 4.0 applications with delays of 15 and 7 months respectively coupled with a delay of 19 and 37 months respectively in its completion. Reason for delay in implementation was not put on record. The Vahan application still lacked modules for reconciliations and refund. Audit found that Department failed to give an assurance of compliance of important directions of MoRTH regarding security of the IT system. It also failed to achieve complete digitisation of legacy data and thus deprived the concerned stakeholders of benefits of on-line data/services.

Audit analysis of the Vahan data for the period April 2016 to March 2021 revealed that the IT system failed in mapping of pertinent and correct business rules of the Department which adversely affected levy and collection of additional tax, penalty on delayed payment of additional tax and tax on electric vehicle. Penalty on delayed renewal of fitness certificate was not levied. There was no mechanism to prevent the plying of those vehicles for which the fitness certificate, permits and authorisation of national permit was not renewed. Similarly, court fee on issue, renewal or authorisation of permit was also not levied. In other cases, it was noticed that permit/fitness were renewed without realising the compounding fee. In case of on-line payment of compounding fee, the fee that was realised was less than the amount of compounding fee imposed.

The audit also showed that the Department did not ensure validation checks for various data inputs/outputs. This resulted in deficiency of validation controls due to which data accuracy, integrity and migration of the complete data was questionable. There was absence of documentation of change management and active Analytics Portal. On-line collection of revenue could not be reconciled with the amount deposited in Government account due to absence of reconciliation software.

The Audit concluded that the implementation of Vahan 4.0 and Sarathi 4.0 application was delayed, deficiencies were found in general controls, correct mapping of business rule was not done in the application, and the application did not have the proper validation check which led to failure in achievement of its objectives. Therefore, Audit recommended that the systemic deficiencies of Vahan 4.0 and E-Challan application may be reviewed comprehensively to ensure that its objective of delivery to stakeholders of benefits of on-line data/services is achieved. The Department accepted audit recommendation and stated that all the deficiencies will be resolved by the Department with the coordination of National Informatics Center (NIC).