OVERVIEW

This Audit Report includes matters arising out of audit of Information Technology systems in operation in the Department of Posts under the Ministry of Communications and Information Technology, Directorate of Estates under the Ministry of Urban Development and Department of Fertilisers under the Ministry of Chemicals and Fertilisers.

Ministry of Communications and Information Technology

IT Audit of Meghdoot Package

The Meghdoot Package was developed in-house by the Postal Training Centre, Mysore as a comprehensive software package to handle all post office functions except Savings Bank. Department of Posts launched the package in July 1999 and upgraded it from time to time. The latest version, 'Meghdoot Millennium 5.1' was introduced in April 2004.

Some of the major deficiencies observed by Audit in respect of implementation and functioning of the package were as follows:

> ➢ Departmental rules/checks in a number of areas such as cheques, bills, Postal Life Insurance policies, cash balance limits and pension, were not incorporated in the package, thereby exposing it to risks of improper monitoring, over payments, frauds, etc.

> ➢ The package lacked data integrity in certain cases due to weak controls and many facilities of the package such as those related to pension, bank reconciliation and interlinks between different modules were still to be implemented.

> ➢ IT security related control measures in place were not adequate. Consequently, the reliance on manual work continued and the objectives set by the Department for introduction of the package such as reducing paper work, eliminating duplicate entries and providing a user-friendly and error-free work environment could not be fully achieved.

(Chapter 1)

IT Audit of Computerised Postal Life Insurance System

The Computerised Postal Life Insurance System was developed by the National Informatics Centre to handle all Postal Life Insurance functions. Department of Posts introduced the system in all the postal circles during 1990-91 to 1996-97.

Some of the major deficiencies observed by Audit in respect of implementation and functioning of the system were as follows:

> ➢ Departmental rules/checks in a number of areas for capturing correct details of policy-holders were not incorporated, thereby exposing it to risks of improper monitoring, double payments, frauds, etc.

> ➢ The system lacked data integrity due to weak controls as the validation checks were inadequate. Due to lack of controls, the crucial fields of date of birth and assured sum could not be relied upon for correct calculation of premia.

> ➢ IT security related control measures such as effective segregation of duties, administration of passwords and tracking of unauthorized attempts were not adequate.

Consequently, the reliance on manual work continued and the objectives set by the Department for introduction of the package such as reducing paper work, eliminating duplicate entries and providing a user-friendly and error-free work environment could not be fully achieved.

(Chapter 2)

Ministry of Chemicals and Fertilisers

IT audit of Concession Scheme Information System

Department of Fertilisers established an Information Technology system called 'Concession Scheme Information System' (CSIS) to manage the concession to the manufacturers and importers of decontrolled fertilisers. The Information Technology system suffers from many shortcomings, which renders its utility and reliability questionable. Besides, the security/password policy and procedures are deficient, which entails a risk of manipulation and misuse of the system.

The data in various fields are not self-controlled. The system permits duplicate entries of the same field, including duplicate diary number of each claim. It permits processing of subsequent stages even if the previous stages are not sequentially linked, does not take the essential data relating to the claims, including 'on account' payments from the previous modules, while working out subsequent modules for differential payments or final payments. The system allows blank fields even for crucial data and does not incorporate validation checks.

The shortcomings in the system were responsible for unrecovered amount of Rs 106.37 crore from the manufactures/importers and unsettled 'on account' payment of Rs 2,028.22 crore, which were disclosed through sample data check by Audit.

There is an urgent need for the Department to review the User Requirement Specification and Software Requirement Specification to include all essential features, document the entire system, introduce proper password control policy and procedures, and introduce validation checks.

(Chapter 3)

Ministry of Urban Development

IT System for Housing Allotment

Despite over 10 years of introduction of computerised management of the allotment of Government accommodation in Delhi along with its attendant data and processes with the help of National Informatics Centre, Directorate of Estates has failed to implement the computerised management fully. While, one of the main components relating to rent recovery was yet to be implemented, those that have been implemented suffer from incompleteness and inaccuracy, rendering the data base and the information generated from the system not entirely reliable.

System documentation is absent. Password control policy and procedure, an essential factor to secure the system from abuse, is missing, and validation checks have not been incorporated. The system has no provision for log files and audit trail to enable review of actions and data at any point of time in the past. The system does not incorporate basic features to reject unacceptable/prima facie incorrect data on various fields such as basic pay, date of retirement, period of allotment in cases of fixed period allotments, etc. rendering the utility of the computerised management questionable for certain critical purposes. Due to these infirmities, the system fails to provide real time information on the accommodation being occupied by the allottees after their retirement, transfer, change of accommodation, expiry of fixed period allotments, etc.

The data in the system contains many errors in various fields. The reports generated are therefore not entirely accurate. Moreover, it has direct bearing on the allotment of government accommodation strictly as per the rules. The database contains large number of blank fields or fields with incorrect data, which suggests that the system is not designed to reject and stall the operations until all fields are correctly filled up. The system allows manual overrides, particularly in the out-of-turn allotments, rather than rejecting anything not in accordance with the rules. Deficiencies in the computerised programme have led to discrepancies in various reports prepared by the Directorate with those generated from the system.

The disaster recovery and business contingency plan by Directorate of Estates fails to provide assurance on availability and retrieval of data in the case of man-made or natural disaster.

Thus, various shortcomings and infirmities in the computerised Government Accommodation Management System and its implementation have rendered the system inaccurate, which compromised its reliability.

(Chapter 4)