CHAPTER-I

PERFORMANCE AUDIT

HOME DEPARTMENT

1.1   Modernisation of Police Force

Highlights

The Modernization of Police Force Scheme approved by the Government of India (GOI) aimed at providing additional infrastructure to enhance the efficiency and effectiveness of the State Police Force. The State Government could not utilize the funds allotted by GOI, the perspective plan was not prepared and annual plans were submitted late to GOI every year. The implementation of various components of the scheme was tardy and fell short of the targets fixed by the Bureau of Police Research and Development (BPR&D). The Police Communication Network (POLNET) installed by GOI was not functional. Functioning of the Finger Print Bureau was poor due to shortage of manpower and equipment. The Forensic Science Laboratory had not started functioning.

> ➢ Though Rs 117.27 crore had been projected by the department in the perspective plan for 2000-05, GOI approved only Rs 20.89 crore. Out of this approved outlay, the department spent only Rs 11.51 crore.
>
> *(Paragraph 1.1.8.1)*

> ➢ Shortage of various types of vehicles ranged between 14 and 37 *per cent,* adversely affecting the mobility of the force.
>
> *(Paragraph 1.1.11)*

> ➢ Out of the works proposed for construction of seven police stations/outpost buildings during the period 2004-08, only one work had been completed.
>
> *(Paragraph 1.1.13)*

> ➢ Inadequate manpower coupled with non-functioning of the FACT system resulted in poor performance of the Finger Print Bureau in the State.
>
> *(Paragraph 1.1.15)*

> ➢ Central grants provided in 2000-01 for setting up of a Forensic Science Laboratory (FSL) could not be utilized. While the building was constructed in October 2008, no manpower and equipment had been provided as of August 2009.
>
> *(Paragraph 1.1.16)*

> ➢ The Police Communication Network (POLNET) and the Common Integrated Police Application (CIPA) project had not been functioning in the State for want of connectivity and maintenance support from the supplier.
>
> *(Paragraphs 1.1.17.1, 1.1.17.2)*

> ➤ Deficiencies in manpower, firing practice and inadequate training infrastructure resulted in ineffective functioning of the Police Training School.

(Paragraph 1.1.18)

> ➤ The Government delayed the constitution of a State Level Empowered Committee, resulting in poor monitoring and implementation of the scheme.

(Paragraph 1.1.22)

1.1.1   Introduction

The scheme of Modernisation of Police Force (MoPF) was launched (1969-70) by the Ministry of Home Affairs, Government of India (GOI) for modernising police forces in the States to enable them to effectively face the emerging challenges to internal security. The scheme was being implemented in Goa since 1987-88. A revised scheme involving substantial outlay of Central assistance was launched by GOI in February 2001 for a period of 10 years starting from 2000-01. The basic objectives of the scheme were to meet the deficiencies in the State police forces as identified by the Bureau of Police Research and Development (BPR&D)[1] and to achieve planned development and modernisation of the State police forces with the latest technology.

1.1.2   Organisational Set-up

The police force functions under the Home Department of the State Government, headed by a Secretary who is responsible for implementation and monitoring of the scheme. The Director General of Police (DGP) is the head of the Police Department and is assisted by one Inspector General of Police (IGP), one Deputy IGP and nine Superintendents of Police (SP) for formulation and implementation of the scheme. A chart showing the organizational structure of the Goa Police is given in **Appendix 1.1.**

1.1.3   Scheme Objectives

The main objectives of the scheme were to:

> ➤ meet the deficiencies in the various aspects of police administration,
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> ➤ reduce the dependence of the State Government on the Army and Central para-military forces,
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> ➤ provide infrastructure like vehicles, modern weaponry, communication equipment, etc. at the police station level,
>
> ➤ strengthen forensic science laboratories for reducing delays in submission of analytical reports to expedite finalization of crime cases and

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[1] BPR&D is a research and development organization established to guide the policy of modernization of the police forces. It sets norms and standards for each aspect of policing.

➢ construct residential and non-residential buildings for police department.

1.1.4   Audit Coverage

The records in the offices of the Secretary (Home), the DGP and the Superintendents of Police (SPs) North and South districts, Traffic, Crime, Wireless and Headquarters were selected for audit for the period 2004-09. The Finger Print Bureau, the Forensic Science Laboratory and the Police Training School along with five police stations involved in the implementation of the scheme, were also test-checked during March-April 2009.

1.1.5   Audit Objectives

The audit objectives were to assess whether:

➢ the deficiencies identified by the Bureau of Police Research and Development were met in a time-bound manner,

➢ the Annual Plans were in accordance with the Perspective Plans and the fund flow was timely, adequate and optimally utilized,

➢ State Police forces were adequately trained so as to reduce the dependence on the Army and para-military forces and whether proper facilities for training were created,

➢ sufficient infrastructure like vehicles, modern weaponry and communication equipment were provided to augment the operational efficiency at police stations,

➢ forensic science laboratories were modernized,

➢ the required residential and non-residential buildings were constructed and

➢ the implementation of the scheme was effectively monitored.

1.1.6   Audit Criteria

The main sources of audit criteria adopted for the performance audit were the following:

➢ BPR&D study report of the year 2000-01

➢ Circulars/ instructions issued by GOI for implementation of the scheme

➢ Minutes of meetings of the High-Powered Committee in GOI and

➢ Annual Action Plans.

1.1.7   Audit Methodology

The performance audit commenced with an entry conference in March 2009 with Secretary (Home) which was also attended by the SP (Headquarters) wherein the audit methodology, scope, objectives and criteria were explained.

Audit collected data from the DGP and the field offices, issued audit enquiries to elicit information, scrutinized files/records, held discussions with the officers and visited selected offices to assess the implementation of various components of the scheme.

After the conclusion of field audit, an exit conference was held with the Secretary in June 2009, during which the draft audit findings and recommendations were discussed.

Audit Findings

1.1.8   Plan Formulation

1.1.8.1   Non- formulation/implementation of Perspective Plan

As per instructions of GOI, the State Government was to submit to the Ministry of Home Affairs (MHA), five-year Perspective Plans starting from 2000-01, indicating the projects which were to be implemented each year. It was also supposed to submit Annual Action Plans (AAP), indicating the annual targets for implementation of sanctioned projects. The AAPs formulated by the State Police Force were to be scrutinized by the State Level Empowered Committee[®] (SLEC) before forwarding them for approval of the High Powered Committee[©] (HPC) of GOI for allocation of funds to the State Government.

Though a five-year Perspective Plan for the period 2000-05 was drawn up by the department, involving an outlay of Rs 117.27 crore, the same was not scrutinized as no SLEC had been formed in the State. Although Rs 117.27 crore had been projected in the Perspective Plan (2000-05) as well as in the AAPs, MHA approved only Rs 20.89 crore (17.81 *per cent*). Though Rs 25.64 crore was projected for the year 2004-05, MHA approved only Rs four crore against which the actual receipt was Rs 0.28 crore. Despite a reduced outlay, the department could spend only Rs 11.51 crore (55 *per cent*) out of the allotted funds. The Perspective Plan for the subsequent five-year period (2005-10) was not prepared.

1.1.8.2   Delay in submission/approval of Annual Action Plans

Delays in submission of Plans

The State Government was to submit an AAP every year by the due date specified by GOI. Details of due dates and dates of submission of the Plans by the DGP to the State Government, forwarding the Plans by the State Government to MHA and of approval of AAPs by MHA are given in **Table-1**.

®   The State Level Empowered Committee responsible for approval of annual plans and to monitor the implementation of the scheme.

©   The Committee constituted by Government of India, Ministry of Home Affairs for approval of Plans of State Government and monitoring the implementation of the scheme.

Table-1: Table showing delays in submission of Annual Plans

Year	Due date of submission of Plan to MHA.	Date of submission of Plan by DGP	Date of forwarding Plan to MHA by State Govt.	Date of approval by MHA	Date of release of funds
2004-05	30 August 2004	24 August 2004	25 August 2004*	22 September 2004	11 February 2005***
2005-06	15 May 2005	13 July 2005	11 August 2005	7 July 2005**	19 December 2005 onwards
2006-07	5 May 2006	12 May 2006	25 July 2006	28 July 2006	31 January 2007 onwards
2007-08	30 April 2007	4 May 2007	10 May 2007	17 May 2007	30 March 2008
2008-09	31 December 2007	2 February 2008	4 February 2008	6 February 2008 & 15 October 2008	30 April 2008 onwards

(Compiled by Audit from the records of DGP, Goa)

*   *AAP sent directly by DGP to MHA*
** *Plan approved based on advance copy of Plan sent by DGP to MHA on 4 July 2005*
*** *Funds to the tune of Rs 28.03 lakh was released by MHA directly to CRPF, OFB and DCPW for weapons, POLNET etc.(in kind)*

From the above, it may be seen that there were delays ranging upto three months in the submission of Plans by the State Government, which resulted in further delays in approval by MHA. Release of funds by GOI were delayed for period ranging from 17 days to 10 months.

1.1.9   Financial Management

1.1.9.1   Funds not utilised

Against a release of Rs 16.63 crore during 2004-09, the expenditure was Rs 14.26 crore

The ratio of the funding pattern of 60:40 by GOI and the State Government was changed to 75:25 from 2005-06 onwards. In addition to release of funds to the State Government, GOI released funds to different agencies as cost of arms and ammunition, POLNET, etc., to be supplied to the State (termed as assistance in kind). Underutilization of the allotted funds upto 2003-04 resulted in non-release of funds by GOI during 2004-05. The impact was further felt in the forthcoming years with the Central allocation being limited to Rs 1.05 crore in 2005-06. Due to underutilization of funds during 2004-05 and 2005-06, the Plan outlay was fixed at Rs 1.33 crore and Rs 2.67 crore in the years 2006-07 and 2007-08 respectively as against a Plan outlay of Rs four crore fixed upto the year 2005-06.

The details of outlays, funds released and actual expenditure during 2004-09 are given in **Table-2**.

Table-2: Funding and expenditure

(Rupees in crore)

Year	Approved outlay	Releasable share		Actual release		Actual expenditure	
		Central	**State**	**Central**	**State**	**Central**	**State**
2004-05	4.00	2.40	1.60	0.28 (in kind)	1.19	0.71	0.47
2005-06	4.00	2.40	1.60	1.05	3.45	2.40	2.09
2006-07	1.33	1.00	0.33	1.00	2.77	1.00	2.77
2007-08	2.67	2.00	0.67	2.00	0.67	2.00	0.67
2008-09[2]	5.34	4.00	1.34	3.78 0. 22 (in kind)	0.22	1.93	0.22
Total	**17.34**	**11.80**	**5.54**	**8.33**	**8.30**	**8.04***	**6.22**

(Expenditure statements provided by DGP, Goa)

*   *total expenditure under Central share i.e. Rs 8.04 crore included expenditure of Rs 2.05 crore incurred out of the balance of unutilized funds upto March 2004*

As against a total of Rs 16.63 crore released by the Central and State Governments during the period 2004-09 the expenditure was only Rs 14.26 crore. This included an expenditure of Rs 2.05 crore incurred against funds released upto 2003-04. The actual utilization of funds against funds released was only 74 *per cent*. The trend of underutilization of funds witnessed in the earlier five-year period continued subsequently with a balance of Rs 4.40 crore remaining unspent as on March 2009.

1.1.9.2   Non-receipt of Central assistance of Rs 1.10 crore for the year 2004-05

The Central Government, while approving the modalities for implementation of the scheme and approving (January 2004) the AAP for 2003-04, indicated that the funding under the scheme would be directly linked to utilization of funds sanctioned to the State in the previous years. During 2004-05, as against the approved Plan of Rs four crore, MHA fixed the Central allocation to Goa at Rs 1.38 crore. As the funds released during the previous years amounting to Rs 2.05 crore had not been utilized by the Government, GOI did not release any funds during 2004-05 in cash and the only funds made available were Rs 28 lakh, which were released directly to various agencies (CRPF, Ordanance Factory Board and Director Co-ordination Police Wireless) for procurement of arms, ammunition and communication equipment on behalf of the State government.

Non-receipt of Central funds in 2004-05

Delays in utilization of the Central funds were due to (i) non-utilization of funds placed at the disposal of PWD, (ii) non-receipt of Government approval for purchase of vehicles and (iii) non-finalization of tenders for purchases for the Finger Print Bureau, Security, Wireless, Traffic etc. during 2000-01 to 2003-04, which resulted in non-receipt of Central funds to the tune of Rs 1.10 crore during 2004-05.

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[2]   The figures for 2008-09 included those of the supplementary Plan for the year for which approval was awaited.

1.1.9.3   Surrender of funds

The State Government, through its yearly budget, provided funds for the scheme which also included the Central releases. The details of budget allocations and expenditure incurred on the entire scheme are given in **Table-3**.

Table-3: Details of budget allocation and expenditure

(Rupees in crore)

Year	Budget Allocation	Expenditure incurred	Surrender of funds	Percentage of savings
2004-05	5.04	1.18	3.85	76
2005-06	4.60	4.49	0.06	1
2006-07	4.00	3.77	0.10	3
2007-08	4.05	2.67	1.57	39
2008-09	6.00	2.15	3.41	57

(Compiled by Audit from State Appropriation Accounts and records of DGP, Goa)

Underutilisation of allocation resulted in surrender of funds

Persistent underutilization of funds during 2004-05 and 2007-09 resulted in surrender of funds ranging from 39 to 76 *per cent*.

The reasons for surrenders were excess budget allocation as well as underutilization of available funds due to non-finalization of tenders (Rs 3.90 crore), non-receipt of Government approval (Rs 1.06 crore), non-utilization by PWD (Rs 0.07 crore), late submission of bills (Rs 0.08 crore), non-acceptance of bills (Rs 0.34 crore) and non-requirement of funds (Rs 3.24 crore). During 2008-09, the department requested for Rs two crore under the 'Capital outlay' for major works. However, an amount of Rs four crore was allocated under the head, resulting in surrender of funds to the extent of Rs two crore. Rupees 1.11 crore was also surrendered during the year due to non-tendering of the work of additions to the Anjuna Police Station by the PWD owing to declaration (March 2009) of parliamentary elections. The savings were a result of poor financial management as the reasons were well within the control of the State Government.

1.1.10   Implementation of Modernization Plan

Annual Plans approved by MHA for the years 2005-09 provided for implementation of various components under the scheme. The position of outlay and expenditure incurred on various components were as given in **Table-4**.

Table-4: Component-wise outlay and expenditure

(Rupees in crore)

Sr No	Component	Approved outlay	Actual expenditure	Shortfall	Excess	Percentage of deviation
1	Mobility	2.11	1.67	0.44	-	21
2	Building/construction	5.12	6.83	-	1.71	33
3	Weaponry	0.22	0.35	-	0.13	59
4	Communication system (W/L)	0.09	1.76	-	1.67	1855
5	Traffic equipment	0.50	0.78	-	0.28	56
6	Equipments for Anti-Corruption branch	0.10	0.01	0.09	-	90
7	Security equipment	0.14	1.43	-	1.29	928
8	Equipment for Special Branch	0.18	0.16	0.02	-	21
9	Home Guard	0.17	0.00	0.17	-	100
10	Finger Print Bureau	0.10	0.01	0.09	-	90
11	Riot Control Equipment	0.34	0.00	0.34	-	100
12	Narcotics detector	0.10	0.00	0.10	-	100
13	Bomb disposal equipment	0.40	0.00	0.40	-	100
14	Equipment for district police	0.45	0.32	0.13	-	29
15	Training equipment	0.00	0.03	-	0.03	100
16	Miscellaneous	0.00	0.92	-	0.92	100
	Total	**10.02**	**14.27**	**1.78**	**6.03**	

(Compiled by Audit from the records of DGP, Goa)

As may be seen, during actual execution, there were wide deviations from the approved Plan, the department did not furnish the details of expenditure booked under the 'Miscellaneous' head.

1.1.11 Mobility

Mobility is vital for efficient and effective performance of a police force. Increased mobility reduces response time and enhances operational efficiency. BPR&D, in its study report, stated that mobility deficiency should be 'nil' for a well-equipped police force to be able to move the entire police force at once. Based on this concept, BPR&D prescribed scales for various types of operational vehicles such as heavy/medium/light vehicles and motor cycles required for police stations, District Armed Reserve (DAR) and State Reserve Police (SRP). The position of availability of vehicles vis-a-vis BPR&D norms is given in **Table-5.**

Table-5: Details of Vehicles

Type of vehicle	Requirement as per BPR&D norms	Actual holding	Off road due to ageing and condemnation	Actual on road (3-4)	Shortage(-)/ excess(+) (2-5)	Percent-age of shortage/ excess
1	2	3	4	5	6	7
Motor Cycle	145	209	106	103	(-) 42	29
Light Vehicle	118	159	57	102	(-) 16	14
Medium Vehicle	13	32	12	20	(+) 7	54
Heavy Vehicle	19	15	3	12	(-) 7	37
Total	**295**	**415**	**178**	**237**	**(-) 58**	

(Compiled by Audit from statements provided by DGP, Goa)

As may be seen, there was a shortage of vehicles (except the medium type) ranging from 14 to 37 *per cent,* adversely impacting the mobility of the force. Forty three *per cent* of the total holding was off the road due to ageing and condemnation. During the period 2004-09, the department utilized only 79 *per cent* of the allotted funds. The reason for non-utilization of the approved outlay was the non-receipt of Government approvals for purchase of vehicles.

During 2005-06, MHA approved (July 2005) the procurement of 76 vehicles (motor cycles: 53, light vehicles: 14, medium vehicles: 5 and heavy vehicles: 4) at a cost of Rs 1.60 crore under the scheme. Although a proposal for procurement of these vehicles was submitted (October 2005), the State Government approved (January 2006) the procurement of 19 vehicles costing Rs 0.77 crore, citing the reasons that motor cycles and heavy and medium vehicles available with the police were sufficient and no additional vehicles were required. The fact, however, remains that the motor cycles and light vehicles were short of the requirement as per the norms of BPR&D. The department failed to address the key issue of mobility for the police force because of injudicious need analysis and avoidable delays.

1.1.12   Weaponry

To meet the challenges of terrorists and criminals, equipped with high tech and latest weapons, upgradation of weaponry is of utmost importance for the police force. The MoPF scheme envisaged replacement of outdated weapons with sophisticated modern weapons. It was observed that 50 AK-47 riffles received in 2004 and 2005 from CRPF units of Rampur (UP) and Pune were kept in storage for three years. Though 39 rifles were issued to 17 police stations between October and December 2008 but no training was given to police personnel on the use of these weapons. Lack of urgency in the issue of available weaponry as well as providing training in a scenario of the enhanced threat perception prevailing in the country was a dangerous trend.

1.1.13   Police Station Buildings

Construction of well-secured police station (PS) buildings was one of the thrust areas of the scheme. Buildings housing 25 police stations and 42 outposts in Goa were in need of renovation and reconstruction. The position of seven police stations/outposts proposed for construction during 2004-09 is given in **Table-6**.

Table 6: Police Stations and Outposts under the Scheme

Name of Police Station/Outpost	Annual Plan in which originally proposed	Year of approval by MHA	Date of start of work	Remarks
Anjuna PS	2004-05	2005-06	28-2-2007	Work in progress
Railway PS	2004-05	2005-06	15-3-2006	Completed in January 2008
Pernem PS	2005-06	2006-07	Not started	Estimate of Rs 2.62 crore yet to be approved
Colva PS	2005-06	2007-08	Not started	Land acquisition pending
Taleigao Outpost	2007-08	Not approved	Not started	Estimate of Rs 0.92 crore yet to be approved
St. Cruz Outpost	2007-08	Not approved	Not started	No budgetary provision
Quepem PS	2008-09	2008-09	Not started	Estimate not yet prepared

(Compiled by Audit from statements provided by DGP, Goa)

In respect of Anjuna PS, 80 *per cent* of the work was completed. Government sanction for incurring additional expenditure of Rs 1.01 crore was obtained in March 2009 and the work was still to be completed (August 2009). In respect of Pernem PS and Taligao and St.Cruz outposts, approvals for the estimates were still to be obtained from the State Government (April 2009). In respect of Colva PS, the land acquisition proposal was with the Collector for initiating land acquisition proceedings. Hence, out of seven PS and outpost buildings proposed under the modernization Plan during 2004-09, only one building was completed and the remaining PSs and outposts continued to function in old buildings.

1.1.14 Housing

Twelve per cent of quarters were vacant for want of repairs

Construction of residential buildings for police personnel close to their PSs was one of the thrust areas of the scheme. BPR&D, in its five-year projection on modernization and upgradation of police infrastructure, was of the view (March 2000) that the performance of the police was better in States where accommodation was available in large numbers. The National Police Commission (NPC) also recommended 100 *per cent* accommodation for all police personnel. As per the recommendation of the review committee on Police Reforms and Response of State Governments, circulated by MHA in May 2006, the State was asked to achieve 80 *per cent* satisfaction level as early as possible. As against the total strength of 3,891 police personnel, the Goa Police had 1,279 residential quarters which constituted only 33 *per cent* of the requirement. District-wise (South and North) details of the occupancy of police quarters are given in **Table-7**.

Table-7: Details of Occupancy of Quarters

Type of quarters	Number of quarters		Occupied		Vacant	
	North Goa	South Goa	North Goa	South Goa	North Goa	South Goa
A	467	310	362	250	105	60
B	163	262	138	235	25	27
C	40	25	35	17	5	8
D	9	2	7	0	2	2
E	0	1	0	0	0	1
Total	**679**	**600**	**542**	**502**	**137**	**98**

(Compiled by Audit from statements provided by DGP, Goa)

Out of 235 vacant quarters, 149 quarters were vacant for want of repairs, 43 were vacant due to no requests for allotment and 43 quarters were proposed to be demolished due to bad condition.

The SPs of North and South Goa districts were the allotting authorities for allotment of quarters situated in their respective districts. The SP (Headquarters) was the allotting authority of the police quarters at Porvorim and Altinho, Panaji, situated in North Goa. It was seen that while there were 40 'A' type quarters under SP (North Goa) lying vacant for want of applications for allotment, 231 persons working in North Goa district under SP (Headquarters) were in the waiting list for want of quarters.

Thus the existence of two separate allotting authorities in one district created a situation where quarters were available and were not being allotted even when persons were in the waiting list.

1.1.15   Finger Print Bureau

Shortage of man-power and failure of a server hindered the operations of the Finger Print Bureau in crime detection

The Finger Print Bureau (FPB) was established (December 2001) at a cost of Rs 1.33 crore. However, its operations were hampered due to shortage of trained personnel. The Bureau was working with one Finger Print Expert and one Searcher, with the help of police personnel. Vacancies remained in the posts of Deputy Director (one), First Expert (one), Second Expert (two), Finger Print Searcher (one) and Photographer (one). It was observed that the work of five constables and two officers attached to FPB was frequently interrupted for policing duties. Attempts (November 2007) to fill up the vacant posts on deputation basis were not successful. The Bureau continued to rely on police constables for its various functions, which only finger print experts were legally competent to do.

A Finger Print Analysis & Criminal Tracing System (FACTS), installed (March 2002) in the Bureau, holds a centralized database of finger prints taken from arrested persons. A total of 21,100 finger prints, stored in the FACTS database was inaccessible due to failure of the FACTS server in July 2006. Fresh records of finger prints had not been entered from July 2006 onwards. In February 2008, FPB submitted a proposal to DGP for procurement of a new

Automated Fingerprint Identification System (AFIS) at a cost of Rs 60 lakh. The DGP included it in the AAP for 2009-10 and its approval from MHA was still awaited (August 2009).

Non-functioning of the FACTS unit had handicapped crime detection in the State. Out of 367 chance prints[3], only 10 cases were manually detected during 2004-09. Use of finger printing technology in crime detection had been rendered almost ineffective due to lack of manpower and requisite technology.

1.1.16 Forensic Science Laboratory

For improving the quality of crime investigation, development of infrastructure for forensic science was envisaged under the scheme. The State Forensic Science Laboratory (FSL) provides assistance to the Police Department by analysing samples.

Non-functional Forensic Science Laboratory

The Eleventh Finance Commission (EFC) provided (2000-01) Rs 2.45 crore (Rs 1.92 crore for construction of a building and Rs 0.53 crore for FSL equipment) for establishment of an FSL in the State. The grants were supposed to be utilized before the end of the financial year 2004-05, commencing from 2000-01. Delays in finalizing the site and obtaining administrative approval resulted in delay in commencement (March 2005) of construction.

Lapse of the grants given by EFC prompted the State to expend funds under the MoPF Scheme for the FSL. The building was constructed by PWD and handed over to the Police Department in October 2008 but no manpower, machinery and equipment were provided upto August 2009, resulting in the FSL remaining non-functional.

1.1.17 Communications

The MoPF scheme envisaged the setting up of a cohesive police telecommunications network for the benefit of investigation of crime and transmission of related data. Modern means of communication are the backbone of effective policing. Police forces require faster, secure and reliable means of communication.

1.1.17.1 Functioning of Police Communication Network

The Police Communication Network (POLNET) is a satellite based integrated network which envisages instalation of Very Small Aperture Terminals (VSAT) and Multi-Access Radio Telephones (MART) for providing connectivity between the national capital, State/UT capitals/district headquarters and all PSs in the country.

Unfruitful expenditure on instalation of Police Communication Network

The Government of India sanctioned various types of equipment amounting to Rs 48.17 lakh upto 2004-05 for implementation of POLNET in the State. The equipment for instalation of three VSAT units and 23 MART units in the State

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[3] Finger prints taken from the crime scenes by finger print searchers

were supplied (April 2004) by M/s Bharat Electronics Ltd. (BEL), Ghaziabad which was the nodal agency of the Director, Co-ordination, Police Wireless, New Delhi. In addition, the State Government also spent (2004-05) Rs 1.44 lakh for furnishing the Wireless Section for POLNET. It was observed that five[4] MART units had not been commissioned so far (March 2009) due to non-availability of Line of Sight (LOS)[5]. Eighteen commissioned (September 2005) MART units were not functioning from November 2007 onwards due to non-finalization of an annual maintenance contract with M/s BEL. Thus the total expenditure of Rs 49.61 lakh remained unfruitful. In addition, the main objective of POLNET to provide connectivity amongst the capital, districts and police stations also was not achieved. The department stated that the AMC had been awarded to M/s BEL from August 2009 onwards, leaving out MART stations, as commissioning of five MART stations was still pending. The reply is not tenable as the connectivity at 23 police stations through POLNET had not been restored as of date (17 September 2009).

1.1.17.2 Common Integrated Police Application Project

The Common Integrated Police Application (CIPA) project was introduced by GOI under the MoPF Scheme since 2004-05. The main objective of the CIPA project was to automate the work flow of registration, investigation and prosecution of cases at the PS level. The target for 2004-05 was to cover 10 *per cent* PS in the first phase. In the second phase, the projected coverage was 30 *per cent*. CIPA was to be implemented by the National Informatic Centre (NIC) as a total package (supply of hardware, software, imparting of training etc.) for which GOI released Rs 12 lakh in 2004-05 to NIC.

Four PSs[6] had been selected under the first phase of the project. The system was installed and the data entry work commenced between November 2006 and March 2007. Twelve police personnel were trained by NIC in March 2007. The second phase of the project had not commenced so far (April 2009). Lack of connectivity hindered access to data across PSs, leading to non-achievement of the purpose for which the project was initiated.

1.1.18 Training

During 2004-09, professional training was imparted to only six to 22 per cent of police personnel

Training is an essential element for an organization to upgrade the skills of its personnel to meet the demands of the current environment. The Government had one police training school (PTS) at Valpoi which imparted basic training for nine months, computer training for three months and practical training for three months to newly recruited police constables as per the syllabus devised by BPR&D. It also conducted in-service training for the staff of the Police Department.

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[4] Bicholim, Canacona, Collem, Pernem and Ponda.
[5] Unobstructive radio signals from one unit to another unit
[6] Calangute, Mapusa, Ponda and Porvorim.

1.1.18.1 Deficiencies in professional training and firing practice

Details of training imparted to police personnel during 2004-09 are given in **Table-8**.

Table-8: Details of training of personnel

Year	Total policemen	Number trained			Percentage of persons trained	Number of faculty
		In service	**Basic**	**Total**		
2004-05	3633	226	-	226	6	17
2005-06	3385	525	36	561	17	19
2006-07	3483	334	257	591	17	21
2007-08	3694	47	411	458	12	32
2008-09	3891	476	374	850	22	31

(Compiled by Audit from statements provided by Principal, PTS, Goa)

The above table shows that during 2004-09, professional training was imparted to only six to 22 *per cent* of police personnel. The PTS had no permanent faculty for conducting training. Services of police personnel, as and when they were transferred to the PTS, were utilised for imparting training.

As per BPR&D norms, any police person, at the time of recruitment or later, who was likely to use various weapons, must have minimum practice as per the prescribed scale. The details of practice/use of weapons given to the trainees during 2004-09 were as given in **Table-9.**

Table-9: Details of weapons practice

Name of Weapon	Prescribed scale of practice per person (in rounds)	Practice actually given per trainee (in rounds)	Shortfall (in rounds)	Percentage of shortfall
Pistol Auto 9 MM	40	10	30	75
Pistol Rivolver .38	36	6	30	83
9MM Carbine Machine	50	10	40	80
Rifle 7.62 MM SLR	40	10	30	75
Rifle .303	40	30	10	25
Rifle AK 47	50	Nil	50	100

(Compiled by Audit from statements provided by Principal, PTS, Goa)

No rifles were allotted to the PTS for training

As may be seen, shortfall in the practice of weaponry ranged from 25 to 100 *per cent*. Despite the receipt of 50 AK 47 riffles, no rifles were allotted to the PTS for imparting practical training. Deficiencies in weapons practice was indicative of the ineffective functioning of PTS. This would further affect the efficiency and striking ability of the police during exigencies.

1.1.18.2 Training infrastructure

- **Unsuitable accommodation for female trainees**

The PTS also conducts basic training and refresher courses for female police constables every year. The details of lady constables trained during 2004-09 were as given in **Table-10**.

Table-10: Details of training for women police personnel

Year	Total women police personnel	Number trained	
		In service	Basic
2004-05	183	Nil	Nil
2005-06	168	Nil	Nil
2006-07	160	Nil	81
2007-08	144	Nil	50
2008-09	171	Nil	39

(Compiled by Audit from information provided by Principal, PTS, Goa)

Unsuitable accommodation for female trainees

No proper facility existed to accommodate female trainees who were accommodated in an old building close to the male trainees' barracks. As this was considered unsuitable due to lack of privacy, a proposal for construction of a separate barrack at an estimated cost of Rs 60 lakh within the campus, to accommodate at least 60 female trainees was proposed (January 2008) by the Principal of PTS under the MoPF scheme. The proposal was, however, not incorporated in the AAPs submitted to the MHA by the department for the years 2008-09 and 2009-10. Hence, the female police constables continued to stay in the unsuitable accommodation, which could impact their morale and effectiveness.

- **Inadequate training aids**

The PTS had projected the requirement of 28 items (**Appendix 1.2**) for AAP from the year 2005-06 onwards, which included purchase of a computerized firing simulator at a cost of Rs 12 lakh. The computerized firing simulator would help the trainees to develop marksmanship. The department, however, incorporated it only in the AAP of 2009-10, five years after the proposal was given by PTS. Approval from MHA was awaited (September 2009). The other 27 items had not been included in the AAP so far. Delays in securing the required training equipment would have an adverse impact on the quality of training provided.

1.1.18.3 Assessment of trainees

Sub- standard training imparted by PTS

According to the recommendations of a Review Committee appointed by BPR&D, it was essential to grade the trainees based on their performance in the basic training programmes. Trainees securing more than 75 *per cent* marks were to be graded as 'A', those securing marks between 50 *per cent* and 75 *per cent* were to be graded as 'B' and those securing less than 50 *per cent* were to be declared to have failed and were liable for discharge if they did not clear the final examination in the second attempt.

It was seen from the final examination results of 281 trainees declared passed in March 2008 that 67 trainees had secured less than 50 *per cent* marks and thus fell short of the eligibility criteria prescribed by BPR&D. Further, none of the trainees secured Grade A which showed that the standard of training imparted by PTS was not upto the mark.

Thus due to deficient and unprofessional manpower, shortfall in coverage and training infrastructure and poor performance of trainees, the PTS failed to make the required impact on quality and striking capability of the State police force.

1.1.19   Manpower

Percentage of vacancies ranged between five and 10 during 2004-2009

The modernization plan focused on expeditious filling up of vacancies, besides improvement in the strength of women in the police force. BPR&D recommended an increase of two *per cent* in the annual growth of manpower. The National Police Commission recommended that 10 *per cent* of the force should be women. However, no increase in the number of police personnel during the period 2004-08 was noticed. The manpower position and the percentage of women police during 2004-09 was as given in **Table-11**.

Table-11: Manpower and percentage of women police

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Sanctioned strength	3836	3835	3837	4125	4156
Persons-in-position	3633	3553	3483	3694	3891
Number of vacancies	203	282	354	431	265
Percentage of vacancies to sanctioned strength	5	7	9	10	6
Number of women police	233	234	234	280	315
Percentage of women police in Goa Police	6	6	6	7	8

(Compiled by Audit from statements provided by DGP, Goa)

As may be seen, against the prescribed norm of 10 *per cent*, the women police constituted only eight *per cent* of the total police force.

The department replied (September 2009) that recruitment of women police was less due to non-availability of eligible female candidates. The reply is not tenable considering the high level of female literacy (75 *per cent*) achieved by the State. The sanctioned strength of women police personnel remained stagnant (197 posts during the period 2004 to 2007 and 215 posts during the period 2007-09). The reasons for not sanctioning more posts for women police personnel were not furnished by the department.

1.1.20   Deployment of CISF for security duties of the Governor

One of the major objectives of the scheme is to reduce the dependency of the State Government on the Army and Central para-military forces to control

internal security and the law and order situation by equipping the State police forces adequately and imparting the required training.

Continued dependency on para-military forces

As the strength of Goa Police, numerically and technically, was not geared to provide the requisite security to the Governor, the Government approved (July 2004) a proposal to deploy one company of CISF for the security of Raj Bhavan. While approving the proposal, the Government stated that long-term planning and strategy needed to be formulated keeping in view the objective of providing security. Accordingly, one company of CISF was deployed at Raj Bhavan for security duties from September 2004 onwards. The State Government paid Rs 9.10 crore from the budget allocation of Goa police to the Director General, CISF, MHA, New Delhi for the said deployment for the period from 14 September 2004 to 30 November 2008. The department did not make any proposal under the MoPF scheme to train the Goa police personnel for the Governor's security. Hence, the objective of the scheme to reduce dependency on para-military forces was not achieved in this case.

1.1.21 Response Time

Police maintained good response time

Increase in mobility for field policing should result in the reduction of response time[7]. Verification of records of five PSs[8] revealed that the Goa Police maintained good response time in reaching crime spots and recording the first diaries on each crime. Out of 2,343 crimes reported in these PSs, Audit randomly checked 488 cases and found that in respect of only seven cases (four cases in Porvorim PS and three cases in Ponda PS), there were delays ranging from one day to 10 days in recording the first diaries after occurrence of the crimes.

1.1.22 Monitoring Mechanism

According to the guidelines issued by MHA, the funds under the scheme were to be allocated to the State Government on the basis of the projects submitted by them after clearance by a High Powered Committee. As stated earlier, the State Government was to constitute a State Level Empowered Committee under the chairmanship of the Chief Secretary with the Home Secretary and the DGP as members, amongst others, for monitoring implementation of the projects. Despite the department's proposal (May 2001) to constitute a five-member committee under the chairmanship of the Chief Secretary, the Government did not constitute the committee and instead, directed the Home Secretary and DGP to take care of the issues. Hence, the AAPs prepared and submitted by the DGP/IGP were forwarded by the Government without any deliberations and modifications. The Government, however, formed a four-member State Level Empowered Committee only while submitting the AAP for 2008-09.

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[7] Total time taken from receiving a message/making First Information Report to the time when a police person actually reaches a crime scene.

[8] Porvorim, Bicholim, Cuncolim, Quepem and Ponda Police Stations

1.1.23   Increase in Crime Rate

One of the reasons for increase in the incidence of crime could be the poor performance of the police force. The position regarding the number of crimes committed and their disposal at various stages during the period 2004-08 were as given in **Table-12.**

Table-12: Crime statistics

Particulars	2004	2005	2006	2007	2008
Number reported	2127	2119	2204	2479	2742
Number detected	1416 (67%)	1316 (62%)	1355 (61%)	1616 (65%)	1803 (66%)
Number charge-sheeted	1335 (63%)	1195 (56%)	1179 (53%)	1201 (48%)	671 (24%)
Number convicted	265	235	191	109	28
Number acquitted	525	350	247	137	33
Compounded/withdrawn	45	23	19	11	3
Pending investigation	541	678	875	1475	2371
Cases closed	751	833	872	747	307

(Compiled by Audit from statements provided by DGP, Goa)

Though the number of crimes reported during the period increased by 29 *per cent*, the number of cases detected decreased from 67 *per cent* to 66 *per cent* over the period. The number of cases charge-sheeted also showed a declining trend from 63 *per cent* in 2004 to 24 *per cent* in 2008. Declining levels of detection were suggestive of declining levels of efficiency, pointing towards failure in the achievement of the objectives of the scheme.

1.1.24   Conclusion

The modernization programmes of the State police force failed in the implementation of various components of the scheme due to poor planning, delays in approvals and delays in release of funds against the approved annual outlays. The department failed to utilize the funds efficiently and effectively which affected the implementation of the programme adversely. Vital support from the Finger Print Bureau and Forensic Science Laboratory were not available. The improvements made during the five-year period 2004-09 in the areas of manpower, mobility and training fell short of the performance indicators fixed by BPR&D, which indicated that the scheme did not succeed in making the desired impact on improving the efficiency of Goa Police.

1.1.25   Recommendations

On the basis of the shortcomings and deficiencies pointed out in the foregoing paragraphs, the following recommendations are made for streamlining the effective implementation of the MoPF scheme:

- Perspective Plans should be formulated in a timely manner and Annual Action Plans should flow out of these Plans.

- Funds should be released in time and targets for implementation of various components of the Plans should be enforced scrupulously.

- Effective steps should be taken to start the functioning of the Forensic Science Laboratory and improve the functioning of the Finger Print Bureau.

- Functioning of the Police Training School should be standardized according to the BPR&D norms and recommendations. Phase-wise in-service training in modern weaponry and equipment and policing should be imparted to cover all police personnel of the department.

FINANCE DEPARTMENT

1.2   Computerisation of Directorate of Accounts

Highlights

Various applications were developed by the National Informatics Centre for the department with a view to discharging of the work of treasuries efficiently, maintenance of GPF accounts, preparation of Appropriation and Finance accounts and accounting of Loans and Advances. The computerisation of the Directorate of Accounts was implemented without a comprehensive document and in the absence of a time-bound programme, several deficiencies were noticed in the operations and controls.

> ➢ Due to the absence of a time-bound programme and comprehensive documentation for the development of systems, several processes were left out during implementation.

(Paragraph 1.2.6.6)

> ➢ During the data migration to the new GPFS, data cleaning was not performed, resulting in the transfer of obsolete, incomplete and inconsistent data.

(Paragraph 1.2.6.7)

> ➢ Business Process Re-engineering was not carried out to bring in more efficient processes.

(Paragraph 1.2.6.9)

> ➢ During the year 2007-08, in the case of nine classifications, the Budget Processing System enabled the surrender of grants by Rs 15.49 lakh, more than the total allocation in the year. Voucher dates in 76 bills amounting to Rs 1.66 crore preceded the date of entry of the bills.

(Paragraph 1.2.6.14)

> ➢ Reliability of the system in preparation of accounts remained doubtful as manual interventions were resorted to in order to reconcile the errors.

(Paragraph 1.2.6.16)

> ➢ A double allocation of Rs 2.68 crore was noticed in one treasury due to allocation in the physical mode instead of using the established Wide Area Network.

(Paragraph 1.2.7.2)

> ➢ The system failed to check allocation of grants before passing of bills of Rs 1.84 crore in 2009-10 by the Margao branch.

(Paragraph 1.2.7.3)

1.2.1   Introduction

The Director of Accounts (DOA) functions as the Central Pay and Accounts Officer of the Government of Goa and Principal Accounts Officer of the State of Goa. The Directorate performs functions such as passing of bills, sale of

stamps/stamp papers, finalisation of pension cases, issue of cheques and compilation of the Accounts of the Government of Goa. The responsibility of maintenance of individual General Provident Fund/Contributory Provident Fund Accounts of Government employees, authorisation and payment of pension to all retired Government employees, teachers of aided Institutions, Members of Legislative Assembly, freedom fighters etc. also devolves on the Directorate of Accounts.

1.2.2 Scheme of Computerisation

Computerisation of the department commenced in 1992. National Informatics Centre (NIC) was engaged to carry out the development of the following different applications.

1. Budget Processing System (BPS)
2. Integrated Bill Processing System(IBPS)
3. Treasury Accounts System (TAS)
4. Compilation System (CS)
5. General Provident Fund System (GPFS)
6. Advances Management System (AMS)
7. Loans Management System (LMS)
8. Works Audit System (WAS)
9. Contributory Pension Scheme System (CPSS)
10. Transfer Entry System (TES)

Out of the above programmes, BPS, TAS and IBPS were integrated to facilitate compilation of monthly accounts. Rest of the systems were functioning independently. Objectives of the computerisation were not documented.

1.2.3 Audit Objectives

The audit was undertaken with the objectives to assess whether

- the benefits of computerisation have been achieved as envisaged.

- the various software including the web based ones were designed properly with adequate controls and whether the development of the software was in line with the applicable rules.

- the general controls which include control over data centres' operation, system software development and maintenance, access security and application system development and maintenance have been properly effected.

- the application controls ensure completeness of data input as well as output.

1.2.4   Organisational set up

DOA at Panaji has a branch office at Margao. There are two district treasuries and 11[9] sub-treasuries. The pre-audit of bills is performed by Pay and Audit sections at Panaji and Margao. The Book Section, Broadsheet Section, GPF Sections, Works Audit, Loans and Advances Sections, Account Current and Deposit Section, Computer Section and Inspection Cell are located at Panaji.

1.2.5   Audit coverage

The functioning of the Budget Processing System (BPS), Integrated Bill Processing System (IBPS), Treasury Accounts System (TAS), Compilation System (CS), General Provident Fund System (GPFS), Advances Management System (AMS), Transfer Entry System (TES) and Loans Management System (LMS) were reviewed at the office of DOA, Panaji and in the two District treasuries. Data maintained under BPS, IBPS, TAS and GPFS for the period 2003-04 to 2009-10 was analysed using Computer Assisted Audit Techniques (CAAT).

1.2.6   Audit findings

Audit findings are classified under General Controls, System deficiencies, Information System Security, Application Controls and other topics of interest.

General Controls

General controls create the environment in which the Information System and related controls operate. If general controls are weak, reliability of other system controls also get diminished. The general controls were scrutinised to assess the impact on the efficiency, security or effectiveness of the system.

1.2.6.1   Annual Maintenance Contract

The department had engaged two different organisations for Annual Maintenance Contract (AMC) for maintenance of the computer systems and other accessories. Instead of grouping the maintenance agreements, during the June 2006 to January 2009, 14 different agreements were made with two vendors. Thus, there was artificial division of items of work, leading to staggered arrangements for AMC.

It was also noticed that no records of machine failures, date and time of booking complaints with AMC vendors, response time and completion time were being maintained, in the absence of which, proper monitoring of AMC could not be done by the Department.

The department agreed to the audit suggestion and stated that action to monitor the performance of AMC had been initiated (August 2009).

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[9] Bicholim, Cancona, Mapusa, Margao, Pernem, Ponda, Quepem, Sanguem, Tiswadi, Valpoi and Vasco

1.2.6.2 Change Management

The department did not follow a formal Change Management process of recording requests for changes and storing them for future reference. Changes were carried out on need basis with the help of the developer without leaving any trace.

The department admitted to the facts and agreed to systemise the changes (August 2009).

1.2.6.3 TAS- Authorisation of Refunds

The refunds were physically traced as there was no provision in the TAS-receipt module to trace the progressive refunds against a receipt so as to restrict the refunds to the actual receipt. The department admitted the facts (August 2009).

1.2.6.4 Cancellation of bills

In the absence of a provision to indicate cancellation of bills, manual reversal of entries were resorted to and the corresponding bill numbers were modified as 'zero'. However, reversal entries relating to three bills out of 989 bills cancelled during 2007-09 in Panaji branch were still to be made.

1.2.6.5 Adjustment of AC bills

There was no in-built function in the IBPS to check adjustments of previously drawn Abstract Contingent (AC) bills, due to which the control over drawal of subsequent AC/advance bills could not be exercised efficiently. Hence, the controls were exercised manually. This resulted in delays in accounting of AC Bills through respective DC Bills. A total of 488 AC bills involving an amount of Rs 35.62 crore were awaiting adjustments. Out of these, 180 bills with an amount of Rs 12.31 crore, were pending for more than six months (April 2009).

System Deficiencies

1.2.6.6 System Development Life Cycle (SDLC)

A software development process is a structure imposed for the development of a software product. Documenting the design of software for the purpose of future maintenance and enhancement has to be done throughout the development of the software.

The evolutionary model of SDLC was followed by the department. Except for preparation of Software Requirement Specifications in some cases, there was a lack of documentation of the processes carried out at every stage of the SDLC. Development of the system became an ongoing process without any definite end in sight since the following functions and processes were left out of the computerisation process rendering the process of computerisation less

effective.

- Though the Detailed Appropriation Accounts were prepared using the Compilation System, Finance Accounts and Appropriation Accounts of the Government of Goa continued to be prepared manually.

- Pre-audit of bills were performed manually instead of through the system to enable monitoring of passed or objected bills and verification of specimen signatures of Drawing and Disbursing Officers.

- Personal Ledger Accounts continued to be maintained manually.

- 2,174 transactions relating to advances could not be entered in time into the AMS during the period 2004-05 to 2008-09, for want of account references, misclassification. Manual records were being maintained for adjustment through transfer entries at a later date.

- DDO-wise reconciliation of expenditure could not be made due to non-availability of a DDO-wise Budget.

Apart from the above functions and processes, the Account Current and Deposit System and Pension System were under development and testing.

The department replied that the legacy systems were upgraded to web-based systems in 2003-04 and it was envisaged to integrate major systems under operation in the department. It was further stated that upgradation, development and implementation of the new system was carried out in a phased manner. The department agreed to computerise all the above mentioned functions (August 2009).

However, the absence of a planned approach resulted in systems not being stabilized and being developed without any time-bound programme. A review of the development of the system may be carried out on "as is" basis in order to ascertain development and necessary documentation of the system.

1.2.6.7   Data migration from legacy system

Results of data migration are subjected to data verification to determine whether data is accurately translated, is complete and supports processes in the new system.

The GPF System was installed in the year 2005, replacing the legacy system. On analyzing the data from the new GPF system, it was noticed that out of 49,465 subscribers

- dates of birth were not recorded in   6,998 cases.

- dates of joining were not recorded in 12,444 cases.

- nominations were not recorded in 43,663 cases.

- age of subscribers was indicated below 18 years (minimum age of entry in government service) in 70 cases, out of which future dates were indicated as the dates of birth in 49 cases.

- legacy opening balances of GPF account in respect of 163 subscribers continued as negative balances for two successive years i.e. 2007 and 2008 without rectification.

The redundant and incomplete information was observed, since automated and manual data cleaning was not performed during data migration to improve the data quality.

The department replied that the entries in system would be updated and negative balances migrated from the legacy system would be cleared (August 2009).

1.2.6.8 *Implementation of the systems*

The TAS-Stamp module and LMS, which were developed to address activities related to accounting of Stamps, Loans of Government of Goa and incidental transactions were yet to be implemented, though installed during October 2004 and July 2006 respectively and the activities continued to be maintained in manual system. Hence, efforts and resources employed to develop the systems remained unfruitful.

The department admitted the facts and agreed to implement the system (August 2009).

1.2.6.9 *Non-adoption of BPR resulted in delayed recording of transactions*

Business Process Re-engineering (BPR) is the radical re-design of an organisation's business processes.

The following instances were observed where non-adoption of BPR resulted in delayed completion of transactions.

- Schedules of deductions relating to GPF subscriptions and refund of advances were being entered in the GPF System and AM System after delays of three months. Possibility of avoiding these delays was not explored by re-arranging the function of updating individual accounts as soon as the bills were passed.

- The entry of bills in IBPS were delayed due to various stages of receiving, sorting and sending bills to the relevant sections for further processing of the bills. These delays could have been avoided by entering the bills in the system immediately on receipt. The automation of the process of issuing token numbers in respect of local bills using bar coding system could be explored to enable speedy processing of bills.

- Transfer entries to rectify mistakes in classification were still being processed manually and only the final outcome was being recorded in TE System. Possibility of automating the TE process was not explored to avoid manual intervention which is prone to error.

The department replied that a new system named 'Accounts-Online' had since

been proposed to replace the existing system, which would take care of all the deficiencies pointed out (August 2009).

Information System Security

1.2.6.10 Logical access controls

Logical access controls are a system of measures and procedures aimed at protecting computer resources against unauthorised access attempts.

It was noticed that the organization was yet to formulate a password policy. In the absence of the same, it was noticed that three out of 71 users had not been assigned any password. There was no restriction on the length of passwords.

The department agreed to formulate a password policy (August 2009).

1.2.6.11 Authorisation levels

The management and personnel policy in respect of computerization activities was still to be prepared. Identification of duties and responsibilities of the staff were not detailed. Access to the system was also controlled and monitored in an *ad hoc* manner.

The rights of Data Base Administrator and System Administrator for all the applications and database were allotted to temporary programmers in the absence of any designated system administrator or database administrator.

In the absence of sufficient hardware, the bills passed by the internal auditors during pre-audit were entered by data entry clerks *en masse,* instead of by the bill auditors themselves. Thus the bill particulars were entered without leaving any audit trail.

It was also observed that the user entering data was seen carrying out the modifications also against incorrect entries due to sharing of passwords, thus compromising the logical access controls built in the system.

The department agreed to formulate user administration and also stated that bill auditors would also be provided access to the system (August 2009).

1.2.6.12 Anti-virus protection

Anti-virus software was purchased at a cost of Rs 1.18 lakh in May 2006. However, it was noticed that there was continued use of different anti-virus software other than the purchased one. It was also noticed that 19 out of 125 systems in office of DOA at Panaji could not use the purchased anti-virus since the systems did not meet the requirements for procured software.

The department admitted the facts and agreed to replace the old systems (August 2009).

Application Controls

1.2.6.13 Input controls

Input controls ensure completeness, correctness and accuracy of data entered into the system.

The following discrepancies were noticed in the enforcement of input controls in the GPF system.

    i.   GPF data contained 13 records in which the GPF number was recorded as zero.

    ii.   The trend of entry of records was not uniform. No contributions were recorded in the system in the month of May and June 2008. However, in March 2008 there were an unusually high number of entries i.e. 30.6 *per cent.*

    iii.   In 46,667 records, the dates of application for opening GPF accounts had not been entered and the system accepted zero values.

    iv.   In all records, the 'date of retirement' column was not entered, in the absence of which mandatory stoppage of GPF subscriptions three months prior to retirement could not be monitored through the system.

    v.   There was a system of generating diary numbers when applications for GPF withdrawal and advances were received. It was seen that there were 212 entries of advances which were processed without diary numbers indicating lack of input control in this regard.

The department replied that the details of subscribers would be updated and also stated that the shortcomings pointed out would be addressed (August 2009).

1.2.6.14 Validation checks

Data validation is the process of ensuring that a programme operates on clean, correct and useful data by use of routines called validation rules. The simplest validation verifies that the characters provided come from a valid set. The following discrepancies due to lack of validation checks were noticed.

GPFS

    i.   In 158 records, entry dates of GPF subscriptions preceded those of contribution months. One hundred fifty one entries were made on 1 January 2002 for the contribution for the month of June 2008.

    ii.   In four instances, the system permitted the entry date of application preceding the date of application.

    iii.   The advances from GPF are repayable on monthly basis. In 1,687 cases, the advance amounts did not match the repayable amounts. In 208 records, the amount repayable was less than the advance sanctioned. In 200 records, where the sanction was for an advance,

zero instalments were recorded. In one instance, the system allowed 150 instalments of Rs 1,000 for repayment of GPF advance of Rs 15,000.

iv. In another case of GPF advance, the cheque date preceded the entry date.

The department replied that necessary constraints would be incorporated to address the shortcomings pointed out (August 2009).

BPS

i. As a general rule, in any financial year, cumulative surrenders of grants cannot exceed cumulative allocations and there cannot be two original allocations of grants. In the year 2007-08 in case of nine classifications, respective cumulative surrender of grants as recorded in BPS was in excess by Rs 15.49 lakh, than the total grants allocated in the year. In the test data entry, two original allocations of grants were accepted.

The department admitted the facts (August 2009).

ii. Budget heads available in the BPS for the year, 2009-10 were cross-checked with the list of classifications published by the Controller General of Accounts (CGA)[10]. It was noticed that allocations amounting to Rs 13.11 crore under four classifications using those sub-major heads which were not in the list published by CGA were made in the system, indicating absence of validation checks in this regard with respect to Heads of accounts as per CGA.

IBPS

According to the sequence followed in the processing of bills, the voucher date should be after or at least the same date as that of bill entry date. However, it was observed that in the case of 76 bills involving an amount of Rs 1.66 crore, voucher dates preceded entry dates of bills during the period 2007-09.

The department admitted the facts (August 2009).

1.2.6.15 Mapping of business rules

By arranging to follow business rules through computerised processes, a direct correlation between computerised systems and business activities is created, increasing the level of governance. Mapping business rules to process activities and decision points, ensures process integrity. The following instances of violation of business rules were noticed.

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[10] Computerised list of classifications published by Controller General of Accounts is available on website of CGA and updated on quarterly basis

GPFS

Rule 15(1) (C) of GPF rules permit withdrawal without stating any reason in the last 12 months before the date of superannuation. However, in 33 cases, withdrawal under Rule 15(1)(C) of GPF rules was allowed on more than one occasion. In 48 records, withdrawals were allowed without quoting any rule.

The following instances of violation of business rules were also noticed during analysis with test data.

- The system allowed increase in subscription more than two times in a year and reduction more than once. Subscriptions in excess of total emoluments were accepted by the system. The system also allowed nomination entries for more than 100 *per cent* of the accumulated balance.

- Withdrawals were allowed to the extent of 100 *per cent* of the total of the balance at credit and interest due upto the current month, whereas, the maximum withdrawal allowed under the rule was only 90 *per cent* of the balance at credit.

BPS

- While preparing the accounts of the expenditure from the Contingency Fund, the necessary allocation has to be first made to the respective head before recording such expenditure. The major headwise report of expenditure generated from BPS, revealed that the system allowed recording of expenditure of Rs 1.16 crore during the year 2008-09 to the respective heads even before allocations were made from the Contingency Fund.

Output Controls

Output controls ensure that the output is complete, accurate and timely and is correctly distributed.

1.2.6.16 Preparation of Classified payments Register and Volume X

Volume X is a monthly document prepared from classified payments based on which the Finance Account is prepared.

It was observed during scrutiny of Volume X and Classified Payments Register (CPR) for the month of March (P) 2009, that there was difference of Rs five lakh in the grand total of both. These errors crept in due to incomplete information about expenditure or deduction of expenditure, regarding categorising in Plan or Non Plan. The reconciliation of the same is done manually which was against good practices. The reliability of the system in giving accurate and correct reports for preparation of accounts thus remained doubtful.

The department agreed to carry out necessary modifications (August 2009).

1.2.6.17 Cancellation of time barred cheques

Rule 46 of the Government of Goa (Receipt and Payments) Rules,1997 stipulated that a cheque remaining unpaid for six months after the month of its issue should be cancelled and the amount should be written back in the accounts.

The report on uncashed cheques for the period 2005-06 to 2007-08 displayed that there were 4,125 cheques worth Rs 7.52 crore which were recorded as not encashed. Utilities available in the system were not used on time to update the data for complying with the provisions of rules.

The department agreed to review the cases and carry out necessary corrective action (August 2009).

1.2.7   Other topics of interest

1.2.7.1   System failure in adoption of date

The system is designed to adopt the system dates as voucher dates. However, it was noticed that to accommodate a bill amounting to Rs 13.57 lakh received after 31 March 2009 in the financial year 2008-09, the voucher date was changed to 31 March 2009, by changing the system date while passing the bill. The department admitted the facts (August 2009).

1.2.7.2   Budget allotment

At the beginning of the financial year, allocation and further adjustments of the original budget relating to the Margao Branch was carried out manually by the Panaji Branch of Directorate of Accounts.

On scrutiny of such transactions, it was noticed that Rs 2.68 crore allotted to the Margao branch, in separate instances, was recorded twice in 2008-09. The mistake was rectified after delays ranging from one day to 10 months. During this period, the allocation in one case was exceeded by Rs 1.12 lakh. Use of established Wide Area Network (WAN) connectivity available between two branches would have avoided such errors.

The department admitted the facts and agreed to utilise the WAN (August 2009).

1.2.7. 3   Passing of bills worth Rs 1.84 crore before allocation of grants to the treasury

At the beginning of the financial year, the department did not directly upload the budget allocations in respect of the Margao Branch to its servers but as per the requirements, the Pay and Audit sections of Panaji Branch channelled a portion of the total funds to the Margao Branch.

During the test check of records at Margao Branch for the year 2009-10, it was observed that there were 110 bills from three different demands, worth Rs 1.84

crore which were passed before allocation of grants. These bills pertained to various items of expenses including salaries, advances, office expenses, arrears, payments towards professional services etc. System controls were poorly designed to restrict irregular transactions by treasuries.

The department admitted (August 2009) that only the salary bills for the month of April every year were allowed to be passed without waiting for allocation of budget in the system. However, it was noticed that bills other than salary bills were also passed through the system without budget allocation.

1.2.8   Conclusion

The computerisation process was going on without settlement and stabilisation of the systems. During the development of systems, several functions and processes remained outside the purview of computerisation. Business Process Re-engineering was not carried out to achieve efficient processing of work. Appropriate controls and security mechanisms were not evolved, resulting in running of the systems, maintenance of the database and applications, in an unsecured environment. Due to inadequate application of business rules, scope for modification in data and other deficiencies in input, processing and output controls, reliability of applications in giving reasonably correct results was doubtful.

1.2.9   Recommendations

❖ Development of a comprehensive database of employees, DDOs and pensioners for utilisation across applications should be considered on a priority basis.

❖ Study of processes may be carried out to bring in efficient and effective processes to carry out BPR.

❖ Installed applications TAS-Stamps and LMS, should be put to use without any delay after assigning application based training to staff.

❖ Scope for automating more functions and processes needs to be identified and explored especially for functions performed in Book section where voluminous figure work is carried out physically.

❖ Perspective plan and strategic plan should be developed and implemented.

❖ A mechanism to oversee implementation of logical and physical access controls, and authorisation levels, should be put in place. There is need for reorganisation of the IT wing with clearly identified duties and responsibilities.

❖ The established WAN should be used for data transfer between branches rather than data transfer in the physical mode.