Executive Summary

This Report of the Comptroller and Auditor General of India relates to matters arising from compliance audit of 30 Departments of the Government of Rajasthan. Compliance Audit refers to examination of the expenditure and revenue of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the authorities are being complied with.

This report consists of three chapters and contains 11 paragraphs involving ₹ 447.15 crore which includes one Information System Audit *i.e.* **'Integrated Online Medicine Management Software'**. A summary of the significant audit findings is provided below:

I General

This chapter discusses about the procedure of audit and response of the Government/Departments to Audit observations. The Accountant General (Audit-II), Rajasthan, Jaipur audits the Government/ Departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed by Inspection Reports (IRs) which incorporate irregularities detected during the audit and not settled on the spot. Analysis of IRs issued upto March 2024 disclosed that 24,545 paragraphs involving ₹ 67,417.00 crore relating to 5,486 IRs issued for these departments remained outstanding at the end of September 2024.

II Receipt Audit

Audit of 23 units of Mines and Geology Department was conducted during the year. The major audit findings noticed are as follows.

- Ten Mining Engineers/Assistant Mining Engineers (MEs/AMEs) did not recover ₹ 192.72 crore for the unauthorised excavation of minerals *i.e.* without the necessary Consent to Operate (CTO) or by exceeding the permissible quantities specified in the CTO.
- Unauthorisedly excavated 23.83 lakh Metric Ton (MT) of minerals were dispatched from forty-four mining leases with the support of *rawannas* issued for mining leases granted to them and in five leases illegal mining was also noticed around the leases and in gap areas; however, the MEs/AMEs concerned could not detect the illegal mining and recover the cost of minerals amounting to ₹ 191.10 crore.
- Government amended (3 January 2022) the Rajasthan Minor Minerals Concession (RMMC) Rules, 2017 for charging ₹ 10 for generation of each e-*rawanna*/e-*transit* pass through official website. However, 15 MEs/ AMEs did not recover ₹ 6.97 crore from mining lease holders/short-term permit holders/dealers for generation of 69.71 lakh e-*rawannas*/*e-transit passes*.

- The AME did not initiate action to recover the due instalments of premium amount for mining leases sanctioned in *Khatedari* land which resulted in non-recovery of ₹ 14.33 lakh and there was a lack of monitoring of recovery of the premium amount through Department of Mines and Geology Online Management System (DMGOMS).
- A leaseholder dispatched 42,185.77 MT of minerals without generating *e-rawannas*. However, the ME could not detect this unauthorized dispatch, resulting in the non-raising of a demand for ₹ 2.36 crore and subsequent non-recovery of the amount.
- The ME did not levy and recover the compound fee prescribed by National Green Tribunal amounting to ₹ 21.00 lakh from vehicles involved in the illegal transportation of mineral Bajri.
- The AME did not raise demand to recover the due amount of royalty and District Mineral Foundation Trust (DMFT) contribution from brick earth permit holder which resulted in non-recovery of ₹ 15.73 lakh.
- The AME issued demand notices to the lease holder for recovery of late fees towards the extension of the sanction period of mining lease, however, the amount demanded was short by ₹ 24.90 lakh.
- Five MEs/AMEs did not raise the demand amounting to ₹ 33.22 crore against 15 mining lease holders for excavation of 8.01 lakh MT minerals without approval of Mining Plan/Simplified Mining Schemes. Further, demand amounting to ₹ 19.41 crore was not raised by seven MEs/AMEs against ten mining lease holders for unauthorised excavation of 3.73 lakh MT minerals beyond the permitted quantity in Mining Plans/Simplified Mining Schemes. It resulted in a non-recovery of the cost of minerals amounting to ₹ 52.63 crore.

III Expenditure Audit

Animal Husbandry Department

Information Systems Audit on "Integrated Online Medicine Management Software"

The State of Rajasthan is rich in livestock wealth. The Animal Husbandry Department is providing services through various schemes and programs with a view to maintaining the importance of this vast and precious wealth of the State, its development and health protection. One of the main activities and programs of the Department include Veterinary Health Care & Disease Control Programme. The Government of Rajasthan launched (15 August 2012) *Pashudhan Nishulak Aarogya Yojna* to benefit the livestock.

The Department issued (12 December 2014) order to Rajasthan Electronics and Instrument Limited (REIL) to develop a web-based application (Integrated Online Medicine Management Software (IOMMS)). IOMMS is a web-based Supply Chain Management System which deals with purchase, inventory management and distribution of various drugs and consumables to the veterinary health institutions of the State. The IOMMS was developed with a cost of ₹11.23 lakh in 2015. Till September 2024 an amount of ₹ 42.17, lakh (₹ 11.23 lakh for development and ₹ 30.94 lakh on maintenance) has been spent on the system.

The electronic data including back-end data/data dump for the year 2015-16 to 2024-25 was collected and analysed through Computer Assisted Audit Techniques (CAATs) using Interactive Data Extraction and Analysis (IDEA) software. During the field visit (January, 2025 to February, 2025) the records of selected units were examined after identifying potential discrepancies from the data dump.

Despite being operational since 2015, the Department could not ensure IT infrastructure readiness, such as availability of personal computers, internet connectivity, and imparting training to officials of the Department. This lack of foundational support hindered real-time data entry and system usage, compromising the integrity and utility of the application. From an IT governance perspective, the Department lacked an Information Security policy, password protocols, and disaster recovery measures. User authentication controls were weak, and no business continuity plan was in place. No help desk was provided to end users.

Further, Audit noticed the absence of key application controls including validation checks for minimum expiry period, enforcement of FEFO (First-Expiry-First-Out) protocols, and system-based mapping between demand and supply of medicines. Additionally, quality assurance mechanisms were inadequate and reporting lacked defined timelines or standard operating procedures. There was no automated control for blocking stock identified as substandard and unblocking of approved stock. Similarly, shelf-life validation and automated stock reconciliation mechanisms were either missing or ineffectively implemented.

Audit findings highlight non-availability of infrastructure facilities and deficiencies in general controls, application controls, mapping of business rules and internal control mechanism. These deficiencies severely undermined the reliability, security, and effectiveness of the software in managing the end-to-end processes of medicine procurement, quality assurance, inventory management, and distribution across the State.

Audit recommended that the Government/Department may consider to:

- *expedite provisioning of required hardware and internet connectivity across all unit offices.*
- *strengthen IT security through implementation of password policies, multi factor authentication, user access standards, and system usage monitoring.*
- *establish structured training programs, create a centralized help desk and user support system for real-time issue resolution.*
- *develop and implement a formal Business Continuity and Disaster Recovery Plan with regular backups.*
- *integrate mandatory validation checks in IOMMS to enforce minimum expiry periods, FEFO, shelf-life standards, and demand-supply alignment.*

- *need to update/technical refresh the IOMMS to ensure automatic triggers for stock replenishment, reducing manual intervention and improving demand and supply efficiency.*
- *enforce automated controls for medicine quality testing, flagging and blocking substandard batches, and auto-unblocking of approved stock.*

Industries and Commerce Department

- The Department made an irregular payment of capital subsidy amounting to ₹ 61.25 lakh to two enterprises under ‘Special Package for Medical Oxygen Manufacturing Enterprises’ which were engaged in production of industrial oxygen instead of medical oxygen.