Employment and Self Employment Department

3.3 Computerisation of Employment Exchanges in Maharashtra

Highlights

A project of computerisation of the functions of the Employment Exchanges was being implemented by the Directorate of Employment and Self Employment with the objectives of improving the efficiency of employment exchanges, networking of all employment exchanges and speedy collection of data to provide the job seekers opportunities and the employers with skilled manpower. Lack of various controls in the system has made the information derived from the system unreliable. Lack of audit trails and security controls made the system vulnerable to unauthorised access and consequent changes to data.

An Oracle based applications package implemented in 36 units (1997-99) by incurring an expenditure of Rs 2.06 crore was left incomplete. The Directorate switched over in 2001-02 to the development of a new DB2 based package named 'Rojgar Mitra' but the deficiencies of the old package on ORACLE continued in the new package also.

(Paragraph 3.3.6.1)

Lack of adequate documentation led to lack of proper control over the development process and undue delays.

(Paragraph 3.3.6.2)

Due to the absence of validation checks in the applications package to detect duplicate registration, multiple registration numbers were incorrectly allotted to candidates in 7,129 cases.

(Paragraph 3.3.7.1)

The dates of qualifications recorded at the time of registration should have been the dates when the relevant examinations were passed by the candidates. In 13,054 cases, the dates of qualifications of candidates were shown to be before the dates of passing the relevant examinations signifying lack of data integrity of the system.

(Paragraph 3.3.7.1)

The percentage of coverage of employers by the District Employment Exchanges in Mumbai and Thane were as low as 8.38 and 12.10 respectively.

(Paragraph 3.3.7.2)

Dates of registration of qualifications were changed in 117 instances in Mumbai employment exchange and in 310 instances in Thane employment exchange, without authorisation, signifying lack of adequate audit trails built into the system and security controls.

(Paragraph 3.3.9.2)

3.3.1 Introduction

A project of computerisation of the functions of the Employment Exchanges (EEs) of Maharashtra was being implemented by the Directorate of Employment and Self Employment with the following objectives:

- improving the efficiency of the EEs;
- speedy collection of data from private employers to provide the job seekers opportunities and the employers with skilled manpower.

The activities of the EE units included registration of applicants seeking employment assistance, registration of vacancy notifications received from employers, selection and supply of suitable applicants for employers and preparation of employment statistics reports and employment market information. There were 45 Employment Exchanges (EEs) under the Directorate where 39.96 lakh job seekers were registered (as of March 2006), 0.52 lakh vacancies were notified by employers against which applications of 4.58 lakh candidates were submitted and 0.14 lakh candidates were placed (2005-06) in various jobs. A total of 0.26 lakh employers were registered with the EEs as of September 2005.

For computerisation of the EEs, an Oracle based applications package was developed by National Informatics Centre, (NIC) Pune during 1997-98 and implemented in 36 EEs. Later, a DB2 based applications package namely 'Rojgar Mitra' was taken up for development by NIC from 2001-02, which was implemented in all 45 units during October 2003 to July 2005, after porting data from the Oracle to the DB2 platform.

'Rojgar Mitra' had five modules according to the functional requirements of the EEs *viz.,* (i) Main (for registration and renewal of candidates), (ii) Submission[29] (for vacancy order (VO) booking and preparation of candidates' lists for submission to employers), (iii) Employment Market Information (EMI)[30] (for employer registration and employment market information returns), (iv) Employment statistics (ES) and (v) User administration.

3.3.2 Organisational set-up

The Directorate of Employment and Self Employment headed by the Commissioner, had six divisional offices headed by Deputy Directors and 45 Employment Exchange units (35 District Employment and Self Employment Guidance Centres), three additional Employment and Self Employment Guidance Centres, six University Employment and Self Employment Information and Guidance Bureaus and one Employment and Self Employment Guidance Centre for the Physically Handicapped (Special EE/PHP).

[29] Submission is the process of supplying list of suitable candidates to the employers.
[30] EMI is the information about employers, their staff position, vacancies and employment trends.

The information technology (IT) needs of the Directorate were overseen by a core group of eight staff members headed by an Assistant Director at the Directorate.

3.3.3 Audit objectives

The audit objectives were to evaluate:

- the efficiency and effectiveness of the system in achieving the stated objectives;
- the completeness and correctness of data captured in the system in respect of registration of candidates, vacancy order bookings and registration of employers;
- the generation of employment statistics and Employment Market Information and
- the adequacy of security controls to ensure the integrity of data.

3.3.4 Audit criteria

The applications package developed and implemented for the EEs was evaluated with respect to the National Employment Service Manual. Planning of computerisation, methodology of development of the application packages, data management and monitoring were also examined keeping in view the best practices of IT governance.

3.3.5 Scope of audit and audit methodology

Scrutiny of records and information furnished by the Directorate and nine[31] test checked units in respect of the computerisation and the data available in the computerised system was done during December 2005 to April 2006. Structured Query Language (SQL) was used to export the data from the DB2 database system to the Interactive Data Extraction and Analysis (IDEA)[32] package and the data analysis was done using the IDEA package. After completion of the IT Audit, an exit conference was held (June 2006) at NIC Pune with the Commissioner of Employment and Self Employment, the Assistant Directors/Employment Officers of the audited units and the Technical Director of NIC. The replies of the Directorate have been suitably incorporated in the report.

[31] Employment Exchanges at Mumbai, Physically Handicapped Persons (PHP); Mumbai Suburban; Mumbai Technical; Mumbai University; Nagpur; Pimpri; Pune; Pune University and Thane

[32] IDEA is a PC based File Interrogation Tool for use by auditors, accountants, investigators and IT staff. It analyses data in many ways and allows extraction, sampling and manipulation of data in order to identify errors, problems, specific issues and trends

Audit findings

3.3.6 Planning and project implementation

3.3.6.1 Incomplete development of applications packages under Oracle and DB2

While switching over to a new DB2 based Rojgar package the deficiencies of the old applications package continued

The Oracle based applications package implemented during 1997-98 and 1998-99 (expenditure: Rs 2.06 crore) in 36 units was incomplete as the Statistical module and Submission module had not been developed. While switching over to a new DB2 based 'Rojgar Mitra' applications package, the deficiencies of old package in respect of non-generation of statistical reports were continued. The new applications package was implemented in all the 45 units during October 2003 to July 2005 (expenditure: Rs 2.76 crore for hardware). Though 'Rojgar Mitra' was to be completed by December 2004, the Rojgar Wahini module– web site, Rojgar Mitra - self employment module, Rojgar Mitra - the web version module, the employment statistics and the employer market information modules were still under development as of May 2006. It was noticed that there was no clause in the MOU[33] for claiming penalty charges for delay in completion.

Thus, the employment exchanges relied on manual compilations defeating the objective of computerisation. The Commissioner stated (June 2006) that as designing of the Rojgar Wahini website was taken up on a priority basis, the development of modules such as Registration and Submission was delayed and modules for ES and EMI could not be completed. The delay in development of the applications package and non-enforcing of the time frame given in the MOU resulted in underutilisation of the hardware purchased for the system.

3.3.6.2 Lack of documentation on system development

The applications package was developed on an incremental approach basis and no detailed System Requirement Specifications were prepared

It was observed that the applications package was developed on an incremental approach basis and no detailed System Requirement Specifications (SRS) were prepared. The User requirement specifications were also not prepared. Besides, no technical documents relating to the process flow, data flow, data dictionary, database schema and coding convention were available with the Directorate. Lack of adequate documentation led to lack of proper control over the development process and undue delays.

3.3.7 Input controls and validation checks

The system design must include validation checks to minimise data entry errors. While implementing the system, various controls have to be put in place to ensure correct and complete capture of data.

[33] Memorandum of understanding entered into by the Commissioner, Employment and Self Employment with the NIC, Pune

3.3.7.1 Input controls

Analysis of the databases of candidates' registrations revealed that input controls had not been provided and even the validation checks were not built into the applications package. The lacunae and discrepancies in respect of 11.27 lakh registrations in the test checked EEs bringing out deficiencies of input controls and validation checks are detailed below:

Allotment of multiple registration numbers

3,257 candidates were allotted two or more registration numbers

In 7,129 cases duplicate/multiple registration numbers were incorrectly allotted in respect of 3,527 candidates. Consequently, the number of candidates enrolled was inflated. This could result in undue benefits to the candidates with duplicate registration numbers while sending names to employers.

During the exit conference, the Directorate accepted (June 2006) the position and promised to provide proper validation in the system with the help of NIC.

Inconsistency in the dates of registration and qualifications

There were irregularities and discrepancies in the registration data

- In 13,054 cases, the dates of registration of qualifications were shown to be before the dates when the candidates had passed the relevant examinations.
- In 8,083 cases, the dates of registration of additional qualifications fell even before the dates of initial registration.
- In 1,128 cases, the years of passing of the Higher Secondary Certificate examination were seen to be before the years of passing of the Secondary School Certificate examinations.

The above irregularities/ discrepancies were likely to result in granting undue seniority benefits. During verification of the details of submissions for the month of December 2005, it was found that in 10 submissions to employers, undue benefits had been granted to 51 candidates.

Unreasonable data in the database

- Dates of birth were recorded as future dates beyond 2006 in 62 cases.
- In 456 cases, the dates of birth recorded indicated that the candidates were registered before attaining the age of 14 years.
- Invalid years of passing of examination like 1, 2, 9, 1900, 1908, 1909, 2200 and 2995 were recorded in 4,675 cases.
- In 149 cases, the candidates' heights were recorded as more than 270 centimeters.

Incorrect validation control

Sixty physically handicapped candidates were wrongly shown as not-PH depriving them of the chances of being referred to potential employers

In the Special EE/PHP, Mumbai, catering to the physically handicapped candidates only, it was found that 60 candidates were treated as non-physically handicapped as the concerned records had a flag 'N' against the PH category. Thus, these 60 candidates were likely to be deprived of being referred to potential employers.

In reply, the Special EE/ PHP stated (April 2006) that corrections would be made to the data and that NIC had agreed to provide a validation check which would take all candidates registered with this unit as PH by default. However, remedial action had not been taken (August 2006).

3.3.7.2 Incomplete database

Information of placed candidates not entered

The details of candidates placed with employers are required to be entered into the system and their names are to be transferred from live registers to dead registers. It was seen that the details of the candidates placed were not entered in the computerised system. Thus, statistics about the number of candidates in the live registers was not only inflated but posed a risk of submission of candidates who had already got a job depriving the other candidates.

In reply, the EEs stated (March-April 2006) that the facility for recording placement entries was still to be implemented.

Insignificant coverage of employers

The District EEs are required to maintain databases covering all employers within their jurisdiction. The information about the number of employers received from the Employees' State Insurance Corporation (ESIC) and the Directorate Employment and Self Employment (DESE) was as detailed below:

Area/ Sub regions of Employees' State Insurance Corporation	Number of Employers			
	As per information received from ESIC	As per information received from DESE	Difference (2 - 3)	Percentage of coverage (3/2 x 100)
1.	2.	3.	4.	5.
Mumbai	39552	3314	36238	8.38
Thane	11316	1369	9947	12.10
Pune (Dhule, Jalgaon, Kolhapur, Pune, Nasik, Sangli, Satara and Solapur)	10965	9012	1953	82.19
Nagpur (Akola, Amravati, Bhandara, Chandrapur, Gondia, Nagpur, Wardha and Yavatmal)	4306	5068	-762	117.70
Aurangabad (Aurangabad and Nanded)	1896	1602	294	84.49

The coverage of employers of Mumbai and Thane was very low

It was noticed that Street surveys[34] had also not been conducted since the last five years by the Mumbai unit for better coverage of the employers. The low coverage of employers indicated that EEs had not made adequate efforts to collect information about employers.

In reply, the Assistant Directors in charge of the Mumbai and Thane Employment Exchanges accepted the audit observations and stated (April-

[34] Street surveys are conducted by Employment Officers to collect employers' data by visiting employers' offices situated within their jurisdiction.

May 2006) that necessary steps were being taken to enlarge the employers' databases.

3.3.8 Inadequate process control

The process is to be test checked and it is to be ensured through various process controls that the resultant information is correct as per the manual provisions.

In 4,916 cases the due dates of renewal were shown to be between the years 2011 and 2085

A candidate has to renew his registration after a period of three years from the date of registration following a grace period of three months. Scrutiny of the database of the Thane EE revealed that amongst the 2,30,371 candidates on the live register, in 4,916 cases, the due dates of renewal were wrongly arrived at by the system between the years 2011 and 2085.

In reply, EE, Thane stated (April 2006) that in 194 cases, project affected persons[35] were given special benefit of 99 years' validity for their registration for which renewal would not be necessary. In the rest of the cases, such facility had been given erroneously and remedial action would be taken through NIC.

The reply is not acceptable as these 194 cases were not included in the 4,916 cases. The wrongly calculated due dates of renewal were as a result of faulty system.

3.3.9 Security controls

Security controls ensure the safety and security of data from loss, theft or unauthorised modification. Weaknesses in these controls were observed as detailed below:

3.3.9.1 Access controls

A generalised user ID and password known to all core users was used to access the data in all the test checked EEs.

3.3.9.2 Audit trail

Various unauthorised modifications were not being recorded though the system had an inbuilt facility for the same.

The Directorate agreed (June 2006) to take remedial action with the help of NIC.

It was noticed during the scrutiny of the data for 2005-06 in respect of the Mumbai Suburban EE and the Thane EE that changes to dates of registration of qualifications were made in 117 instances in the Mumbai EE and in 310 instances in the Thane EE. Out of this, in the Thane EE, four cases related to cases of wrong entry of dates of qualification mentioned in para 3.3.7 earlier. Details of officials who made the changes had not been captured in the system and the reasons for making these changes were also not recorded. Thus, the

[35] Project affected persons are persons displaced by developmental projects.

authentication and authorisation of the changes made to the database could not be ensured.

In reply, EEs, Thane and Mumbai accepted the facts.

Thus, lack of security controls made the system vulnerable to unauthorised changes of data.

3.3.9.3 Non-updation of antivirus

It was noticed that the Antivirus version - 2004 installed in the computers of all the test checked units had not been updated.

The Directorate agreed (June 2006) to take remedial action with the help of NIC.

3.3.10 Conclusion

Lack of various controls in the system has made the information derived from the system unreliable. Lack of audit trails and security controls made the system vulnerable to unauthorised access and consequent changes to data. Delayed and incomplete roll out of modules for implementation led to incomplete databases and underperformance of the application itself. The databases were also incomplete as all the relevant data was not entered, specifically in cases of prospective employers leading to non-fulfilment of the objectives of the Employment Exchanges by restricting the opportunities available to the candidates. Further, lack of data integrity, reliability and incompleteness of data available with the Employment Exchanges led to inconsistent information being supplied to the Directorate of Employment and Self-employment and Director General Employment and Training for use in policy making as well as compilation of employment statistics.

3.3.11 Recommendations

- Comprehensive software should be rolled out within a stipulated time frame to ensure the following:
  - Business Rules are comprehensively mapped.
  - There are proper input and validation controls.
- The system security and audit trail should be strengthened for ensuring data security and integrity.
- The employers' register maintained by the District Employment Exchange should be made up to date so that all the public and private sector employers are covered for the Employment Market Information as well as to ensure better employment opportunities for the job seekers.

The matter was referred to the Principal Secretary to the Government in July 2006. Reply had not been received (October 2006).

General Administration Department and Revenue and Forests Department

3.4 Information Technology review of SETU (Integrated Citizen's Service Centres)

Highlights

Lack of uniformity in the software implemented in various centres rendered consolidation and transmission of the data from root level to apex level difficult. The system had no security policies/procedures exposing the system to potential risks of invalid inputs, processing, output and access by unauthorised users. SETU service provided to citizen was not at a low cost.

Non-development of uniform software by State Level SETU Society resulted in failure to provide envisaged information at apex level.

(Paragraph 3.4.6)

Due to the absence of adequate input and validation control, cases of duplicate record and gaps in the database were noticed.

(Paragraphs 3.4.7 and 3.4.8)

Non-existence of adequate business continuity plans and change management system led to vulnerability to disasters.

(Paragraphs 3.4.11 and 3.4.12)

Citizens were charged more for issue of various certificates than the rates prescribed by Government, which led to excess collection of Rs 22.09 lakh from citizens by Collector, Thane.

(Paragraph 3.4.13.1)

Government did not pass on the benefit of lower rates of service charges to the citizens from the unspent balance of fees (Rs 12.96 lakh) with State Level SETU Society.

(Paragraph 3.4.13.2)

3.4.1 Introduction

With a view to harness the benefits of Information Technology (IT) for effective and transparent functioning of the administration, Government decided (August 2002) to provide different services to citizens through an IT based project SETU (Project) connoting a 'Bridge' for connecting Government with people.

The first phase of the project contemplated issue of various certificates, licenses and affidavits concerning the Revenue Department to citizens through a single window system. Remaining three phases of the project were to cover

similar activities of other departments inclusive of acceptance of government receipts, taxes *etc.* It was also to cater to the citizens' requirement of facilities like Railways / Bus reservations, issue of passports, issue of election identity cards, *etc.* By May 2006, out of 35 Districts and 358 Talukas in the State, the project was in operation in 27[36] District headquarters and 307 Talukas.

3.4.2 Organisational set-up

Director of Information Technology (DIT) was to monitor the implementation of the Project in the State. At the District / Taluka level, existing staff of District Collector was to work at the back-end of the SETU IT system and maintain the basic record and authenticate the certificates issued through the system. District Level SETU Societies (DLSS) registered under the Societies Registration Act, 1860 were to engage software development agencies (Agencies) on the principle of Build-Operate-Transfer (BOT) for front-end manual activities such as issue of blank application forms, stamp papers, scrutiny of documents attached with the applications, ensuring availability of required information and generating receipt of applications through software. Procurement cost of hardware, counters, furniture, stationery, payment to staff, electricity bills and maintenance of hardware for SETU centers was also to be borne by the Agencies. The DLSS was to pay to the Agencies an agreed percentage of the fees levied for the services provided to citizens. All SETU centres were to be connected through Local / Wide Area Network to the District Control Room and the data was to be transmitted to the Mantralaya for display on the Government web-site. A State Level SETU Society (SLSS) was to guide and monitor the work of DLSS. Building for the SETU centers at district as well as taluka places was to be made available by Government on no cost basis.

3.4.3 Audit objectives

The audit objectives were to evaluate:

- the completeness and correctness of data captured in the system;
- whether arrangements exist for ensuring business continuity and
- the efficiency and effectiveness of the system in achieving the stated objectives.

3.4.4 Scope and methodology of audit

The audit of SETU IT system conducted between February 2006 and June 2006 involved scrutiny of records (including digital) and the SETU IT systems for the period August 2001 to May 2006 in seven[37] out of 27 Districts

[36] Ahmadnagar, Akola, Amravati, Aurangabad, Bhandara, Buldhana, Beed, Dhule, Gondia, Hingoli, Jalgaon, Jalna, Kolhapur, Latur, Nagpur, Nanded, Nashik, Osmanabad, Parbhani, Pune, Ratnagiri, Sangli, Sindhudurg, Solapur, Thane, Wardha, Yavatmal

[37] Collector Offices at Chandrapur, Jalgaon, Kolhapur, Nagpur, Nanded, Thane and Yavatmal

along with Taluka SETU centres. Computer Assisted Audit Techniques were used for data analysis and reporting.

Audit findings

3.4.5 Non-implementation of all the phases of SETU

Government had resolved (August 2002) to implement the SETU project in four phases. However, no benchmarks/time limits were fixed for phase-wise implementation of project. As of June 2006, the SETU centres were providing the services envisaged in the first phase only.

DIT stated (May 2006) that the integration of services of various departments in SETU centres was a matter of policy of the department concerned. This reply was not in conformity with the objectives of setting up of the SETU centres.

3.4.6 Absence of uniformity in software

Centralised software for SETU system was not developed

SLSS was to develop a common software for all SETU centres for facilitating consolidation and transmission of data available at Taluka and District levels to the official web site of the Government. It was, however, observed that different back-end software for databases were in use in various SETU centres.

SETU centre	Front-end	Back-end database and number of BOT agencies
Collector, Chandrapur	Access, Visual Basic	Access: 2,
Collector, Jalgaon	Access, Visual Basic	Access: 14, SQL:2
Collector, Kolhapur	Access, Visual Basic	SQL: 1, Access: 1
Collector, Nagpur	Access, Visual Basic	Access: 1, SQL: 1
Collector, Nanded	Access, Visual Basic	SQL: 1, Access: 10, DB-2: 1
Collector, Thane	Access, Visual Basic	SQL: 2, Access: 1
Collector, Yavatmal	Access	Access 2000: 2

DIT stated (May 2006) that development of a common software was under active consideration.

3.4.7 Input controls and validation checks

The system lacked input controls as it did not ensure complete and correct collection of the required primary data in its database. Absence of various validation checks in the system design made the system vulnerable to data inaccuracies as is evident from cases cited below:

3.4.7.1 Incomplete database

As data relating to certificates for caste, non-creamy layer, senior citizen, domicile certificates *etc.,* was not being maintained, the system was unable to generate such certificates. Instead, these certificates were being word processed from the manually available data thus defeating the objective of the system (Kolhapur).

3.4.7.2 Inaccurate database

The system accepted applications from persons below 18 years of age to execute affidavits

- In seven cases, applicants below 18 years of age had executed affidavits (Jalgaon).
- It was observed that nine duplicate token numbers were issued during June 2003 to October 2005 (Kolhapur).
- Out of 147 cases, in 31 cases the date of issue of certificate was earlier than the date of application (Kolhapur).
- The master table for castes contained duplicate data. In 55 out of 114 cases for same caste and category, different Caste_ID were noticed (Nanded).
- In domicile certificate table, out of 516 cases, in 90 cases the date of birth was not mentioned. In 23 cases it was shown as 31 December 1899 and in three cases it was shown as 3 January 1900 (Nanded).

Thus, in the absence of input and validation controls, the databases were incomplete and unreliable.

3.4.7.3 Incomplete generation of tokens

In SETU center at Kolhapur, 65,969 tokens from February 2003 to May 2006 for issue of certificates were generated, whereas actual number of certificates issued was 57,119

In SETU center at Kolhapur, the database indicated generation of 65,969 tokens from February 2003 to May 2006 for issue of certificates, whereas actual number of certificates issued, as per cashbook was 57,119. The receipt of Rs 0.89 lakh towards fees were, thus, was either not accounted for or was not collected.

In SETU center at Kolhapur further, affidavits executed as per database were 81,445, whereas the cashbook indicated the number of affidavits issued as 77,055 which led to less realisation of Rs 0.44 lakh on account of SETU charges.

Thus, in the absence of adequate input controls less realisation of Rs 1.33 lakh towards fees went unnoticed till it was pointed out in audit.

3.4.8 Processing controls

Some cases of inadequate processing controls are detailed below:

- There was no provision in the software for generating Token numbers for execution of affidavits (Nanded and Kolhapur).
- In 21,696 out of 37,242 cases, software allowed generation of Affidavits without photographs (Jalgaon).
- One hundred and eighty three gaps and 329 gaps were detected in the auto-generated fields respectively for tokens and certificates (Jalgaon and Nanded).

Audit trail was also not available. Thus, the correctness in issue of affidavits and charges collected therefore could not be ensured.

3.4.9 Logical access control

In the seven[38] SETU centres, there was no documented password policy for the SETU application, databases and operating system.

- In Collectorates Chandrapur and Yavatmal it was seen that the BOT agencies had purchased readymade software and the password to the databases was not available with them nor the Department insisted upon it. In absence of password, access to the databases was not possible.
- In Collectorates Jalgaon, Kolhapur and Thane there was no password provided for user_ID to the application software and databases implemented by the BOT agencies. Hence the system was prone to risk of unauthorised access.

Thus, in the absence of logical access control, the data security could not be ensured.

3.4.10 Non-availability of source code

Tender documents for operating SETU center on BOT basis envisaged that the source code of the application software would be the intellectual property of DLSS. However, none of the DLSS had collected the source code for the SETU system from the BOT agency.

DIT stated (May 2006) that as the BOT agencies had developed the software at their own cost, taking possession of source code did not appear justified. This reply was contradictory to the terms of contract with the BOT agencies.

3.4.11 Business continuity and disaster recovery plan

It was observed in seven[38] SETU centres that documented business continuity and disaster recovery plans did not exist. The District Collectors also did not have the backup of data generated by the SETU agencies though it was envisaged in the contract with the agencies.

DIT stated (May 2006) that the establishment of data centers at the State level was under consideration and also stated that the Collectors had the backup of the data. The reply of DIT was not acceptable in view of non-availability of backups with Collectors Chandrapur, Jalgaon, Nagpur, Nanded, Kolhapur and Yavatmal.

3.4.12 Change management system

There was no policy for change management

Records in seven[38] Collectorates revealed that there was no documented policy for change management. The Collectors at Chandrapur, Kolhapur and Nagpur stated that the changes required in the application software were communicated verbally.

DIT stated (May 2006) that changes in the software were done as and when some problem arose at the execution level.

[38] Chandrapur, Jalgaon, Kolhapur, Nagpur, Nanded, Thane and Yavatmal

3.4.13 Collection of fees

3.4.13.1 Excess collection

SETU centres under Collector Thane unauthorisedly collected excess fees of Rs 22.09 lakh from citizens

Government had prescribed (September 2002) a fee of Rs 10 to be charged by BOT agencies for issue of caste certificates, income certificates, affidavits, solvency certificates, domicile certificates, senior citizen certificates *etc.* Similarly, maximum fees to be collected for issue of 7/12[39] certificate from August 2004 was Rs 15 subject to actual expenditure incurred for issue of the certificate.

It was, however, noticed that the charges levied for issue of various certificates varied from district to district as shown below:

District	Rate per certificate (Rupees)	Rate for issue of 7/12 certificate (Rupees)
Chandrapur	15	15
Jalgaon	20	10
Thane	23 to 29	17
Yavatmal	19	15

This resulted in extra burden of Rs 13 to Rs 19 per certificate to each applicant in Thane district and consequent unauthorised collection of Rs 22.09 lakh from them during October 2004 to February 2006.

Collector, Thane stated (July 2006) that as per the decision taken in the meeting held on 11 September 2003 (of the district level society) the rates were increased to Rs 25 per certificate. The reply was, however, not acceptable as there were no orders from Government for increasing the fees payable by citizens for availing of the services from SETU centres.

3.4.13.2 Unspent balance of fees with SLSS

Unwarranted formation of SETU society

Government approved (August 2002) formation of the SLSS and DLSS for providing services which the Government was providing through their own staff. The SETU societies were to charge Rs 10 per certificate to be issued to the citizens through the BOT agencies operating the SETU centres. The BOT agencies utilised Government buildings, infrastructure and the services of the Government staff for backend work and monitoring. The role of DLSS in maintaining the SETU system was, thus, reduced merely to collecting service charges from citizens. Government had also directed (August 2002) that 10 *per cent* of the collections made by the DLSS were to be transferred to SLSS. It was observed that the SLSS had Rs 12.96 lakh as of May 2006 towards the transfer of service charges by six[40] Collectors to SLSS through DIT.

As the SETU system was operated on the principle of BOT by private agencies, Government should have passed on the benefit of lower rates of

[39] Village form No. 7 depicting the details of land, owner of the land, rate of land revenue and Village form No. 12 depicting the details of crops yielded by the farmer during the year.
[40] Aurangabad, Chandrapur, Dhule, Jalagaon, Osmanabad and Yavatmal

service charges to the citizens. Government, thus, failed to ensure service to citizen at a low cost.

3.4.14 Conclusion

Though the SETU project was launched in 2002, Government failed to implement all the phases of the SETU project. In the absence of a common software, consolidation and transmission of the data from SETU centres to Government was not possible. Incomplete modules and failure to enter all relevant data led to incomplete databases. IT security was deficient exposing the system to potential risks of unauthorised access and modifications. Due to non-observance of the provisions of tender agreement the business continuity could not be ensured. Failure to levy service charges at the rates approved by Government led to excess burden on the citizens in terms of certificate and village form fees.

3.4.15 Recommendations

- Single window service provided to citizens should be made available at a least cost and
- A comprehensive software should be rolled out within a stipulated time frame to cover:
  - the requirements of all the phases of the project and
  - adequate input, validation and access controls.

The matter was referred to the Principal Secretary to the Government in August 2006. Reply has not been received (October 2006).