1. Audit of acquisition and implementation of Forest Management Information System

Kerala Forest Department implemented two computer applications viz., 'Forest Management Information System (FMIS)', for the effective management of forestry resources of the State and 'Project Finance Management System (PFMS)', an accounts module intended to cover all the accounting requirements of the Department. Audit of FMIS and PFMS revealed the following.

There was undue delay in developing and operationalising FMIS/PFMS. The Consultant who rendered service as FMIS Manager was also entrusted with the development of software for PFMS and FMIS contrary to the provisions of contract. As a result, after incurring an expenditure of Rs 62.45 lakh towards remuneration the Department did not benefit from the consultancy for FMIS Manager from January 1999 to December 2003. There was no record as to the testing of software adopting a well-defined testing strategy. Due to the failure of the Department in selecting a firm having adequate exposure in GIS and experience in software development, FMIS could not be fully operationalised so far. Consequently, the hardware costing Rs 96.08 lakh procured for the purpose was idling. Due to partial data entry in nine modules and absence of data in six modules the FMIS could not be put to effective use and the management could not generate useful reports. There was considerable delay in rendering monthly accounts to the Accountant General(A&E) due to the failure to enter transactions on a day to day basis. There was no documented policy approved by top management regarding Information Technology (IT) objective or long term IT Plan. Thus, despite investing Rs 14 crore the constraints in collecting information still remained, rendering only limited usefulness of the software.

2. Audit of Computerised Billing and Revenue Collection System in Kerala Water Authority

KWA is responsible for the development and regulation of water supply besides waste water collection and its disposal. Its main sources of operative income are water charges and sewerage charges. Computerised Billing and Revenue Collection System was introduced in KWA from 1994 without formulating an IT policy or IT strategy. Failure to conduct timely review of computerisation had resulted in numerous inaccuracies, inadequacies and inconsistencies but no attempt was made to remove the drawbacks. Against the pending demand of Rs 44.10 crore in March 1999 for the entire State, the pending demand as of March 2005 for the 11 computerised sections covered in audit alone stood at Rs 98.66 crore. Delayed replacement of faulty meters caused recurring annual loss of Rs 14.09 crore. There were inconsistencies in generating demand, collection and balance statement and there were differences to the tune of Rs 6.41 crore between manual and electronic DCB statements. General IT controls to prevent unauthorised access to systems were inadequate.