

TRANSPORT DEPARTMENT

6.17 Information Technology Audit of activities relating to registration of vehicles, by Transport Department of Government of Tripura

6.17.1 Introduction

The Transport Department (Department), of the Government of Tripura is responsible for framing policies and implementing programmes for improvement of the public transport system in Tripura. The department is headed by the Commissioner and Secretary (Transport) who is assisted by one Joint Secretary and one Under Secretary. The department has five offices in the State, one headed by Joint Transport Commissioner (JTC) and other four headed by District Transport Officer (DTO) *.

NIC, Tripura developed a software named TISLine in 2000 and installed it in the office of the JTC Agartala. Subsequently TISLine was replaced by software named VAHAN, developed by the NIC New Delhi on Windows operating system using Visual basic 6.0 for front end application programme and SQL Server 7.0 for the backend database with effect from December 2003. An amount of Rs. 29.48 lakh was incurred on computerisation of Transport Department till June 2006.

The software automates management of information related to vehicle registration, identity of its owner and technical details of vehicles and tax and its validity, fitness and its validity, permit and its validity, authorisation including interstate aspects and insurance details. The main objective of computerisation was to achieve faster and better services and transparency along with better monitoring of State transport system and revenue generation.

6.17.2 Audit scope and methodology

The audit scope included examination of database pertaining to the registration of vehicles and its allied activities and collection of fees and road tax with the objective of evaluating the accuracy and integrity of data and the effectiveness of its application in management of various functions of the department. The database was analysed using Computer Assisted Audit Technique namely IDEA †.

6.17.3 Audit coverage

Audit covered the entire data relating to registration of vehicles, collection of road tax and issue of tax token entered into the IT system as produced by the five offices of the department.

* (i) JTC (West Tripura District), Agartala (ii) DTO (Dhalai District), Ambassa (iii) DTO (South Tripura District), Udaipur (iv) DTO (North Tripura District), Dharmanagar and (v) DTO (North Tripura District), Kailashahar.

† Interactive Data Extraction and Analysis.

Audit observations

6.17.4 System Design: Government Rules/Regulations not incorporated in the software

Audit noticed that the software did not provide adequate validation checks to ensure conformity with applicable rules and regulations of Government regarding registration of vehicles. The observations are as follows:

6.17.4.1 Existence of duplicate engine/chassis number for vehicles

Chassis number and engine number are unique identification marks of a vehicle. It was, however, noticed in audit that there was no validation check in the system to enable the registering authority to ensure that same chassis/engine number is not entered for more than one vehicle. Audit found that in JTC, Agartala out of 77,482 registered vehicles, 1,624 vehicles had duplicate engine number, 116 had duplicate chassis number and in 158 cases both the engine and chassis numbers were duplicate.

Further analysis revealed that in 72 cases having duplicate engine and chassis number, the owner's name was the same, indicating that the records had been entered twice; and in 90 cases though the engine and chassis numbers were same, the owner's name and registration numbers were different.

Such a system flaw could lead to a risk of stolen vehicles being registered under engine/ chassis number other than their own numbers. There was an evident need for the department to investigate the matter in depth to rule out such irregularities.

Similar findings in respect of other four DTOs are given in **Appendix XXIX** (Table – A).

6.17.4.2 Registration of two or more vehicles under same insurance cover note

According to Section 146 of the Motor Vehicles Act, 1988 no person shall use, except as a passenger, or cause or allow any other person to use, a motor vehicle in a public place, unless there is in force in relation to the use of the vehicle by that person or that other person, as the case may be, a policy of insurance complying with the requirements of Chapter XI.

Audit observed that there was no validation check in the system to ensure that insurance cover certificate number for a particular vehicle is not reused for registration of other vehicles. Analysis of registration database of the five offices revealed that there were 61,580 records in which the cover note number field was blank. Moreover, in 1,465 records the same insurance certificate/cover note number was entered two to four times; in 13 instances the repetition occurred more than four times as detailed in **Appendix XXIX** (Table B). This indicated a strong possibility that the same insurance cover was being used for more than one vehicle.

Recurrence of multiplicity of insurance certificate/cover note number increases the risk of vehicle getting registered without paying the insurance amount, a patently illegal act.

The department needs to investigate the matter urgently and take appropriate action.

6.17.4.3 Existence of duplicate registration numbers

Registration number is the identification of a vehicle. Rule 48 of Central Motor Vehicles Rules 1989 provides that on receipt of an application under Rule 47 and after verification of the documents furnished therewith, the registering authority shall, subject to the provisions of Section 44, issue to the owner of the motor vehicle a certificate of registration in form 23.

Audit found that there was no validation control in the system to check duplication of registration number in the database. An analysis of registration database of selected JTC/DTOs, revealed that there were six cases of duplicate registration numbers issued to 12 owners (**Appendix XXIX**).

Such illegal duplicate registration of different vehicles as well as insurance irregularities are obviously fraught with the risk of plying invalid/stolen vehicles vis-à-vis making it possible for vehicle owners to escape paying road tax . The possibility of fraudulent insurance claims could also not be ruled out in such a scenario. Moreover it can also lead to legal trouble for bonafide owners in case of vehicle with the same registration number being involved in accident, criminal cases etc.

6.17.4.4 Incorrect data relating to registration date and purchase date

As per Rule 47 of Central Motor Vehicles Rules 1989 registration of a motor vehicle shall be made by the registering authority on or after the date of taking the delivery of such vehicle. It was, however, observed in audit that in 186 cases the registration dates were found earlier than the purchase dates ranging from one to 33,654 days, which indicated that the database has no validation check over the purchase date and registration date of the vehicles.

6.17.5 Input controls

In any computerised system accurate and complete input of authentic data is of utmost importance to get desired results. Audit noticed that the database was replete with errors resulting from poor input controls in operation of the software.

6.17.5.1 Incomplete database

As per Rule 47 of Central Motor Vehicles Rules 1989, Form 20 has been prescribed for registration of vehicles which contains information about vehicles in 33 fields.

However, analysis of registration database of the five offices revealed that data capture was partial even in crucial fields such as registration date, owner's

name, address, dealer's CD, engine/chassis number and insurance number / date. The details in respect of JTC, Agartala are as follows:

**Statement showing blank records in JTC, Agartala
(Total registered vehicles 77,482)**

Name of field	Number of blank field values
Registration date	1,723
Owner's name	128
Address	368
Dealer's CD	16,896
Chassis no.	2,008
Engine no.	2,153
Insurance company / Insurance no. / Date	49,228

Further details are given in **Appendix XXX**.

Any analysis and generation of reports based on incomplete and unvalidated database was likely to produce incomplete and unreliable information. This pointed to weakness in the input control, which was further accentuated by absence of data validation and needs to be immediately rectified.

6.17.5.2 Incorrect data relating to seating capacity

During analysis of registration database of private vehicles it is noticed that in respect of two wheelers and private cars seating capacity was incorrectly entered in 31 cases. For example, two wheelers have been shown to be from three seaters to 957 seaters and cars from 14 to 796 seaters. Details are given in **Appendix XXXI**.

This clearly indicates lack of adequate control for entry of data into the system as a result of which integrity of the database is adversely affected.

6.17.6 Process controls

The controls meant for the computerised systems to process the input according to the logic encoded in the software were found to be deficient as detailed below:

6.17.6.1 Lack of continuity of registration numbers

In a single series, 9,999 registration numbers can be awarded in seven category[‡] of vehicles. An analysis of the registration database (December 2005) revealed that at DTO (North), Dharmanagar 953 registration numbers were found missing in seven category of vehicles in three series[§] as shown in **Appendix XXXII**.

This indicates possibility of misuse of facility for blocking choice number and improper management of registration of vehicles apart from the possibility of misuse of unregistered number.

[‡] Category:PT (1-200); LM (201-800); GO (801-1200); PH (1201-1500); GD (1501-1950); PL (1951-4500); Two Wheeler (4501-9999).

[§] Series: TR02; TR02A;TR02B.

6.17.6.2 Issue of duplicate tax token numbers

Tax token number is a unique number, which is issued on receipt of road tax against each vehicle. It was, however, noticed in audit that there was no validation check in the system to enable the registering authority to ensure that unique tax token number is generated by the system against each receipt. An analysis of the database of JTC, Agartala, revealed that there were 22 instances involving issue of duplicate tax token numbers as shown in **Appendix XXXIII**.

6.17.6.3 Short realisation of road tax amounting to Rs.7.94 lakh

As per Tripura Motor Vehicles Tax Act, 1972, as amended from time to time, and the Rules made thereunder, every owner of the vehicle is required to pay road tax at the rate specified in schedules I and II of the Act.

Analysis of the taxation database of the JTC, Agartala revealed that in 803 cases during the period from 13 Nov 1994 to December 2005, road tax realised was less than the actual amount due, as calculated in audit which resulted in short realisation of road tax amounting to Rs.7.52 lakh as given below:

Short realisation of road tax in JTC Agartala

Category of vehicles	No of vehicles	Tax due (Rs.)	Tax paid (Rs.)	Short realisation (Rs.)
Vehicles for transport of goods	434	12,53,156	6,89,861	5,63,295
Bus	336	4,71,728	3,99,539	72,189
Three Wheeler, jeep, taxi, van (Commercial)	143	1,37,780	80,429	57,351
Motor Cars, jeep (Private)	105	92,610	64,107	28,503
Two wheeler	183	60,606	38,903	21,703
Tourist bus/Cab	02	14,300	5,377	8,923
Total	803	20,30,180	12,78,216	7,51,964

A similar analysis of Udaipur, Kailashahar and Dharmanagar DTOs also resulted in short realisation of road tax of Rs. 0.42 lakh.

The department needed to check the calculations made by the system and rectify the error as well as take action to recover short realisation.

6.17.7 Management information system

An important feature of a computerised system is the possibility of readily generating the required information from it for better management decisions. However, audit observed that though the system had the relevant information the department never made use of it in many areas.

6.17.7.1 Outstanding tax of Rs 4.42 crore from 17,518 defaulter vehicles

Under Section 4 of the Tripura Motor Vehicles Tax Act, 1972, and Section 4 (B) of the Tripura Motor Vehicles Tax (Amendment) Act 2003, tax in respect

of a vehicle is payable annually or quarterly within 30 days of the commencement of the year or quarter as the case may be. Moreover, under Section 14 of the Tripura Motor Vehicles Tax Act, 1972, if a taxing officer is satisfied that in respect of any motor vehicle any tax or additional tax payable under this Act has not been paid within one month of the date on which such tax was payable, he may, notwithstanding anything contained in the Motor Vehicles Act, 1939 and any rules made thereunder, declare the certificate of registration of such motor vehicle to be suspended and such certificate shall thereupon be deemed to be suspended until the whole amount of tax and penalty, if any, due in respect of such motor vehicle has been paid. Further Section 12 of the Tripura Motor Vehicles Tax Act, 1972 provides that any police officer in uniform or other officer of the State Government, not below such rank as may be prescribed under Rule 182 of Tripura Motor Vehicles Rules, 1991, may check any motor vehicle for the purpose of satisfying himself that the tax payable under this Act in respect of such vehicle has been paid.

Analysis of data of JTC, Agartala, and other DTO offices at Udaipur, Ambassa, Kailashahar and Dharmanagar revealed that in respect of 17,518 vehicles Rs.4.42 crore was lying outstanding (October 2005) as per details given below:

Name of JTC/ DTO	Total no. of defaulter vehicles	Tax due (In Rupees)	Period
Agartala	17,249	4,40,08,221	For 2 month to 22 years 10 months
Udaipur	82	75,000	For 6 months to 7 years 10 months
Ambassa	07	10,187	For 5 months to 4 years 9 months
Kailashahar	155	88,779	For 2 months to 11 years 4 months
Dharmanagar	25	20,468	For 2 months to 4 years 7 months
TOTAL	17,518	4,42,02,655	

It was observed that the system had no provision to produce periodical reports of outstanding road tax and thus appropriate action could not be taken to recover the outstanding dues.

6.17.7.2 Plying of vehicles with lapsed registration

Sec 41(7) of Central Motor Vehicles Act, 1988 provides that a certificate of registration in respect of a motor vehicle, other than a transport vehicle, shall be valid only for a period of 15 years from the date of issue of such certificate and shall be renewable. Further as per provisions of Rule 52(3) of Central Motor Vehicle Rules 1989, a motor vehicle shall not be deemed to be fit for plying after the expiry of the period of validity entered in the certificate of registration and no such vehicle shall be used in any public places until its certificate of registration is renewed. Further, under Rule 48 of the Tripura Motor Vehicles Rules 1991, renewal of certificate of registration under sub-Section (8) of Section 41 may result in the registering authority requiring the owner to pay Rs.25 per calendar month or part thereof as composition fee, provided that, the total amount payable shall not exceed Rs.100.

Analysis of data of the five offices revealed that as of December 2005, 8,917 vehicles have had their registrations expired. The vehicles have, however, not yet been reregistered and neither have they surrendered their registration certificates. As such, they were required to be reregistered and registration fee of Rs.8.50 lakh and penalty of Rs.8.92 lakh (Rs.100 x 8917) was realisable, for using unregistered vehicle. Details are given in **Appendix XXXIV**.

6.17.7.3 Partial utilisation of processing capabilities

Although VAHAN system has the provision for capturing information relating to renewal of fitness certificates of commercial vehicles, permit and its validity including interstate aspects but the same was not operational (December 2005). As a result, all the facilities provided in VAHAN system could not be fully utilised, reasons for which were not stated to audit.

6.17.8 Conclusion

The computerised registration system in Tripura is being run in a poorly controlled environment. This coupled with deficiencies in the system design led to inaccuracies and serious irregularities in the information generated by the system leading to inconsistent and incomplete database maintained by the JTC/DTOs. Orders issued by Government were also not incorporated into the system leading to loss of revenue. Use of the system as a management information system (MIS) was also inadequate.

The matter was referred to Government (March 2006); reply had not been received (September 2006).

6.17.9 Recommendations

- Appropriate input and processing controls should be urgently incorporated within the system to prevent entry of duplicate and improbable data.
- The system should have inbuilt validation checks to detect duplicate engine/chassis number and link with the system of the State and national law enforcement agencies to detect stolen/lost vehicles.
- Data integrity should be periodically checked and data capture should be complete and should be utilised to increase revenue collection.
- Exception report should be generated to detect inaccurate data or data which violates the MV Act and Rules.