MINISTRY OF INFORMATION TECHNOLOGY & TELECOMMUNICATIONS

19.1 Oracle Licenses

Since the beginning of computerisation in the Civil Service, Government has been using Oracle as one of the main database systems. As of April 1999, Government already owned some 1,000 Enterprise and 100 Work Group Oracle licenses.

The local representative of Oracle proposed a five year term license in April 1999 that would cover the use and technical support for up to 2,000 concurrent Oracle database licenses and 40 Developer licenses with the regional representative of Oracle, a foreign firm. The above proposal included the licenses already owned by Government and some additional benefits.

Since Government already owned 1,100 licenses, both the foreign and local firms undertook to transfer ownership of 1,000 Enterprise licenses and 1,000 ‘Oracle 8 Standard licenses’ and 40 ‘Developer 2000’ that it would be using at the expiry of the agreement in case of non-renewal of the contract in August 2004 so that Government would not have to disburse any funds for licenses.

A Term License Agreement for five years was entered into between the Ministry of Information Technology & Telecommunications (MITT) and the foreign firm in August 1999 for an amount of US$ 2,437,000, payable in five yearly instalments. This amount represented license fees and technical support fees of some US$ 770,425 and US$ 1,666,575 respectively. The 1100 Oracle licenses that Government owned were changed from perpetual licenses to a five year term license in the agreement. The foreign firm entrusted the local firm with the responsibility to provide technical support. Payments reached US$ 2,437,000 (Rs 68.7 million) for the period August 1999 to August 2004.

The foreign firm was not paid for the period August 2004 to May 2006 since negotiation for a second agreement was under way.

A second agreement was signed in May 2006 for US$ 1,991,924 whereby Government became owner of all licenses in use at August 2004 along with technical support. This consisted of the following:

- Licence fees of US$ 1,632,725. This included the purchase of Government’s own licenses that were deemed to be a trade-in for re-instatement of technical support for the period August 2004 to March 2006.

- Technical support fee of US$ 359,199 for a year up to April 2007.

A Memorandum of Understanding (MOU) was also signed between Government and the foreign firm in May 2006. Payments of US$ 1,991,924 (Rs 59.6 million) were effected in June 2006.

The foreign firm was paid some US$ 2.4 million and US$ 2.0 million for license fees and technical support respectively for the period August 1999 to April 2007.
(a) Technical Support Fee - Oracle Versions

The technical support included problem fixing and entitlement to versions upgrade. Government paid for technical support on Oracle Versions 7 and 8 but these have already been desupported since December 2001 and September 2004 respectively.

For instance, out of 61 Ministries/Departments using Oracle databases, 55 of them were using Versions 7 and 8 and six others were using Version 9 as of August 2006. Thus, 90 percent of licences in use were of old versions that have been desupported. The computerised system including the applications have not been upgraded to the latest version that is, Oracle 9 and 11 as upgrading to a new version would require upgrading of hardware and software.

The cost of technical support was significant and related to licenses that have been desupported.

Recommendation

The Ministry should consider the future likelihood to upgrade the old versions and negotiate so as to reduce support fee. The Ministry may consider to hire support on old versions as and when required and to purchase new licenses whenever a Ministry/Department, using Oracle Version 7 or 8 system would upgrade its system.

(b) Receivables from the Local Firm

The local firm undertook to transfer ownership of 1000 Oracle 8 licenses Standard Edition and 40 Developer 2000 Licenses at no cost. In February 2006, the Ministry has claimed the local firm an amount of US $ 349,000 for the above licenses. However, no payment has yet been received as of August 2006.

In addition, the above amount of US$ 349,000, estimated at Rs 11.1 million, was not included in the Statement of Arrears of Revenue of the Government at 30 June 2006.

Ministry’s Reply.

The Ministry has made a request to the local firm and is following up on the issue.

19.2 Civil Service Computerisation programme - Project implementation

Introduction

The commitment of Government to computerise the Civil Service dated back to 1980. As of June 2006, some 60 projects were operational whilst some 30 projects were underway and 15 others were identified for development. Out of the 30 on-going projects, 12 were under development for a long period of time as shown in Table 58
Only four of the 13 systems in Table 58 were partly operational while the others were still under development.

Table 58 Project under development

<table>
<thead>
<tr>
<th>Date started</th>
<th>Project</th>
<th>Status in September 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>Integrated Hospital Management System and Patient Care System at Jawaharlal Nehru Hospital</td>
<td>This system was to be replicated in other hospitals. At September 2006, no replication was effected.</td>
</tr>
<tr>
<td>1996</td>
<td>National Transport Authority</td>
<td>Four out of five modules in use</td>
</tr>
<tr>
<td>1996</td>
<td>Ministry of Labour, Enterprise Monitoring System</td>
<td>On going</td>
</tr>
<tr>
<td>1997</td>
<td>National Land Information system</td>
<td>On going</td>
</tr>
<tr>
<td>1998</td>
<td>Registrar General Department</td>
<td>Two systems in use, scanning of repertories has not yet started</td>
</tr>
<tr>
<td>1998</td>
<td>Central Personnel System</td>
<td>On going-Phase I of the project completed, operational on 21 sites. Phase II will be launched after installation on the Government On Line Centre (GOC)</td>
</tr>
<tr>
<td>2000</td>
<td>Stores system</td>
<td>Operational on eight sites. System to be replicated to all Government Ministries and Departments after installation on the GOC</td>
</tr>
<tr>
<td>2001</td>
<td>Registry System</td>
<td>Operational on seven sites. System to be replicated to all Government Ministries and Departments after installation on the GOC</td>
</tr>
<tr>
<td>2002</td>
<td>Police Administrative functions</td>
<td>On going</td>
</tr>
<tr>
<td>2002</td>
<td>Vehicles Management System at Plaine Lauzun Workshop</td>
<td>On going</td>
</tr>
<tr>
<td>2003</td>
<td>Project Monitoring system at National Development Unit</td>
<td>On going</td>
</tr>
<tr>
<td>2003</td>
<td>Integrated Labour Market Information system</td>
<td>Contract allocated in February 2006. On going</td>
</tr>
</tbody>
</table>

An integrated approach has not yet been adopted in the civil service in some instances.

- Databases of all civil servants were being kept by the Public Service Commission, the Central Information Systems Division, the Treasury Department and the Ministry for Civil Service Affairs.

- The Ministry of Health (MOH) has spent some Rs 33 million on different projects. Most of them were not fully operational as reported in my 2004-05 Audit Report. No marked improvement was noted as of September 2006, despite my adverse comments.
Ten of the 15 modules of the Integrated Hospital Management and Patient Care System were still not implemented. The system, developed at Jawaharlal Nehru Hospital (JNH) at a cost of Rs 15 million in 1993 on a pilot basis, was not yet replicated in other hospitals.

In 1998, another programme was implemented in two mediclinics at L’Escalier and Belvedere for a total cost of some Rs 3 million. However, the systems were operational in September 2006 but were not being used by medical practitioners.

In March 2000, the MOH decided to replicate the computerised system in use at the two mediclinics to seven Area Health Centres (AHCs) at the cost of some Rs 7 million.

I was informed by the MOH that the AHCs were also not using the computerised system on the ground that it needed upgrading.

An integrated Laboratory Services System at the Central Laboratory was developed in 1995 at the cost of some Rs 8 million.

According to the Ministry, the equipment has become obsolete and needed replacement.

As of September, the MOH was preparing an e-business plan. An integrated hospital management system was being developed for the Cardiac Centre. The latter project was estimated to cost Rs 15 million.

IT project development involved several stakeholders such as:

- The Ministry of Information Technology (MITT), the funding agent for computer projects, The Central Informatics Bureau (CIB) which was responsible for the planning and coordination of all computerisation of projects,
- The Central Information Systems Division (CISD) which is responsible for the provision of technical support,
- The user Ministry/Department, and
- The software supplier.

The following was also noted:

- Coordination and follow up amongst the different stakeholders were inadequate; Information relating to project development was not available at the MITT, instead piecemeal information was kept by the different stakeholders.
- There was no regular Management Information System at the different levels and at the MITT to ensure efficient and effective implementation of projects.
- There was no defined time frame for implementation of projects.
**Recommendation**

- There is need for the MITT to set up a project management structure to foster greater coordination in monitoring amongst all stakeholders.
- The causes for non-implementation of IT projects by user Departments and Ministries should be identified and appropriate remedial action be taken.

**Ministry’s Reply**

The key element for the successful implementation of projects is management and user ownership and commitment within each user Ministry and Department. The setting up of projects steering committees chaired by the Chief Information Officers (CIOs) and regular meetings to follow up on different projects is a must for successful implementation of the projects at level of each Ministry and Department. However, not all Ministries and Departments have project steering committees meeting regularly. This accounts to a large extent for delay in timely project implementation.

Over the past year, the MITT hired the services of a Chief Knowledge Officer, who provided training and held several workshops, with CIOs with regard to their duties and responsibilities. The CIOs still need to be committed and available for successfully fulfilling their duties.

MITT is also in the process of elaborating the National ICT Strategic Plan (NICTSP) which amongst others covers e-Government. The NICTSP will also address any review of the ICT institutional framework for better project implementation and monitoring.

**19.3 Review of Government Payroll Systems**

The Central Information Systems Division (CISD) has three main sections namely the Technical, Operations and Administration Sections with a total of 206 staff in post. 45 of them were directly responsible for the preparation of payroll and salaries and overtime paid to them amounted to some Rs 8.8 million for 2005-06. One of the main services of the CISD is the maintenance of the Government Payroll System, and the following shortcomings have been noted:

- The system took nearly three weeks to generate the payroll for the following month and a further week to process payments.
- Although Government has invested massively in the computerisation of its activities, preparation of the payroll still involved several manual processes such as input, verification, resubmission and other input of variation forms for changes in salaries.
- Finance staff had to call regularly to the CISD office.
- Despite the CISD payroll database, Finance Sections still had to keep manual salary cards, deposits accounts, advance accounts for car loan that were built up from the payrolls.
- Payrolls were not interfaced with the Treasury Accounting System (TAS) and this required further input in the TAS system every month.

**Recommendation**

- CISD may consider giving direct access to Finance Officers to enable online input of their data to the payroll system and to retrieve and print their payroll documents from remote terminals.

- CISD may consider improving its existing software facilities to further assist the Finance Sections to do away with the manual systems such as keeping of salary cards, maintaining individual staff loans accounts and repayment of deposits.

- Consideration may be given to replicate the payroll system at the CISD in each Ministry/Department after making necessary improvement to the software.

- More effective use of the TAS may also be considered. It is to be pointed out that all Finance Sections of Ministries and Departments are already linked to the TAS. Both TAS and the CISD payroll system use Oracle Database Management System.

**Ministry’s Reply**

The Treasury is the owner of the payroll system and the CISD works according to the timetable for processing of Government Payroll submitted by the Treasury. Any changes in the payroll system will have to come from the Treasury.

This Ministry has been informed that a Committee has been set up by the Treasury to look into issues and functionalities for the design and implementation of a new integrated payroll system.