Press Brief

Report of the Comptroller and Auditor General of India on Status of Direct Benefit Transfer of Social Security Pension Schemes in Himachal Pradesh for the year ended 31 March 2021

Report no. 3 of the year 2022 of the Comptroller and Auditor General of India on Status of Direct Benefit Transfer of Social Security Pension Schemes in Himachal Pradesh for the year ended 31 March 2021 has been prepared under provision of Article 151 of the Constitution of India. The Report has been laid before the State Legislature on _____________.

Performance Audit on Status of Direct Benefit Transfer (DBT) of Social Security Pension Schemes in Himachal Pradesh was conducted for the period 2017-21 to assess whether disbursement of benefits to beneficiaries was done as per scheme guidelines and whether the system(s) of disbursement of benefits was in compliance with the DBT framework as prescribed by Government of India. Six schemes were selected for the performance audit: three Government of India schemes under National Social Assistance Programme (NSAP), *viz.* Indira Gandhi National Old Age Pension Scheme (IGNOAPS), Indira Gandhi National Widow Pension Scheme (IGNWPS), Indira Gandhi National Disability Pension Scheme (IGNDPS); and three State Government schemes, *viz.* Old Age Pension (OAP), Widow Pension Scheme (WPS), and Disability Relief Allowance (DRA). All these six selected schemes were to be implemented through DBT, for which process re-engineering was to be done in line with the prescribed DBT framework.

The implementation of social security pension schemes involved various steps / processes such as beneficiary application submission, application scrutiny, processing, pension authorisation, payment, etc. All the six selected schemes were being implemented using a mix of manual and IT systems. Processes such as application submission, scrutiny, verification, payment order related file transfers, payment processing feedback, etc., were being undertaken manually. Application processing and authorisation were being undertaken on an IT software called *"e-Kalyan"* since 2008; this was a client-server software (software was hosted on standalone systems at the district-level and used locally) until October 2020, when it was upgraded to a web-based integrated software (software was hosted on the internet and used by various authorised users online).

It was observed that implementation was not in consonance with the DBT framework – a number of processes which were required to be done using IT systems were being done manually; further, there were also deviations from scheme guidelines in the manual processes being undertaken.

The procedure implemented by the Department is not in consonance with the DBT framework, which should involve transfer of benefits directly to the beneficiaries. The current procedure can be termed as benefit transfer, but not as "direct" benefit transfer, since funds are not transferred directly to the beneficiaries (as is being done by some other

States/ Government of India) but funds are transferred into the bank account of the District Welfare Officer (DWO) and then cheques are issued for further transfer to the beneficiary bank accounts.

Some of the major findings included in the report are as under:

Coverage and Financial Management

- Expenditure of ₹ 0.88 crore was incurred on IEC activities for welfare schemes during 2017-21, however, exclusion of eligible persons was noticed.
- Of 826 BPL households in 11 test-checked GPs (under TWOs Arki and Mandi-Sadar and Shimla rural), 29 BPLs persons of these families were not covered under any scheme although their age was above 60 years.
- Category-wise or age-wise database of eligible population through proactive periodic surveys or obtaining statistics from field offices not maintained. In the absence of which, submission of pension applications was entirely dependent on the initiative of beneficiaries or gram panchayat representatives.
- There was shortfall in coverage of beneficiaries against targets at the end of each financial year ranging between 4362 and 8519.
- Funds were unspent at the end of respective financial years and applicants remained in the waiting list. In three (Mandi, Shimla and Solan) selected districts, funds ranging between ₹ 12.34 lakh and ₹ 1436.87 lakh were lying unspent at the end of each quarter in the bank accounts of concerned DWOs.
- Time schedule for finalization of pension cases had not been fixed. Cases ranging between 23,442 and 43,026 during 2017-21 were pending at the end of each financial year due to delay in verification of temporarily suppressed beneficiaries and onboarding of waitlisted applicants on active pensioners list.

Compliance with DBT framework

- DBT process was not followed as the client server-based e-Kalyan was not re-engineered in line with DBT framework. The disbursement process was not integrated with the e-Kalyan software and involved manual intervention. Uniqueness of beneficiaries with Aadhar or any other unique ID was not ensured.
- Guiding principles contained in standard operating procedure for DBT payments such as interface with State treasury/ postal department/ banks, validation, disbursement through PFMS (in case of state schemes) and feedback mechanism were not complied with.

Process of Social Security Pension Schemes' Implementation

- Functionalities to check / detect duplicate entry were not enabled / provided in the e-Kalyan software.

- Instances of incomplete application forms (17 *per cent*) without requisite certificates, and delay in processing of applications and verification of beneficiaries were noticed.
- Analysis of e-Kalyan software revealed irregularities in selection of beneficiaries and duplicate / excess payment of ₹ 47.24 lakh indicating lack of monitoring by the departmental authorities.
- Disbursement of pension to expired beneficiaries (255 cases out of 9196 beneficiaries) resulting in irregular payment of ₹ 60.73 lakh
- Cross verification of pensioners' record in e-Kalyan software with basic record at panchayat level in 59 GPs revealed cases of variation in age of 776 beneficiaries, selection of 63 underage beneficiaries under IGNOAP and old age pension schemes resulting in irregular payment of ₹ 55.21 lakh.
- There were deficiencies in payment of pension through department of posts such as non-delivery of doorsteps benefits to eligible beneficiaries, non-obtaining of required certificates, and usage of money order mode for payment of pension.
- There was lack of co-ordination between the Department, postal authorities and GPs resulting in non-sharing of information about beneficiaries rendering ineligible under various Social Security Pension Schemes.

Analysis of Information Technology application

- Software Requirement System, Software Design Document, user manual and system manual for ease to manage and use the e-kalyan software had not been prepared by the HP-NIC.
- Basic checks to prevent unauthorized access to e-Kalyan and auto validation of data entered in e-Kalyan were not available.
- Software had not been integrated with other existing modules such as e-pariwar portal of panchayat and post office / bank portal for real time beneficiary' verification and status of pension disbursement.
- Facility for generation of previous quarters' reports and access to end user had not been provided in the web-based e-Kalyan software.

Organization, and management of Direct Benefit Transfer

- DBT Cell was not discharging its duties of co-ordinating with departments and implementing DBT in various schemes. Meetings of Advisory Board to guide and monitor various departments in adopting DBT had not been conducted.
- DBT Cell had not provided training and support in capacity building on DBT to State officials.
- There was variation in data on benefit transfer under social security pension schemes supplied by the Department and reflected on the State DBT portal.
- PFMS had been introduced in the NSAP schemes with delay; for State schemes PFMS has not been commenced yet.

- There is no acknowledgment push of transactions in the e-kalyan from PFMS. For failed transactions, reasons are manually recorded in the e-kalyan.

- Due to non-integration of PFMS with the NSAP portal through Aadhar Payment Bridge system, NSAP portal is showing zero transaction through DBT in the State.

Human Resource Management and Monitoring

- There was shortage of manpower in each category (ranging between 9 to 39 per cent), hampering smooth functioning of social security pension schemes in the State.
- Training in respect of utilities and functionalities of the e-Kalyan software and user manual had not been provided to the officials dealing with implementation of social security pension schemes.
- Grievance redressal and social audit mechanism had not been established.