

AUDIT FINDINGS

Chapter 4 Identification of targeted beneficiaries

4.1 Survey, investigation and identification

Efficacy of PDS is based on the identification of targeted groups in different categories. Public Distribution System (Control) order, 2001 envisages that States should formulate suitable guidelines by involving the Gram Panchayats/Village Councils for the purpose of identification of families living Below Poverty Line (BPL) including the Antyodaya families as per the estimates adopted by the Central Government. The State Government should provide sufficient attention to ensure that the identified families are really the poorest of the poor.

The DFCS adopted the list of BPL targeted groups identified by the Union Ministry of Rural Development. Out of the list of BPL beneficiaries, the Department increased (January 2006) the number of AAY beneficiaries from 37600 to 47500 from amongst the BPL beneficiaries. However, the Department did not involve the Village Councils for the purpose of identification of families while increasing the AAY beneficiaries from BPL list.

The Department did not take any other action for identification of BPL beneficiaries during 2005-11. The position of beneficiaries availing the benefit of PDS from January 2006 till the end of March 2011 is given below:

Table 4.1

| Scheme | Beneficiaries |
|--------------|---------------|
| BPL | 76500 |
| AAY | 47500 |
| Annapurna | 6727 |
| Total | 130727 |

Out of 7200 beneficiaries identified by the Department, GOI approved 6727 Annapurna families in 2004-05 and the number of beneficiaries remained constant till the end of 2010-11.

As per 2001 Census, eighty nine *per cent* of the population in the State belongs to scheduled tribe category. Out of a total of 2.95 lakh households in the State, 1.31 lakh households were identified under BPL, AAY and Annapurna categories. Over and above this, an average of 0.42 lakh APL households were in possession of ration cards leaving 1.22 lakh households (41 *per cent*) remaining out of PDS. The Department needs to look into the reasons for keeping 41 *per cent* of the population in a scheduled tribe dominated State beyond the purview of PDS.

The Department in reply stated (June and December 2011) that beneficiary survey is under progress in co-ordination with the District Administration and local bodies. They further stated that efforts were being made to identify the targeted beneficiaries in appropriate groups as per the norms fixed by the GOI.

4.2 Review of Households

The PDS Control order 2001 envisages that the State Governments/UTs shall review the lists of BPL, Antyodaya families and Annapurna beneficiaries every year for deletion of ineligible families and inclusion of eligible families through the designated authorities.

Audit scrutiny, however, revealed that a review of the lists of beneficiaries was conducted only once in 2009 in two⁶ out of the four test-checked districts at the District level without involving the Village Councils which was not in conformity with the PDS Control order 2001. The remaining two⁷ test-checked districts did not review the list of beneficiaries identified under different targeted groups.

The Department, therefore, did not conduct regular review of beneficiaries from time to time. The audit findings in this regard are discussed in the appropriate paragraphs in Chapter VII.

- Audit review of the list of beneficiaries revealed that 586 BPL beneficiaries (474 in Dimapur and 112 in Zunheboto) reported as ineligible were deleted from the lists. In their place, 586 new beneficiaries were included in the list. It was further noticed that out of the 112 beneficiaries declared ineligible in Zunheboto, six beneficiaries were Government servants, nine beneficiaries had relocated out of the district and 97 beneficiaries were reported dead.
- Similarly, 84 beneficiaries under AAY in Zunheboto were reported as dead, seven beneficiaries had relocated out of the district and four beneficiaries were Government servants.

Thus, failure on the part of the Department to review the lists of beneficiaries on yearly basis resulted in undue benefit of 787.60 MT⁸ rice and 196.90 MT⁹ wheat to the non-entitled BPL beneficiaries during 2005-09. The Department also extended undue benefit of 127.68 MT rice and 31.92 MT wheat to ineligible AAY beneficiaries during 2005-09. Besides, the entitled beneficiaries were deprived of their rightful benefits under the Schemes.

The Department in reply (December 2011) stated that ineligible beneficiaries were now being replaced in consultation with the village authorities. The fact, however, remains that undue benefit was extended to 670 ineligible beneficiaries.

⁶ Dimapur and Zunheboto

⁷ Peren and Tuensang

⁸ 586 x 28kg x 48 months = 787.60 MT rice

⁹ 586 x 7kg x 48 months = 196.90 MT wheat

- Test-check of records of SOS, Peren and Zunheboto disclosed that the benefits of Annapurna scheme involving 13.75 MT rice were extended to 25¹⁰ dead beneficiaries during 2005-11. Department in reply (December 2011) stated that the Village Councils were not reporting the death cases of Annapurna Beneficiaries in time. Instead they were extending the benefits to other beneficiaries selected by them in order to retain the benefits in their area. This reflects poor monitoring of the scheme by the Department.
- The scheme guidelines of Annapurna provides that the age of the beneficiaries should be 65 years and above. However, a review of the list of beneficiaries showed that 127 persons (Peren - 82 and Zunheboto - 45) in the age group of 19-62 years were also given the benefits of 69.85 MT rice¹¹ under the scheme in violation of the scheme guidelines. Department stated that (December 2011) it was a typing error and a revised list of Annapurna beneficiaries was produced to audit. However, even the revised list had 33 beneficiaries who were under age.

The Department in reply (December 2011) stated that ineligible beneficiaries were being replaced in consultation with the village authorities. The fact however remains that undue benefits were extended to 152 ineligible beneficiaries.

- It was further noticed in audit that the benefits under Annapurna Scheme were extended to 15 beneficiaries (Peren-8 and Tuensang-7) who were also beneficiaries under National Old Age Pension Scheme (NOAPs) and were being provided benefits by the Department of Social Welfare. Thus, the Department provided double benefits to 15 beneficiaries in violation of the Annapurna Scheme guidelines to whom 8.25 MT rice was given under Annapurna Scheme during the period from 2005-11, which was irregular.

The Department in reply (December 2011) stated that the matter had been forwarded to the Department of Social Welfare Department for cross checking.

In sum, lack of effective action on the part of the Department to review the list of beneficiaries on yearly basis coupled with absence of coordination with the local bodies resulted in extension of undue benefit to ineligible beneficiaries of 1007.13 MT rice and 228.82 MT wheat/atta valued at ₹76.24 lakh¹² during the period 2005-11 while denying the rightful benefits to the eligible beneficiaries.

Conclusion

The State Government did not conduct any baseline survey to identify the BPL beneficiaries. As a result 41 per cent of the households in the State remained outside

¹⁰ 20 in Peren and 5 in Zunheboto

¹¹ for 55 months (April 2005 to June 2006, December 2006 to March 2009 and April 2010 to March 2011)

¹² 1007.13 MT rice x ₹6.15 per kg + 228.82 MT wheat x 6.25 per kg (atta) = ₹76.24 lakh

the PDS since 2005. The Department also did not carry out periodic revision of beneficiary list for addition/deletion of eligible/ineligible beneficiaries.

Since the Department failed to comply with the scheme guidelines, eligible beneficiaries were deprived of benefits whereas ineligible beneficiaries continued to enjoy the benefits for years together.

Recommendations

The State Government should identify the BPL, AAY and Annapurna beneficiaries in the State.

The State Government should review the beneficiary list annually for the purpose of deletion of ineligible families and inclusion of eligible families through the designated authorities.