

CHAPTER – IV

Conclusion and Summary of Recommendations

Any Direct Benefit Transfer (DBT) programme should be aimed at disbursement of benefits with a transparent process for transfer of funds at the right time to the right person. Out of the DBT Schemes in the State of Kerala, the Social Security Pension Schemes (SSP Schemes) constitute the largest component of all DBT programmes in the State, both in terms of the number of beneficiaries being impacted, as well as the amount of money being disbursed. The Directorate of *Panchayats* is responsible for carrying out the SSP Schemes, which is done through the DBT Cell under it.

Through this Performance Audit of the DBT of SSP Schemes, it was attempted to assess to what extent the DBT Programme relating to disbursement of SSP Schemes has succeeded in the State and how far the Sevana Pension software, the application software which is the backbone of this DBT Pension programme, has been effective in making the DBT process a success.

It was seen that while nearly 51 *per cent* of all disbursements under the SSP Schemes were now being undertaken under the DBT programme, the other 49 *per cent* was being disbursed through the DTH mode, which involved intermediaries and was consequently not a *direct* transfer of benefits. Therefore, the State needs to make efforts to include more beneficiaries under its DBT umbrella.

Various lacunae were noticed both in the planning for the DBT programme, particularly in its application software component, as well as in the implementation parts of it, which have been dealt with in detail in this Report. Many of these lacunae arose from the fact that the *entire* process has still not been computerised and many of the important initial and final steps, like registering of applications for pensions and ensuring a feedback loop regarding the acknowledgement of receipts after final disbursements respectively, have not been brought under the ambit of the software. Therefore, many mistakes (including possible frauds) which could easily have been avoided by putting strong controls and checks in the software, were now being regularly committed, often without the express knowledge of the DBT Cell itself. Audit feels that unless plugged immediately, such lack of controls can affect both the performance of the Software, as well as the success of the programme, significantly and cause attendant drain on the exchequer.

Moreover, in a worrying sign, it was seen that IKM, the Developer of the application software, continued to be the manager of the application database. The DBT Cell under the Directorate of *Panchayats*, which was the Nodal authority to implement this DBT programme and should naturally have been the authorised custodian of all data, was therefore either clueless about how to use the data available with it (there being no set of important Reports within the software which could be regularly and routinely generated using variable parameters) or at the mercy of IKM to feed them with requisite information as and when required. This raised an issue of both conflict of interest with respect to IKM, as well as reduced administrative competence for the DBT Cell, both of which need to be rectified at the earliest.

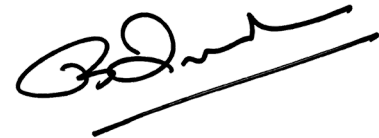
Various issues directly relating to the beneficiaries were noticed, like delayed payments of pension, payment of more than one pension to beneficiaries (excluding Disability Pension), payment of Social Security Pensions to ineligible beneficiaries including government servants, erroneous bill processing leading to ineligible payments, etc. were also noticed in varying numbers during the period covered under audit. Since these issues arose out of control failures *per se*, and not always out of detectable and deliberate malafide intentions, it is all the more important to plug these gaps in the system and software so as to ensure that there is no further drain to the exchequer in terms of amounts disbursed wrongly and also to make the programme succeed by weeding out ineligible and mischievous applicants. However, in some areas, like addition of beneficiaries for selection by the Welfare Standing Committee before even applying, where Audit felt that the controls in the system were strong but subversions occurred nonetheless, Audit cannot discount the possibility of deliberate malafide intentions by the officials concerned and illegitimate activities arising out of the same.

Keeping in view the above, Audit broadly recommends that the Government may consider:

- A more robust role by the DBT Cell under the Directorate of *Panchayats* to actively monitor and control the functions of disbursement under the SSP Schemes;
- Ensuring that a system is in place to send SMS alerts regarding payment of pension to the beneficiaries;
- Modification of the Sevana Pension software to provide all functionality required for proper execution of the activities related to SSP Schemes;
- Strictly restricting the role of the Developer of the Software to the development and maintenance of the IT system only, while the DBT Cell should develop capacities to manage the data and use it for various MIS purposes;

- Linking the Sevana Pension software with the other databases in the Local Self Government Institutions, for effective correlation of essential facts relating to the beneficiaries and to plug irregular and ineligible disbursements, and
- Addressing all the granular Audit findings already indicated in this Report, while modifying the software.

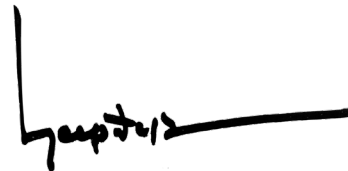
Thiruvananthapuram,
The 17 JAN 2023



(Dr. BIJU JACOB)
Principal Accountant General
(Audit II)

Countersigned

New Delhi,
The 19 JAN 2023



(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India