Chapter 3

Non-Adoption of DBT Framework in the Implementation of PMS and Medhabruti Schemes

This Chapter focuses on preparatory measures taken by the State Government for implementation of the PMS and Medhabruti schemes in DBT mode. The GoI guidelines for DBT envisaged setting up of a State DBT Cell (SDC) to act as a nodal point for all activities and issues related to DBT operations in the State. It was to coordinate and liaise with government departments and various stakeholders, for seamless transitioning of schemes to the DBT mode. The SDC should have support layers for Technical, Non-Technical, Financial and Administrative functions for carrying out support activities for the SDC. The records of the State DBT Cell as well as implementing departments were verified in Audit and the following observations were noticed:

- The institutional framework for implementation of DBT was deficient as the State Advisory Committee (SAC) did not have representation from the National Payment Corporation of India (NPCI). As such the SAC remained deprived of valuable inputs from NPCI in rolling out DBT, successfully.

- Despite nod of the NPCI to use their 'VLookup web service and status of bank account' service in the State DBT Portal (SDP) to identify the latest seeded bank accounts and status of bank accounts (inactive/ dormant), the same were not used. Since 2,41,870 out of 3,12,823 bank accounts of PMS beneficiaries were not Aadhaar seeded and both the PMS and Medhabruti were beset with issues related to failed bank transactions, due to dormant/ inactive bank accounts and credits into incorrect bank accounts, the services of NPCI would have provided better guidance for direct remittance of scheme benefits to the eligible beneficiaries.

- DBT Cells/ Committees had not been constituted in both SSD and HE Departments implementing the PMS and Medhabruti schemes, respectively. Further, no DBT Nodal Officer had been nominated by the two Departments, despite the directions of the State DBT Cell.

- The scheme software failed to synchronise with the State DBT portal, for real time updation of the correct payment data.

3.1 Implementation of DBT in the State

The GoI guidelines for DBT in the States envisaged the setting up of a State DBT Cell (SDC), under the guidance of a State level DBT Advisory Committee. The role of the SDC is to act as a nodal point for all activities and issues related to DBT operations in the State.

As DBT operates in an environment that involves multiple stakeholders, the SDC's primary function is to coordinate and liaise with government departments and various stakeholders, for seamless transitioning of schemes to the DBT mode. Further, GoI guidelines also required the setting up of a State Level Advisory Committee, to provide the DBT Cell's executive body with holistic, well-rounded advisory and consulting inputs.

As regards the operational part of SDC, the GoI guidelines[14] envisaged that the Cell incorporate an implementation support layer of the three main categories of Coordinators (Technical, Non-Technical, Financial and Administrative), who would be responsible for carrying out support activities for the SDC.

The DBT Cell in Odisha was set up in October 2016, under the administrative control of the Finance Department of the State. A Standard Operating Procedure (SOP) was prepared by the SDC, containing the roles and responsibilities of various stakeholders, including the SDC and was circulated (December 2018) among all departments that were implementing DBT in schemes. As per this SOP, the responsibilities of the SDC were as follows:

- Onboarding of schemes on the DBT portal.

- Establishing user database for all Departments to link Aadhaar numbers with the NPCI server.

- Collecting and analysing data for the State, Department and scheme.

- Collecting data from various departments and technical support team on factors, such as Aadhaar enrollment, number of beneficiaries, number of active bank accounts, number of Aadhaar seeding, *etc.*

- Monitoring progress of each Department against targets.

- Facilitating all kinds of IT support for implementing DBT in different schemes.

- Interacting and liasioning with all relevant stakeholders.

- Training and capacity building of State officials on DBT.

Audit analysed the institutional framework set up for the implementation of DBT and preparatory measures initiated by the SDC, in the State, especially in the Post Matric Scholarship scheme for SC/ ST/ OBC/ EBC, under the ST & SC Development, Minorities & Backward Classes Welfare Department (SSD Department) and the Medhabruti scheme, under the Higher Education Department. Observations thereon are dealt with in this Chapter.

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[14]   DBT is included in the State Protocol Document (June 2017)

3.2	Institutional framework for implementation of DBT

3.2.1 Non-utilisation of the services of NPCI to streamline the DBT payment process and formation of State Advisory Committee without stakeholders

Guidelines issued by GoI for implementation of DBT in the State envisaged that a State Advisory Board be constituted, comprising of representatives from various enablers and stakeholders, such as the government departments implementing DBT schemes, Unique Identification Authority of India (UIDAI), National Informatics Centre (NIC), National Payments Corporation of India (NPCI), *etc*.

Audit noted that GoO had constituted (September 2016) a State Advisory Committee[15] (SAC), comprising of representatives from seven Government departments, NIC, UIDAI, *etc*. However, the Board did not have any representation from NPCI.

SDC decided (April 2018) to make available NPCI's 'Aadhaar Mapper Lookup' in the State DBT portal, which would identify the latest seeded bank accounts and status of bank accounts (inactive/ dormant). For this purpose, NPCI was requested to extend their cooperation by providing the facility through web service, which would be integrated with the State DBT portal. NPCI agreed to the request of the SDC (February 2019) to use their services of 'VLookup web service and status of bank account'. However, no follow-up action was taken by the SDC thereafter. As a result, the same had not been made available in the State DBT portal, as of March 2021.

It was further noticed that the bank accounts of 2,41,870 out of 3,12,823[16] PMS beneficiaries were not Aadhaar seeded and both the PMS and Medhabruti were beset with issues related to failed bank transactions, due to dormant/ inactive bank accounts and credits into incorrect bank accounts. Utilisation of the services of NPCI would have gone a long way in providing better guidance related to payments in DBT schemes.

Thus, non-utilisation of services of NPCI had impacted the DBT process in failure of transactions, involving ₹ 7.90 crore, during 2020-21. Besides, during 2017-21, ₹ 27.85 crore was returned by the Treasury to the original Government Heads of Account, without being paid to the beneficiaries, due to inaction of the SSD Department and SDC, in availing the services of NPCI.

Further, the SAC did not include any representative(s) from NPCI and also from the HED, although the Medhabruti scheme had been implemented through DBT, since June 2019.

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[15] Principal Secretary/ Secretary: Finance Department, Panchayati Raj Department, E & IT Department, Food Supplies & Consumer Welfare Department, Women & Child Development Department, SS&EPD Department, Health & Family Welfare Department, SC & ST Development, Minorities and Backward Classes Welfare Department; SIO, NIC, Odisha; Director, Census; Chief General Manager, State Bank of India; Convenor SLBC; and Director, Institutional Finance.

[16] Information on Aadhaar seeding of bank accounts in regard to Medhabruti was not available with HED

Thus, the initiative towards achieving accuracy in targeting eligible beneficiaries, by identifying their Aadhaar seeded bank accounts, remained flawed, due to non-induction of NPCI in SAC and non-availing of their services.

The State DBT Cell stated (October 2022) that representatives from NPCI would be included in the SAC. It also stated that the NPCI had facilitated services for verifying latest Aadhaar seeded Bank Account through OCAC, which would be used by the departments, implementing the scheme.

> *Recommendation 3.1:*
> *The SAC should include officials from all Departments, implementing DBT as well as representatives of NPCI. Services of NPCI should be availed to check and identify Aadhaar seeded bank accounts to ensure that DBT operations are not exclusionary and are synchronised with the interests of all enablers and stakeholders.*

3.2.2 Non-constitution of departmental DBT Cells

Para 2.1 of the DBT State Protocol, issued by GoI in June 2017, stipulates that, in order to enable adoption and understanding of the DBT framework at the State Level, DBT Cells also need to be constituted at the departmental level. The State DBT Coordinator had also decided (October and December 2016) that the DBT implementing departments shall identify a nodal officer to implement each of its Central/ Centrally Sponsored/ State Sector schemes.

Audit found that DBT Cells/ Committees had not been constituted in either of the two departments implementing the PMS and Medhabruti schemes, *i.e.,* the SSD and HE Departments, respectively. Further, no DBT Nodal Officer had been nominated by the two Departments, despite the directions of the State DBT Cell.

Audit observed that the SDC had not followed up adherence to the directives by the GoI and the Board, regarding formation of DBT nodal cells in various Departments. In the absence of such facilitating mechanisms at the departmental level, measures like modifications in the operational software in line with DBT requirements, Aadhaar seeding, timely processing of scholarships *etc*., could not be taken up satisfactorily. As a result, the implementation of both PMS and Medhabruti were prone to issues related to delays in processing of applications, payment delays, fraudulent drawals, *etc*. This is also indicative of flawed initiatives, in making requisite institutional arrangements for smooth launching of DBT.

The State DBT Cell stated (October 2022) that, in the Standard Operating Procedures[17] (SOP), it was suggested to create DBT Cell for each scheme implementing department. However, the concerned implementing departments were having dedicated cells for overall monitoring of the scheme, like beneficiary account verification, preparing MIS and disbursement of

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[17] The Standard Operating Procedure (SOP) was prepared and circulated (December 2018) to each DBT implementing department, to follow the procedure, in order to fulfil the objectives of DBT

scholarships *etc*. The reply is not acceptable, as the implementation of the scheme requires a dedicated Nodal Officer and a separate cell to follow the outlined procedure for fulfillment of the objectives of the DBT scheme.

> *Recommendation 3.2:*
> *The SDC should ensure that nodal DBT Cells are set up in all implementing Departments, for more focussed and coordinated execution of DBT schemes in the State and to ensure that lacunae pointed out by the SDC in scheme implementation, are resolved in a timely manner.*

3.2.3 Inadequacy in taking follow up actions

Guidelines issued by GoI for implementation of DBT in the State envisaged that the State Advisory Committee (SAC) may meet once in a quarter or at regular intervals, as deemed fit.

Audit noted that SAC had been constituted in September 2016, but only two meetings had been held (27 September 2016 and 10 February 2017), as of March 2021. In the meetings, the Chairman, State Advisory Board (Development Commissioner-cum-Additional Chief Secretary, Odisha) had emphasised the formation of a time-bound strategy for seeding of Aadhaar numbers. However, as of March 2021, only 23 *per cent* of the bank accounts of the total beneficiaries had been Aadhaar seeded.

During the period 2017-21, eight review meetings of the DBT Cell, chaired by Principal Secretary, Finance, were held, wherein decisions were taken for identification of a nodal officer in the DBT implementing departments, integration of the scheme software with PFMS, *etc*. However, no technical support was provided by the SDC, to the SSD as well as HED and the departments also did not take a proactive role in fulfilling these tasks.

Audit observed that decisions taken by SAC, SDC as well as the Finance Department, on DBT, were not carried out. As a result, disbursement of scholarships under PMS and Medhabruti, to bank accounts, continued without verification of their correctness and Aadhaar seeding status. Resultantly, there was not only delay in processing of scholarship applications but also payments to non-existent beneficiaries, credits to wrong account numbers, *etc*.

While accepting the audit observations, the State DBT Cell stated (October 2022) that the recommendation for conducting State Advisory committee meetings regularly, would be followed henceforth.

3.3 Inadequate preparatory measures for implementation of DBT

3.3.1 Non-identification and coverage of beneficiaries under PMS

As per GoI guidelines, the primary vision of DBT is to facilitate a paradigm shift in the process of delivering entitlements to all those who are eligible through accurate identification and targeting of the intended beneficiaries. Further, the team deployed at SDC has a role in developing linkages with the

Socio-Economic Caste Census (SECC)[18] based social registry and take steps to identify the left-out population of targeted beneficiaries. The SDC, along with the concerned implementing Department, was also responsible for designing IEC activities for stakeholders, especially beneficiaries, to enhance awareness about DBT schemes.

In this regard, Audit noted that, although PMS had been identified as a DBT scheme, no action was taken either by the SDC or by the SSD Department, to analyse the SECC data for identification of targeted beneficiaries of the scholarship schemes. This was despite the fact there was a clear decline in the number of beneficiaries availing PMS scholarships from 2018-19 onwards, as can be seen in the table below:

Table 3.1: Number of beneficiaries of PMS during 2017-21

Category	No. of beneficiaries			
	2017-18	2018-19	2019-20	2020-21
SC	1,84,883	2,27,412	1,66,400	1,67,702
ST	1,86,061	2,10,866	1,68,449	1,67,241
OBC	1,79,794	1,38,030	1,14,935	1,07,925
EBC	97	923	1,153	3,702

(Source: Database of PRERANA and OSSP)

Neither the SDC, nor the SSD Department, had taken steps for identification of eligible beneficiaries or analysed the reasons for the decreasing trend of the beneficiaries in PMS. As a result, there was less coverage by 30 to 42 *per cent* beneficiaries under PMS, in comparison to the students who were admitted in 11th class during 2017-21, as discussed in ***Paragraph 4.4.1*** in the subsequent chapter.

Further, although, the SDC claimed to have prepared an Information, Education and Communication (IEC) document for circulation to all concerned Departments, the same was not available on records.

The State DBT Cell stated (October 2022) that identification of the eligible beneficiaries under PMS was the sole responsibility of the implementing Department. However, analysing various data (like SECC, *etc*.) for creating a Social Registry for various schemes to identify eligible beneficiaries, would be undertaken by the State Government.

3.3.2 Lack of training programmes on DBT

As per DBT guidelines of GoI, as well as the SOP prepared and circulated by SDC (December 2018), there would be an 'Implementation Support Layer' within the Cell, which would be responsible for extending supports[19] to SDC, including terms of training and capacity building of State and District level Officials on DBT. The district level officials, after receiving training, were to further train the micro level officers.

During 2017-21, the SDC organised (July 2018) only one training programme on strengthening the DBT ecosystem in Odisha, at the state level, which was

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[18] Ministry of Rural Development GoI, conducted the Socio Economic and Caste Census (SECC) 2011, in June 2011 through a comprehensive door to door enumeration across the country to generate information on a large number of social and economic indicators, relating to household in the country

[19] Technical, non-technical, financial and administrative aspects

attended by five Departments[20], including three officials of SSD Department, but no officials from the HED. No training programmes was organised by the State DBT Cell for executors of the DBT scheme at the district level, who play a crucial role in implementing DBT schemes at the ground level in the State.

In the absence of adequate capacity building measures, issues relating to coverage of beneficiaries, deficient scrutiny of applications, delay in processing, *etc*., persisted, besides continued leakages in disbursement of benefits, as discussed in the subsequent chapters.

The State DBT Cell stated (October 2022) that more numbers of training programmes would be conducted in future.

> *Recommendation 3.3:*
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> *There should be regular monitoring, by way of regular meetings to take note of hindrances as well as absence of facilitating measures for smooth implementation of DBT. The officials at different levels, associated with implementation of DBT, should be trained adequately for effective execution of the DBT schemes, at the ground level.*

3.4 Synchronisation of scheme data in State DBT portal

As per DBT guidelines, the State DBT Cell may access the State page on the DBT Bharat Portal, to upload scheme-wise aggregated data on a monthly basis or, if the State has developed its own portal, the same is to be integrated to DBT Bharat Portal.

It was observed that the data synchronised from PRERANA and eMedhabruti software with the State DBT portal was found to be incongruent with the data available in the State DBT portal, as discussed in the following paragraph.

3.4.1 Non-reflection of correct achievement of PMS and Medhabruti on the State DBT portal

As a part of DBT implementation, the State DBT Portal of Odisha was developed by a private vendor and the server was placed in the staging zone of State Data Centre, Odisha Computer Application Centre (OCAC), Bhubaneswar and 22 schemes were onboarded (scheme database was integrated with State DBT portal) on the State portal, as of March 2021.

The SSD PRERANA MIS software was integrated in May 2018 and e-Medhabruti in June 2019, with the State DBT portal, to ensure flow of the data, especially the number of beneficiaries and amount disbursed in a month. The same gets updated on the 10th of the succeeding month and it is being updated in the DBT Bharat Portal after five days. The integration of OSSP with the State DBT Portal was not done till August 2021.

On analysis of the information furnished by the SSD, HED and SDC, it was noticed that the number of beneficiaries and the amount disbursed, as per the

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[20] SSD Department, Health & Family Welfare Department, Food Supplies & Consumer Welfare Department, Agriculture & Farmer's Empowerment Department and Panchayati Raj & Drinking Water Department

report of the departments and the DBT portal, were not matching and there were considerable gaps between the two reports. Details in this regard are mentioned in the tables shown below:

Table 3.2: Physical and financial details of PMS and Medhabruti, as per the State DBT Portal

Depart ment Name	Scheme Name / Name of the scheme	2017-18		2018-19		2019-20		2020-21	
		Active Benef iciary	Total Disburs al (₹ in lakh)	Active Benefici ary	Total Disburs al (₹ in lakh)	Active Benefic iary	Total Disbu rsal (₹ in lakh)	Active Benefic iaries	Total Disburs al (₹ in lakh)
SSD	EBC			920	26	0	0	0	0
	OBC			1,38,023	3,789	0	0	0	0
	SC	SDP not developed in 2017-18		2,19,741	36,482	96,144	16,875	0	0
	ST			2,01,403	26,128	1,25,867	17,533	0	0
HED	Medhabruti			NA	NA	6,186	476	0	0

(*Source: Information furnished by the State DBT Cell*)

Table 3.3: Physical and financial details of PMS and Medhabruti, as per information of the SSD and HE Department

Depart ment Name	Scheme Name / Name of the scheme	2017-18		2018-19		2019-20		2020-21	
		Active Benefici ary	Total Disbu rsal (₹ in lakh)	Active Benefici ary	Total Disbu rsal (₹ in lakh)	Active Benefici ary	Total Disbu rsal (₹ in lakh)	Active Benefici ary	Total Disbu rsal (₹ in lakh)
SSD	EBC	97	2.01	923	26.31	1,153	108.13	3,702	277.22
	OBC	1,79,794	34,001.19	2,10,866	3,789.07	1,14,935	4,525.74	1,07,925	5,685.32
	SC	1,84,883	25,251.60	2,27,412	37,926.53	1,66,400	29,794.09	1,67,702	31,749.92
	ST	1,86,061	20,611.20	2,10,866	27,329.68	1,68,449	22,753.01	1,67,241	23,118.73
HED	Medhabruti	35,148	2,429.15	25,702	1,720.70	29,634	3,188.49	0	0

(*Source: iFMS payment information furnished by SSD and HED*)

On analysis of the information from the aforesaid two tables, it was found that there was mismatch of figures between the payments shown in the iFMS and the data updated in State DBT portal. In this regard, documents were sought from SDC, to provide details of the integration, in order to know the tables of the PRERANA and eMedhabruti databases used to fetch data for updation in State DBT Portal. However, despite repeated requisition, the same could not be furnished to Audit.

It was observed that the difference in the aforesaid tables was due to non-approval of the applications for scholarship (which had already been approved and sanctioned by the DWO), by the SSD Department, due to duplication/other reasons. It was also noticed that PRERANA contains the approved list of beneficiaries but payment to all the beneficiaries had not been made within the year. As a result, there were discrepancies in the data.

Further, the OSSP integration with SDP had not been done, as of March 2021, as a result of which the data was not updated in SDP. Thus, unrealistic information on DBT was updated in the DBT Bharat portal.

> *Recommendation 3.4:*
> *SDC/ SAC should take action to synchronise the scheme software payment data with the State DBT Portal, accurately and on a real time basis.*