

Chapter 5

Deficient control measures in IT Systems

The Chapter contains the various deficiencies existing in the softwares (PRERANA, eMedhabruti and OSSP), which resulted in acceptance of multiple applications from the same students in the same year, excess payment beyond the prescribed limit, acceptance of applications of ineligible beneficiaries, *etc.* Audit analysed the data dump of the softwares, records of SSD and HED Departments, sampled DWOs and institutes and noticed that:

- PRERANA and eMedhabruti management software were neither interlinked with each other nor were they linked with scholarship portals of other departments, till 2019-20, due to which, the same students had availed scholarships on multiple schemes, at the same time.
- The system lacked proper validation controls to prevent duplicate applications, as a result of which, 973 beneficiaries were found to have been paid ₹ 2.43 crore, during 2017-20. Even after introduction of the Odisha State Scholarship Portal (OSSP), from 2020-21, the deficiencies in acceptance of multiple applications from the same students, persisted.
- There were instances of excess payment of maintenance allowance (MA) to students. Further, there was short sanction of PMS of ₹ 80.29 lakh, to 17,739 OBC students, during 2017-18, as MA was disbursed for eight, instead of ten months.
- Due to non-Aadhaar seeding of the bank accounts of beneficiaries, 1,03,369 beneficiaries, under SSD and HED, were deprived of the benefits of PMS and Medhabruti scheme.
- In the absence of an audit trail in eMedhabruti, the time taken by the intermediary levels to process the applications and incorrect validations made by different authorities, could not be traced. The software also lacked presence of master table of different boards, which resulted in acceptance of absurd marks in the system.
- Further, the Aadhaar details were neither encrypted as per the Aadhaar Act, nor were they captured correctly, as required under DBT.
- In 1,466 out of 97,810 cases, all the requisite information, *i.e.*, income certificates, resident certificates, mark sheets, bank details and Aadhaar numbers, had been uploaded, but the Principals had not verified and approved the data in time.

5. IT systems used for processing applications for scholarships

The SSD Department, Government of Odisha, managed the implementation of PMS scheme through a web-based software application⁴⁰ called PRERANA, from 2011-12 to 2019-20. The implementation of the Medhabruti scheme was carried out by the HE Department through the e-Medhabruti software application⁴¹, from 2016-17 to 2019-20. While National Informatics Centre (NIC), Bhopal, had developed PRERANA, for PMS scholarships, a private IT firm had conceptualised e-Medhabruti.

In 2020-21, the State Government introduced a new software, namely the Odisha State Scholarship Portal⁴² (OSSP), for management of all post matric scholarships across departments, to enable more efficient processing of applications. The SSD Department started processing scholarship applications through OSSP, from 2020-21 onwards, but HED had not started using the same for Medhabruti till 2021.

The State DBT Cell (SDC) conducted (February 2018 and June 2019) assessment studies of the scheme workflow of both PRERANA and e-Medhabruti and recommended necessary changes in the software. It also recommended changes in the implementation processes, such as, (i) data sanitisation, (ii) onboarding of scholarships to PFMS, (iii) integration with NPCI mapper, (iv) automation of schemes, to reduce processing time and erroneous data validation, (v) use of MIS, for efficient grievance handling, (vi) creation of helpdesk, *etc.* On analysis of PRERANA and e-Medhabruti software applications, Audit noticed (March 2021) that the Departments had not made the recommended changes in the software. Further, the SDC had also not followed-up with the two Departments about the implementation of its recommendations. Various deficiencies, in system design, input, processing and validation controls, noticed in aforementioned software applications, are discussed in the succeeding paragraphs.

5.1 Deficient application controls in the IT systems

The User Requirement Specifications (URS), System Requirement Specifications (SRS) and Detailed Project Report (DPR) of PRERANA, were not made available to Audit, on the ground that the software had been developed by NIC, Bhopal long back. The technical documents of e-Medhabruti and OSSP were also not furnished by OCAC. However, on analysis of the PRERANA, e-Medhabruti and OSSP databases, as well as payment data and physical records at the unit level, it was found that the systems were deficient in terms of application controls and were, therefore, unable to prevent not just input, but also processing, of junk/ duplicate data, relating to payments of scholarships.

Audit (i) test-checked records relating to sanction and payment of PMS of 98 institutes and (ii) conducted JPI of 16 institutes. It found instances of receipt and payment of PMS to non-existent students/ institutes, as well as instances

⁴⁰ <http://www.mpsc.mp.nic.in/scholarships/>

⁴¹ <http://www.medhabruti.org/>

⁴² <https://scholarship.odisha.gov.in/website/home>

of payment of multiple scholarships to same student against multiple applications submitted, as discussed in the following paragraphs.

5.1.1 Acceptance of applications of same students for different scholarships

As per PMS scheme guidelines in regard to SC/ ST/ OBC/ EBC students, a scholarship holder under PMS should not hold any other scholarship/ stipend. Similarly, as per the guidelines of Medhabruti, students already availing scholarship for pursuing higher studies, under any other scheme of the State or Central Government, shall not be eligible for the Medhabruti scholarship.

Audit found grant of different scholarships to the same students, during the same period, as stated below:

- On examination of 19,54,187 applications for PMS and Medhabruti for the period 2017-20, Audit found that 11,880 students (0.61 *per cent*) had been granted both PMS (₹ 6.91 crore) and Medhabruti (₹ 6.80 crore), contrary to the guidelines of both the scholarship schemes.
- During 2017-21, 18 students of 15 institutes, in four sample districts⁴³, were paid Banishree⁴⁴ scholarship, amounting to ₹ 0.54 lakh and, at the same time, they were also paid PMS of ₹ 0.85 lakh.
- Similarly, during 2018-21, although 56 nursing students of Jharsuguda, Kalahandi and Mayurbhanj districts, got scholarship under the National Health Mission, amounting to ₹ 32.97 lakh, they were also paid PMS of ₹ 35.18 lakh, during the same period.

Audit observed that PRERANA and eMedhabruti management software were neither interlinked with each other, nor were they linked with scholarship portals of other departments (*e.g.*, Banishree of the Social Security & Empowerment of Persons with Disabilities Department), due to which applications of the same students, for different scholarships, at the same time, could not be detected.

The SSD Department stated (September 2022) that the composite portal, OSSP, with a single gateway of applications, for scholarship schemes of different departments, was developed to obviate this problem. The reply is not acceptable as, even in the OSSP portal, multiple applications of the same beneficiaries could be accepted.

5.1.2 Acceptance of multiple applications from same students

Audit found that control measures in PRERANA, e-Medhabruti and OSSP, were not adequate to check multiple applications from the same students, leading to payment of the same scholarship, to the same student, more than once, during 2017-21.

- During 2017-20, 14,22,413 applications from SC/ ST/ OBC/ EBC students were received for PMS in PRERANA. Of these, 1,28,104 applications (9 *per cent*) were found to have been received from the same students, for studying different courses in different institutes. The

⁴³ Kalahandi, Malkanagiri, Nayagarh and Sundargarh

⁴⁴ Government of Odisha provides Banishree scholarships to children with disabilities

students, in these cases, had filed applications between 2 and 306 times, during the given time period. Of this, PMS, amounting to ₹ 2.43 crore, was granted to 973 applicants. Detailed analysis showed that these 973 students were simultaneously enrolled, in the same academic year, in another course (s), in different institutes and even in different districts, such as Balasore, Khurda, Keonjhar, Jajpur, Sundargarh, Cuttack and Bhadrak, *etc.* Multiple applications, from students from different institutes, could be registered, due to lack of input controls in the PRERANA software, to prevent entry of duplicate applications from the same students, pertaining to same/ different institutions, as detailed in **Appendix 5.1**.

Case Study

A student of Amravati Polytechnic, Rairangpur, Mayurbhanj district, was found to have taken admission in Diploma in Electrical branch, in the 2017-18 session and applied for PMS. For the same year, the student was found to have applied for PMS as a 1st year student of Diploma in Industrial Safety in Odisha Safety Training Institute, Rairangpur, Mayurbhanj. The student was paid PMS from both the institutes, for 2017-18, amounting to ₹ 70,000 (₹ 34,500 from the Amravati Polytechnic and ₹ 35,500 from the Odisha Safety Training Institute).

- Although GoO, introduced OSSP as a common portal for all post-matric scholarships, across departments, from 2020-21, the lacunae in IT controls were not fully resolved. Audit noted that, during 2020-21, out of 5,26,434 applications for PMS, received through OSSP, 1,783 applications (0.34 *per cent*) were found to be from the same students applying from different institutes. The duplicate applications were rejected during manual scrutiny. Thus, the system was not adequately equipped with control tools to detect and reject duplicate applications.
- In case of e-Medhabruti, although 17,291 out of 5,31,774 applications, received during 2017-20, were duplicate applications, those could not be detected by the IT system. However, no payments were made in these cases, as these were detected during manual scrutiny. Despite this, the fact remained that multiple applications could be accepted through an IT System, due to the absence of key control measures in the system.

Thus, lack of validation controls in the software created scope for multiple registrations by the same applicants and also increased the workload of the verifying authorities, due to reliance on manual scrutiny.

The SSD Department stated (September 2022) that, prior to 2019-20, Aadhaar was not mandatory and the software was not designed to detect multiple applications from the same student. Students used to apply by: (i) altering the matriculation code (ii) altering the spelling of self and parents and (iii) giving different bank accounts, *etc.* In such cases, duplicates were difficult to detect, by means of the functionality in Microsoft Excel. The Department had tried to

detect duplications and also rejected many cases, but could not prevent all the cases.

The reply is not tenable, as GoI had directed completion of Aadhaar enrolment by 2017, which the Department could not fulfil. The deficiencies in the software and lack of efforts to adopt various parameters to check duplicates resulted in payment of multiple scholarships to the same students.

5.1.3 Grant of scholarship to same students for different courses of same stage

As per the PMS guidelines, candidates who, after passing one stage of education, are studying in the same stage of education, in a different subject, e.g., Intermediate of Arts after Intermediate of Science, or Bachelor of Commerce after Bachelor of Arts, shall not be eligible for PMS.

Audit found that, in four sampled districts, 1,668 students, who had pursued different courses at the same stage later, had been granted PMS, amounting to ₹ 3.71 crore, during 2017-20, as found in PRERANA database (*Appendix 5.2*). Due to lack of validation controls in the PRERANA software, along with the fact that Aadhaar was not made mandatory up to 2019-20, the system was unable to detect and reject applications of students, who had applied for the same stage of education again. This led to inadmissible payment of ₹ 3.71 crore, besides defeating the objective of the DBT to prevent financial leakage.

In reply, the SSD Department (September 2022) stated that the validation control was not available in PRERANA. However, the same had been included in OSSP. The reply is not tenable, as no provision had been made to restrict applications under the same stage of education, in the OSSP software.

Recommendation 5.1:

OSSP computer application as well other such applications developed by other departments for managing scholarships, should be interlinked with each other, to arrest the incidence of payment of multiple scholarships to the same students.

5.2 Deficient control measures for scrutiny of eligibility for PMS

5.2.1 OBC applicants with less than 50 per cent in the last examination were accepted by the system

As per the applicable guidelines, OBC students were eligible for PMS scholarships only if the marks scored in the last examination were at least 50 per cent. Audit noted that PRERANA, as well as the OSSP software, had not been appropriately provisioned to filter out ineligible categories of students, like multiple applications from same students, OBC applicants with less than 50 per cent marks in the last examination, etc.

Audit noticed from the PRERANA database that, out of a total of 14,22,413 applications received during 2017-20, 4,16,478 applications had been received from OBC students.

Scrutiny of records revealed that, out of 4,16,478 OBC applicants, 27,544 students had secured less than 50 *per cent* marks. Due to absence of appropriate validation controls in the system to reject applications of ineligible applicants, the applications were scrutinised manually. In the manual scrutiny process, ineligibility, in case of 1,719 applications who had secured less marks, was not detected and they were paid PMS amounting to ₹ 49.22 lakh. This included 10 OBC applicants in five⁴⁵ out of eight sampled districts, who had not secured 50 *per cent* marks in their last examinations, but were awarded scholarship amounting to ₹ 25,420. This was indicative of the fact that the PRERANA portal was not adequately equipped with necessary validation control tools to filter out the ineligible applicants.

The above deficiencies continued in OSSP also, which replaced PRERANA from 2020-21. In OSSP, out of 1,39,453 applications received from OBC students for 2020-21, 1,750 applicants were found to have secured less than 50 *per cent* marks in their last examination, of which, 48 applicants were granted PMS, amounting to ₹ 3.35 lakh.

Thus, due to absence of mapping of the provisions of scheme business rules, both in PRERANA and OSSP systems, ineligible applications could not be eliminated, which led to payment of PMS, amounting to ₹ 52.57 lakh, to ineligible applicants, during 2017-21.

In reply, the SSD Department stated (September 2022) that the validation control was not available in PRERANA but the same has been included in OSSP. The reply is not tenable, as applications from OBC students, with marks below 50 *per cent* in the previous examination, were accepted in OSSP also.

5.2.2 Payment of PMS to applicants having parental income above the prescribed norms

PMS guidelines and instructions of the SSD Department provide that ST/ SC students, whose parental income from all sources, does not exceed ₹ 2.50 lakh per annum, during 2017-21, are eligible for PMS. Similarly, for OBC students, the parental annual income ceiling was fixed at ₹ 1 lakh, up to August 2018, ₹ 1.50 lakh up to 2019-20 and ₹ 2.50 lakh from 2020-21 onwards. In case of EBC students, the ceiling of per annum parental income was fixed at ₹ 1 lakh for 2017-20 and ₹ 2.50 lakh from 2020-21 onwards. Besides, the guidelines also stated that the parental annual income, as mentioned in the Income Certificate, issued by the competent authority of the Revenue and Disaster Management (RDM) Department only, shall be taken into consideration. The validity of Income Certificate so issued, shall be three years from the date of issue, as per the resolution (September 2018) of the RDM Department.

Audit noticed that, in contravention of the above eligibility criteria, students having parental income of more than the ceiling fixed, were found to have been granted PMS during 2017-21. Category-wise number of applications that

⁴⁵ Bolangir, Jharsuguda, Kalahandi, Malkangiri and Nayagarh

were accepted in the system, in cases where the parental income was more than the ceiling fixed, the number of applications sanctioned and amounts paid, are detailed in **Table 5.1**:

Table 5.1: Abstract of ineligible PMS applications sanctioned and paid

Category of students	Number of applications accepted	Number of applications sanctioned	Amount of PMS paid (₹ in lakh)
PRERANA			
SC and ST	3,916	51	3.26
OBC/ SEBC	5,675	276	14.56
EBC	122	0	0
Sub-total	9,713	327	17.82
OSSP			
SC and ST	947	1	0.06
OBC/ SEBC	633	0	0.00
EBC	81	0	0.00
Sub-total	1,661	1	0.06
Grant Total	11,374	328	17.88

(Source: PRERANA and OSSP data dump and payment file of SSD Department)

Audit observed that the PRERANA portal did not have requisite inbuilt controls to reject the applications that did not fulfil the eligibility criteria with reference to parental income. The same deficiency continued in OSSP portal also, which was used from 2020-21. Income, as per the Income Certificate, was entered in the OSSP and PRERANA systems, but due to absence of control features, applicants not fulfilling the income criteria could not be filtered out. Thus, the validation control measures built in the portals did not help in identifying ineligible cases and, therefore, correct processing of applications depended upon manual intervention.

Out of the 11,374 ineligible applications, which were manually checked, 328 applications (2.88 per cent) were sanctioned PMS erroneously. The IT systems were not fully reliant in terms of built-in controls and remained dependent on manual vetting for judging the eligibility of applicants for PMS. In eight sample districts, audit examined records of DWOs relating to sanction of PMS and found the following irregularities in the income certificates submitted by the applicants, along with their applications:

- **Invalid income certificates:** RDM Department issued orders in September 2018 that the validity of income certificates shall be three years from the date of issue. In six sample districts⁴⁶, income certificates, in support of their parental incomes, furnished by 103 applicants, for the years from 2018-19 to 2020-21, were found to be more than three years old and, hence, were invalid, as per the said orders. Both systems, i.e., PRERANA and OSSP, did not have any feature to capture date of issue of income certificates. Hence, scrutiny of validity of income certificates was not possible through the systems and was left to manual examination. However, due diligence had not been exercised during manual scrutiny, with the time-barred income certificates furnished being accepted and PMS, amounting to ₹ 10.90 lakh, being paid for the period 2018-21. Besides, tampering of names

⁴⁶ Bolangir, Gajapati, Jharsuguda, Kalahandi, Malkangiri and Nayagarh

of two beneficiaries, in the income certificates, during 2018-20, in the Malkangiri district, were noticed. The beneficiaries had been paid PMS amounting to ₹ 5,770.

- **High parental income:** DWOs of Nayagarh and Jharsuguda had sanctioned PMS amounting to ₹ 1.36 lakh, in favour of 11 applicants, during 2017-20, whose parental income, as found from the income certificates attached to their applications, was above the prescribed income limit. The parental income, as per the income certificates, in the aforesaid cases, ranged between ₹ 2.42 to ₹ 4.96 lakh per annum, in case of OBC students and ₹ 2.98 to ₹ 5.78 lakh, in case of SC/ ST students.

Audit also noticed, from the records of the DWO, Malkangiri, that PMS, amounting to ₹ 1.59 lakh, had been sanctioned in favour of 27 SC/ ST applicants, during 2017-21, wherein the caste certificates, attached to their applications, had been issued in names of persons other than those of the applicants.

In the reply, the SSD Department stated (September 2022) that the validation control was not available in PRERANA but the same had been included in OSSP. The reply is not tenable, as applications, with the above discrepancies, were accepted by OSSP and also seen during checking of applications.

5.2.3 Payment of PMS for the period beyond the course duration

As per Para VIII of the PMS and Medhabruti guidelines, the award of scholarship, once made, will be payable from the stage at which it is given till the completion of the course.

On analysis of the PRERANA, OSSP and eMedhabruti databases, it was observed that:

- During 2017-21, 832 students were paid PMS for periods beyond the course duration. For instance, 84 students, enrolled for +2 course (which is a two-year course), were paid scholarships for three to five years. In 279 institutes, across 30 districts of the State, 832 applicants had been paid scholarship for durations more than their course durations, resulting in excess expenditure of ₹ 2.46 crore, as shown in the table below:

Table 5.2: Payment of PMS beyond course duration during 2017-21

Sl. No.	Year	No. of beneficiaries	Excess payment (₹ in lakh)
1	2017-18	524	174.89
2	2018-19	285	62.93
3	2019-20	22	8.01
4	2020-21	1	0.32
	Total	832	246.15

(Source: Analysis of PRERANA and iFMS databases)

- Further analysis of the eMedhabruti database and cross-verification with the iFMS database showed that 638 students were paid scholarships during 2017-20, in the category of Junior Merit, Senior

Merit and PG Merit, beyond the prescribed course period, ranging from one to three years, resulting in excess payment of ₹ 0.28 crore.

Thus, the system was not designed to link the payment of scholarship with the duration of the course involved, so as to have an inbuilt check facility to limit the scholarship payments to the course duration. Failure to have such inbuilt systems, resulted in excess payment of ₹ 2.74 crore and, to that extent, the objective of DBT was not achieved.

In reply, the SSD Department (September 2022) stated that, due to non-availability of validation check in PRERANA, students were able to create multiple IDs for the same course year, in two academic years. However, in OSSP, all the courses were mapped with the prescribed course duration and suitable checks were applied. The reply is not tenable, as, in OSSP, the discrepancy is still continuing.

Recommendation 5.2:

The scheme implementation Rules should be properly mapped and validation controls strengthened, in the OSSP system, to restrict sanctions to ineligible applicants and prevent excess payments to beneficiaries.

5.2.4 Non-payment of PMS to eligible OBC beneficiaries

DBT envisages accurate identification and targeting of beneficiaries by making the system of delivery of benefits more efficient. The PMS guidelines for OBC, 2018, stipulate *inter alia* that: (i) all eligible OBC candidates will be given scholarship, subject to fulfillment of eligibility criteria prescribed for the purpose (ii) the State would be free to allocate funds from the State Plan, over and above the level of their committed liability⁴⁷ and the Central Assistance received, for funding additional scholarships under the scheme.

Audit noted that 1,82,153 OBC applicants of the State applied for PMS during 2018-19, of which 1,38,030 applicants were paid PMS and remaining 44,123 applications, although sanctioned scholarships by DWOs, had not been paid, as of March 2021. In four out of eight sampled districts, Audit found that no payment of PMS had been made, in favour of 5,854 sanctioned applications⁴⁸ for 2018-19, as of March 2021, despite the same having been sanctioned by DWOs, during November 2018 to February 2019.

SSD Department and DWOs of the sampled districts attributed the reason for non-payment of PMS to non-availability of funds. However, contrary to the assigned reasons, Audit found that the SSD Department had surrendered ₹ 25.89 crore from the budgetary allocation for PMS during 2018-19, instead of utilising the same towards payment of PMS to OBC applicants. Besides, denial of benefits to targeted beneficiaries, this issue also underlines poor budgetary management at the level of the SSD Department.

No reply was furnished by the SSD Department.

⁴⁷ Expenditure incurred by a State on a scheme during the terminal year of any plan period
⁴⁸ Mayurbhanj: 4,918, Jharsuguda: 650, Malkangiri: 79 and Sundargarh: 207

5.2.5 Excess/ short payment of Maintenance Allowance

PMS guidelines envisaged payment of Maintenance Allowance (MA) from 1 April or from the month of admission, whichever is later, up to the month in which examinations are completed, at the end of the academic year, subject to a maximum period of 10 months, in case of students residing in recognised hostels. MA for day scholars is less than that for hostellers. The rate of MA for hostellers and day scholars remained unchanged during 2017-21, as mentioned in the table below.

Table 5.3: Rates of MA for day scholars/ hostellers

Group	Day Scholar rate per month, for OBC/ SEBC and EBC	Hosteller rate per month, for OBC/ SEBC and EBC	Day Scholar rate per month, for SC and ST	Hosteller rate per month, for SC and ST
	<i>(Figures are in ₹ per scholar per year)</i>			
Group-I	350	750	550	1,200
Group-II	335	510	530	1,000
Group-III	210	400	300	1,000
Group-IV	160	260	230	1,000

(Source: Guidelines of GoI on PMS for SC/ ST/ OBC/ EBC and instructions of SSD Department)

In the OSSP database for the year 2020-21, the above irregularity also continued, as 80,965 students were paid MA for more than 10 months, resulting in excess payment of ₹ 37.56 crore.

Test-check of hostel records, payment details and student's admission registers, in selected institutes of the sampled districts, revealed cases of excess/ short payment of MA to the students, due to non-mapping of business rules of the PMS scheme in the PRERANA database, the details of which are discussed below:

- **Payment of MA for more than 10 months:** In four sampled districts, MA was paid to 5,270 students, for 11 to 12 months in a year, instead of the maximum 10 months, during 2017-20, resulting in excess payment of ₹ 24.63 lakh, as shown in the table below:

Table 5.4: Excess payment of Maintenance Allowance to hostellers

District	No. of students	Amount due (₹)	Amount drawn (₹)	Excess Amount paid (₹)
Gajapati	424	12,15,000	14,45,390	2,30,390
Jharsuguda	248	5,37,100	6,44,520	1,07,420
Nayagarh	2,813	56,37,350	67,64,820	11,27,470
Sundargarh	1,785	49,92,950	59,91,060	9,98,110
Total	5,270	1,23,82,400	1,48,45,790	24,63,390

(Source: Payment data provided by DWOs)

- **Payment of MA beyond the admission date:** In two⁴⁹ institutes in the Jharsuguda district, 258 students were paid MA for 10 months in a year, during 2017-20, on the basis of the dates mentioned in the hostel admission register. Audit, however, found that their dates of admission

⁴⁹ Jet ANM Training Centre and the ITC, Debadahi

in the courses were later than the hostel admission dates. Since admission in hostel cannot be allowed before taking admission in the course, the dates entered in the hostel admission registers were not correct. Moreover, as per the guidelines, the dates of admission in the course were considered for payment of MA and, hence, the dates of admissions in hostels should not have been factored in for payment of scholarships. As a result, excess payment of ₹ 7.13 lakh was made towards MA.

- **Payment of MA to students of institutes having no hostel facility:** As per the PMS guidelines, students of institutes having no hostel facility shall be paid MA at the rate applicable for a day scholar, as shown in **Table 5.3** above. In five sampled districts, 235 students, of 10 institutions, were paid MA amounting to ₹ 16.19 lakh, as hostellers, during 2017-21, although no hostel facility was available in the said institutions. Details are shown in the table below:

Table 5.5: Payment of MA to students, as hostellers, in institutes with no hostel facility

District	No. of students	No. of institutions	Amount due	Amount paid	Excess amount paid
Gajapati	31	1	71,300	3,07,000	2,35,700
Jharsuguda	2	1	4,600	20,000	15,400
Malkangiri	12	1	36,000	1,20,000	84,000
Mayurbhanj	52	3	1,19,600	3,97,000	2,77,400
Sundargarh	138	4	8,90,000	18,96,600	10,06,600
Total	235	10	11,21,500	27,40,600	16,19,100

(Source: Institutions registers/ records)

- **Payment of MA to day scholars at higher rate:** In seven sampled districts, the names of 299 students of 21 institutes were not found in the hostel registers of the concerned institutes, during 2017-21, indicating that they were day scholars. However, they were paid MA at rates applicable for hostellers, resulting in excess payment of ₹ 19.66 lakh, as shown in the table below:

Table 5.6: Payment of MA to day scholars as hostellers

District	No. of students	No. of institutions	Amount due	Amount drawn	Excess amount paid
Bolangir	37	5	86,500	3,70,000	2,83,500
Gajapati	16	3	52,150	1,55,000	1,02,850
Jharsuguda	25	2	1,26,500	2,50,000	1,23,500
Malkangiri	125	3	3,11,300	12,50,000	9,38,700
Mayurbhanj	32	3	29,900	1,23,500	93,600
Nayagarh	2	1	4,600	20,000	15,400
Sundargarh	62	4	8,99,600	13,08,400	4,08,800
Total	299	21	15,10,550	34,76,900	19,66,350

(Source: Payment files by DWOs, Records of the institutions)

In reply, the SSD Department stated (September 2022) that the MA for fresh students was calculated from the date of admission in hostel, till the end of

academic year, in the Portal and, in case of renewal of students, MA was payable from the month following the month up to which scholarship was paid in the previous year, which goes up to 12 months. The reply is not tenable, as guidelines provided for payment of scholarship for only 10 months in an academic year.

5.2.6 Payment of MA at higher rate, due to absence of control measures in PRERANA and OSSP

Para IV of PMS guidelines provide that MA would be paid at the rate of 1/3rd of hosteller's rate, if the scholars are entitled to free boarding and/ or lodging.

Audit noted that the SSD Department provided free boarding and lodging in the Higher Secondary Schools (HSS) run by it. Hence, the students of these schools were entitled to MA at the rate of 1/3rd of the rate applicable for hostellers.

In the absence of data on MA, in the PMS data dump relating to PRERANA, the rate at which MA was paid to students of HSS run by the SSD Department, during 2017-20, could not be ascertained. However, in three sampled districts, Audit found that all 632 students of six HSS had been paid MA at full rate.

The data dump of OSSP, for the year 2020-21, included details on payment of MA. On scrutiny of the same, Audit found that all the 5,233 students, of 47 HSS in the State, had been paid MA at full rate, as shown in the table below:

Table 5.7: Excess payment of MA to hostellers

Name of the Institute	No. of Students	Amount excess paid (₹)
<i>On test-check of physical records in sampled districts for 2017-20</i>		
Government (SSD) HSS, Gopalpur, Kalahandi	67	4,46,689
Government (SSD) HSS, MV-79, Malkangiri	146	9,73,333
Government (SSD) HSS, Mathili, Malkangiri		
Government (SSD) HSS, Badampahar, Mayurbhanj	419	24,22,787
Government (SSD) HSS, Bankati, Mayurbhanj		
Government (SSD) HSS, Badhunia, Mayurbhanj		
Sub-total	632	38,42,809
<i>On analysis of the OSSP database for 2020-21</i>		
Government (SSD) HSS (47 numbers)	5,233	3,32,30,129
Grand Total	5,865	3,70,72,938

(Source: Payment data provided by DWOs and Institution's Records)

Thus, excess amount of ₹ 3.71 crore, towards MA, had been paid to 5,865 students, during 2017-21. Students of HSS, run by the SSD Department, were provided with free boarding/ lodging and this had a bearing on the rate of MA entitled, but the same had not been taken care of in both the PRERANA and OSSP softwares. As a result, excess payments were made, which ultimately defeated the objective of DBT to arrest leakage of Government funds.

In reply, the SSD Department stated (September 2022) that the MA component of PMS, for boarder students of SSD run by HSS, was credited in the school bank account, for smooth mess management at school level at full rate. The reply is not convincing as funds for free fooding and lodging were provided separately by the SSD Department, hence, full payment of MA for that matter was not a necessity.

5.2.7 Short sanction of MA to eligible OBC beneficiaries of ₹ 80.29 lakh

As per the PMS guidelines, MA is payable from 1 April or from the month of admission, whichever is later, up to the month of the examination, for a period of 10 months in a year.

Audit noticed, in six sampled districts⁵⁰, that MA was disbursed to 17,739 OBC students⁵¹, during 2017-18, for eight months, instead of ten months. The reasons cited by DWOs for the short sanction of ₹ 80.29 lakh was non-availability of funds and short sanction by the SSD Department. Contrary to the reply, Audit found that the Department had surrendered ₹ 5.01 crore during the same year, instead of utilising the same, highlighting poor budgetary management by the Department.

No reply was furnished by the SSD Department.

5.3 Aadhaar seeding of bank accounts of beneficiaries

5.3.1 Disbursement of PMS to non-seeded bank accounts

The notification (February 2017) of Ministry of Social Justice and Empowerment, (MoSJE), GoI, stipulated Aadhaar as an identity document under Section 7 of Aadhaar Act, 2016, for all scholarship schemes, with effect from 16 February 2017.

Audit found that, although the SSD Department had made Aadhaar a prerequisite for applying for PMS in June 2019, no order was issued in regard to making linking of Aadhaar, to the bank accounts of the beneficiaries, mandatory. The non-Aadhaar seeded bank accounts had the risk of acceptance of beneficiary names, with account numbers and IFSC codes belonging to others, during the payment process. In the absence of such measures, payment of scholarship to bank accounts, not seeded with Aadhaar, continued. During 2020-21, out of 3,12,823 beneficiaries who were disbursed PMS, the bank accounts of only 70,953 (23 per cent) beneficiaries were Aadhaar seeded. In the sampled districts, non-seeding of bank accounts with Aadhaar ranged from 78 to 80 per cent.

Discrepancies in the names and bank accounts of PMS beneficiaries were noticed in PRERANA. On analysis of the PRERANA database, it was noticed that, during the period 2017-20, in 9,288 instances, while the bank account numbers and IFSC codes were the same, the beneficiary names were different. It was also found that some of these beneficiaries were from the same institutes.

With regard to eight sampled districts, 1,155 such cases, involving payment of ₹ 3.83 crore, were detected. On detailed test-check of records, it was found that, while these bank accounts were in the name of certain beneficiaries, funds had been transferred to other beneficiaries. The same issue was noted in OSSP as well, in three out of 5,26,434 cases, where the bank account numbers of different beneficiaries were the same and payment of ₹ 1.17 lakh was made to these three beneficiaries. The case studies are discussed below:

⁵⁰ Balasore, Bolangir, Gajapati, Jharsuguda, Kalahandi and Sundargarh

⁵¹ Renewal students, *i.e.*, for second and subsequent year of course period

Case studies

- 1. PMS to one student of the Annapurna ITC Institute, for 2017-18 and 2018-19, was credited to the bank account number, as given by the student in the application form. PMS for another student, for 2019-20, was also credited to the same bank account. On verification, the bank confirmed that the account belonged to yet another person.*
- 2. Another student of the Annapurna ITC Institute got PMS for 2017-18, in bank account No. *****992, with IFSC Code SBIN*****47. In the subsequent year (2018-19), the same student got payment in bank account No. *****564, with IFSC Code UTBI*****02. In 2019-20, a different student got PMS for the year 2019-20, in the same bank account (No. *****564, with the same IFSC Code). On verification, it was found that the bank account No. *****564 belonged to another person. This is indicative of the non-receipt of PMS by these students.*

Audit observed that the above irregularities had occurred mainly due to non-Aadhaar seeding of bank accounts of beneficiaries, as required under DBT. As a result, the benefits were transferred to incorrect accounts, instead of the targeted beneficiaries, thereby rendering the objective of the DBT scheme, unfulfilled.

The SSD Department accepted the audit observations and stated (September 2022) that, due to low coverage of Aadhaar seeding with the bank accounts, Aadhaar based payment had not been made mandatory in disbursement of scholarships. Further, the payment gateway of treasury portal was also not configured for making Aadhaar based payments during 2017-20.

Recommendation 5.3:

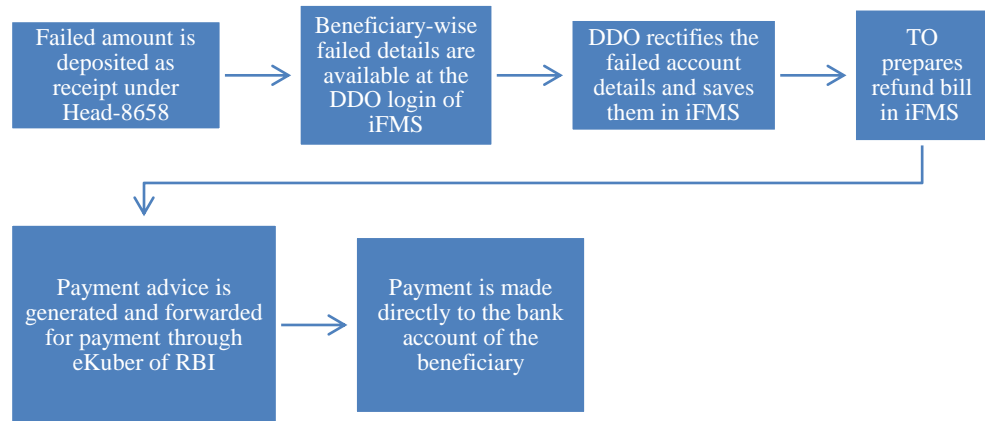
The SSD Department should ensure Aadhaar seeding of the bank accounts of the beneficiaries, being a primary requirement for DBT. Necessary assistance in this regard, may be extended to the students, so that no one is deprived of the scholarship, for want of Aadhaar seeding of the bank accounts.

5.4 Management of failed transactions

DBT envisages a switching over, from the present electronic transfer of amount to bank accounts of the beneficiary, to transfer of benefits directly to the Aadhaar seeded bank account of the beneficiaries, in order to facilitate credit of payments to the legitimate beneficiaries, in the right accounts and in the right time. Further, it provides integration of the scheme management software with the PFMS/ State Treasury, with provision of a reversal loop for updation of the payment/ failure status. The Standard Operating Procedure (SOP) for DBT payments also provides broad timelines for receiving payments/ benefits, which is T+4 working days, where 'T' denotes the day of the transaction.

In case of both the PMS and Medhabruti scholarship schemes, the bills were prepared manually and uploaded in the iFMS platform, for further processing of payments, till 2019-20. However, from 2020-21 onwards, the bills were prepared in iFMS, after the approved beneficiary data was pushed from OSSP to iFMS, for processing for payment and the status was updated in OSSP. In case of a dormant account and mismatch of bank account numbers with the IFSC number, transfer of amount does not take place, and these transactions are termed as ‘failed transactions’. In case of failed transactions, the steps to be taken by the DDO and Treasury, as intimated by Director of Treasury and Inspection (DTI), Odisha, are shown in the workflow below:

Figure 5.1: Workflow of revalidation of failed transactions



(Source: Information furnished by DTI)

The failed transaction amounts are retained under the Suspense Head ‘8658’ of the Government account for 90 days from the date of drawal, or till the end of the financial year, whichever is earlier. However, in case of drawals in the month of March, the failed transaction amounts are retained in the Suspense Head up to 30 April of the same year. On verification of records at the SSD and HE Departments, the following deficiencies were noticed:

5.4.1 Failed transactions in respect of PMS applicants

Disbursement of PMS to ST and SC beneficiaries were being made centrally by the SSD Department from the year 2015-16 onwards. The SSD Department, however, did not provide data on the year-wise position of failed transactions, as well as on settlements of the failed transactions, to Audit.

Data on failed transactions, in disbursement of PMS, was obtained from the Director of Treasury and Inspection (DTI), Odisha. Audit found that 1,30,985 transactions, involving ₹ 49.95 crore, had failed during 2017-21. This included 92,215 failed transactions (70 per cent), pertaining to the years 2017-18 and 2018-19, when Aadhaar linking was not made mandatory. Out of total failed transactions: (i) only 28,173 transactions, involving ₹ 17.58 crore, had been settled (ii) 12,342 transactions, of ₹ 4.52 crore, remained unsettled and (iii) an amount of ₹ 27.86 crore, pertaining to 90,470 transactions, had been refunded to Government (deduct recovery), as of 1 April 2021. As per Finance Department’s order, the failed/ unsettled transactions are parked under the Suspense Head 8658, for a designated period, post which the treasury is required to refund the unsettled payments to the Government account.

The details of such failed transactions are given in the table below.

Table 5.8: Details of failed transactions during 2017-21

(Amounts ₹ in crore)

Year	Failed transactions		Settlement of failed transactions as of 1 April 2021		Unsettled failed transactions		Refunded to Government account	
	Beneficiaries	Amount	Beneficiaries	Amount	Beneficiaries	Amount	Beneficiaries	Amount
2017-18	39,850	4.93	2,407	1.60	0	0.00	37,443	3.33
2018-19	52,365	23.17	15,596	7.67	0	0.00	36,769	15.50
2019-20	24,121	13.95	10,024	6.28	48	0.01	14,049	7.66
2020-21	14,649	7.90	146	2.03	12,294	4.51	2,209	1.37
Total	1,30,985	49.95	28,173	17.58	12,342	4.52	90,470	27.86

(Source: Data of DTI, Odisha)

Audit observed that out of 1,30,985 failed transactions, only 28,173 failed transactions (22 per cent) could be settled during 2017-21. As such, 1,02,812 beneficiaries remained deprived of PMS, amounting to ₹ 32.37 crore, for one to four years, which indicated failure of the concerned DDOs, to rectify the applicant details, for enabling disbursement of payments.

In reply, the SSD Department stated (September 2022) that: (i) the failed transactions were tracked from iFMS and (ii) the details of failed transactions were compiled and communicated back to the district authorities, for communicating the same to students, through institutions and receiving corrected account details, for settlement of failed transactions.

The reply is not tenable, as the students were deprived of the scholarship and the failed amounts were reverted back to the Government account, leading to non-achievement of aim of the DBT scheme.

5.4.2 Failed transactions in regard to Medhabruti applicants

On analysis of the records and database of eMedhabruti, 6,124 transactions, involving ₹ 3.81 crore, failed during 2017-21. This included 4,103 failed transactions (67 per cent) relating to the years 2017-18 and 2018-19, when Aadhaar linking was not made mandatory. Of the total failed transactions, 5,567 failed transactions, pertaining to the period 2017-20, involving ₹ 3.47 crore, were settled and the remaining 557 transactions, for the period 2020-21, involving ₹ 0.34 crore, remained unsettled, as of March 2021.

The main reason attributed for the huge failure of transactions was non-adoption of prerequisite measures for DBT, by the Departments, such as: (i) non-validation of bank account of students at the time of submission of applications (ii) non-usage of VLookup web service and (iii) non-usage of status of bank account service of NPCI. The Departments and the State DBT Cell did not take any steps to ensure use of the VLookup web service, or the status of bank account service of NPCI. They also did not make efforts towards integration with PFMS, for real time validation of the bank account, in order to deal with the significant issue of dormant/ inoperative accounts and non-existent accounts.

As such, 1,03,369⁵² (75 per cent) beneficiaries were deprived of the benefits of PMS and the Medhabruti scheme, for ₹ 32.70 crore⁵³, due to non-settlement of failed transactions. Despite these failed transactions, the SSD Department had irregularly booked the amount as expenditure.

The HED Department accepted the observation and stated (September 2022) that, after introduction of OSSP, the number of failed transactions had been reduced to a great extent. However, it is a fact that the failed transactions still persisted, even after introduction of OSSP.

Recommendation 5.4:

The implementing Departments should make efforts in coordination with State DBT Cell, to ensure use of the Vlookup web service and status of bank account services of NPCI, in order to ensure payment of funds to the intended beneficiaries.

5.5 Other IT deficiencies

The following other IT deficiencies were noticed during scrutiny of the PRERANA, OSSP and eMedhabruti databases:

5.5.1 Non-detection of duplicate beneficiaries and non-reporting of savings

Implementation of DBT envisages weeding out of duplicate beneficiaries during benefit transfer. Department of MoSJE, GoI, instructed (December 2017) the SSD Department to provide information on savings⁵⁴ arising due to elimination of fake/ ghost beneficiaries through the de-duplication process. Subsequently, the State DBT Cell communicated (March 2018 and February 2020) these instructions to all the Departments implementing DBT schemes, to report savings based on weeding out of duplicates, ghost beneficiaries, etc., every month. Audit noted that:

- The SSD Department had detected 4,896 duplicate applicants of SC and ST category⁵⁵ during 2017-20 and rejected their applications. However, no such exercise was undertaken to detect duplicate applicants belonging to the OBC and EBC categories. Analysis of the iFMS database, in audit, revealed that 973 duplicate applicants, belonging to the SC and ST categories, had not been detected by the SSD and they had been paid ₹ 2.43 crore, during 2017-21. On the other hand, HED had not undertaken any such exercise to detect duplicate applicants for Medhabruti.

⁵² SSD: Unsettled transactions:12,342 and returned to Government: 90,470
HED: Unsettled transactions: 557

⁵³ PMS: 1,02,817 failed transactions, involving ₹ 32.37 crore
Medhabruti: 557 failed transactions, involving ₹ 0.34 crore

⁵⁴ Formula for calculation of savings: $S = D \times B \times F$ (S = Saving, D = No. of beneficiaries removed and B = Benefit per beneficiary and F= Frequency of payment)

⁵⁵ SC: 2,154 during 2017-18 and ST: 2,742 during 2017-20

- The duplicate applicants included 2,154 applications, relating to SC category of students, involving a scholarship amount of ₹ 5.20 crore. SSD Department, however, reported the figure as 1,510 to MoSJE, involving a scholarship amount of ₹ 3.97 crore. Thus, the SSD Department under-reported the savings amount by ₹ 1.23 crore to MoSJE. Further, the SSD Department also did not report detection of duplicate 2,742 applicants of the ST category, to the State DBT Cell, as required under their circulars dated March 2018 and February 2020.

Audit observed that, while PRERANA lacked features to detect duplicate applicants, the manual scrutiny by the SSD Department was neither foolproof, nor adequate.

The SSD Department agreed to the audit observation and stated that the online portal was not suitably designed with internal checks to disallow duplicate entries, due to which students were able to create more than one application in the PRERANA Portal.

5.5.2 PRERANA - Incorrect capturing of dates prior to academic year

Audit noted that, in PRERANA, the applicants' scholarship application details were stored in a table. The system stored the application submission date and time under the field 'insert_time'. Audit found that, in 4,270 out of 14,22,413 applications, registered in PRERANA for the period 2017-20, the insert date and time were substantially before the academic year, as can be seen in the table shown below:

Table 5.9: Date & time discrepancy of PRERANA database

Application ID	Student Name	Institute Name	Academic Year	Date and time of data entry in the system
1012695	*****	Lachhman Balajew (Degree) College, Angalo	2018 - 19	08-11-2015 07:40
1336411	*****	SCB Medical College	2018 - 19	13-10-2015 18:14
134374	*****	Eastern Academy of Science Technology	2018 - 19	03-09-2014 22:17
357914	*****	Panchayat (Degree) College, Bargarh	2018 - 19	23-09-2015 18:39
467448	*****	District Institute of Education Training	2018 - 19	05-02-2015 15:29
486171	*****	I.T.I., Bargarh	2018 - 19	13-10-2015 14:04
525216	*****	Ravenshaw University, Cuttack	2018 - 19	06-10-2015 15:13
585450	*****	Seemanta Engineering College	2018 - 19	24-08-2014 21:22
910072	*****	Bhairab (Degree) College, Dabugan	2018 - 19	27-08-2014 12:14
952143	*****	Bhubaneswar Institute of Industrial Technology	2018 - 19	31-08-2014 17:21

(Note: Name of the students kept confidential)

(Source: PRERANA database)

It would be observed from the above that, though the date/ year of data insertions were recorded as per the system in 2014 and 2015, the corresponding academic years were 2018-19, which was obviously not correct. This indicated that the actual date of data insertions was not recorded

correctly in the database. In the absence of actual time of data insertion, delay in processing of the applications could not be ascertained, for monitoring purposes.

The SSD Department stated (September 2022) that: (i) the matter was reported to NIC for seeking clarification on the matter and (ii) the application ID was created in the portal earlier, while the actual application was submitted later on.

The reply is not acceptable, as there was a gap of almost four to five years and it is not feasible that the students would create Application IDs four to five years prior to their admission.

5.5.3 eMedhabruti - Design deficiencies

System design aims at providing the correct output by mapping the existing rules and regulations electronically, so as to provide assurance that all transactions are valid, complete, accurate and fulfil the objectives of the scheme guidelines.

As per best practice, audit trails (date of creation of record, updation, date of verification by different authorities, *etc.*) should be captured in the tables for enforcing accountability and detective control against any manipulation of records in the database. The HED and the OCAC did not furnish the technical documentation of eMedhabruti to Audit. On analysis of the eMedhabruti database, Audit found the following:

- In critical tables⁵⁶ of the database, for the years 2017-20, the date of submission of applications, by the institutes, to the intermediaries and subsequent submission to Government, as well as date of final approval of Government, had not been captured.
- In 73 cases, the account numbers of the beneficiaries had been entered incorrectly. Of these, bank account numbers in 53 cases were validated, while, in the remaining 20 cases, the applications had been rejected and/ or not verified, but payments had been made. Of the 20 rejected cases, where payments had been made, in two cases, the applications had not been verified and the same were rejected by institutes, but payment of ₹ 20,000 had been made, as seen from the iFMS database.

In the absence of an audit trail, the time taken by the intermediary levels to process the applications, as well as incorrect validations made by different authorities, could not be traced. Thus, transparency in processing the applications and making payments thereagainst, were found lacking.

The HED Department stated (September 2022) that the observations of Audit would be communicated to the service provider, to address the deficiencies.

5.5.3.1 Master tables not provisioned in the system

As per best practice, a Master Table was to be created as a single source for common business data, with unique IDs for referencing across multiple tables

⁵⁶ T_CAFAS_ApplicantDetails_Temp_2017, T_CAFAS_ApplicantDetails_Temp_2018, T_CAFAS_SCHOLARSHIP_RENEWAL_2018

and/ or processes. eMedhabruti had several master tables⁵⁷, which were used during submission of applications and identification of details of transactions, on the basis of the unique IDs. Audit noticed existence of incorrect total marks in the database, due to lack of validation controls in the system, which would have restricted the marks obtained to total marks, as discussed below:

- **Incorrect total marks:** In 179 out of 97,810 applications⁵⁸, the total marks for the course, as well as marks secured by the applicants, were entered incorrectly. It was further noted that the Principals had validated 179 of such applications with incorrect marks. Details of such discrepancies are shown in the table below.

Table 5.10: Incorrect total marks in eMedhabruti

Scholarship Type	Applicant's Name	College Name	Full marks	Marks secured as per the application
Technical and Profession Merit	*****	Gandhi Institute for Technological Advancement, Bhubaneswar	2,713	3,900
Junior Merit	*****	Govt. Junior College, Angul	8.8	8.8
PG Merit	*****	Udayanath (Autonomous) College of Science & Technology, Adaspur	7	7
Technical/ Profession Merit	*****	Regional College of Management (MBA)	64.7	57.2
Junior Merit	*****	Hatadihi Anchalika (Govt. Vocational Junior) Mahavidyalaya, Hatadihi - 18031801 – Hatadihi	439	10
Technical/ Profession Merit	*****	Gandhi Institute for Technological Advancement (GITA) (Engineering)	3,503	70
PG Merit	*****	Utkal University, Bhubaneswar	1,223	657

(Note- Applicant's names kept confidential)

(Source: Data dump of eMedhabruti)

Audit observed that full marks can be only a round figure, ending with zero and 10, in case of Cumulative Grade Point Average (CGPA), as verified from the test-checked applications but cannot be an odd figure, as mentioned above. In one case, the actual marks secured were more than the full marks. Thus, the full marks entered in the system appeared to be incorrect.

- In eMedhabruti, the total marks secured by the applicants were recorded incorrectly, as they were found to be greater than the maximum marks, in 45 out of 97,810 applications. However, the concerned Principals had approved the applications in 18 cases. The discrepancies are shown in the table below.

Table 5.11: Cases in eMedhabruti, where the total marks shown as secured were greater than the maximum marks

Applicant's Name	College Name	Full marks	Marks secured as per the application
*****	Center for Advanced Post Graduate Studies (CAPGS), Rourkela	10.00	72.00
*****	Gandhi Institute for Technological Advancement (GITA) (MCA)	2,713.00	3,900.00

⁵⁷ M_College, M_District, M_Block, M_Scholarship_Board, M_Scholarship_Course, etc.

⁵⁸ T_Cafas_Applicantdetails_Temp_2016, T_Cafas_Applicantdetails_Temp_2017, T_Cafas_Applicantdetails_2018 and T_Cafas_Applicantdetails_Temp

Applicant's Name	College Name	Full marks	Marks secured as per the application
*****	Dhaneswar Rath Institute of Engineering and Management Studies, Cuttack (Engineering)	10.00	35.00
*****	Government College of Engineering, Keonjhar	10.00	451.00
*****	Silicon Institute of Technology, Bhubaneswar (Engineering)	10.00	766.00
*****	Indic Institute of Design and Research, Bhubaneswar (Engineering)	10.00	66.00
*****	Gandhi Institute for Technology, Bhubaneswar (Engineering)	70.00	2,113.00
*****	Silicon Institute of Technology, Bhubaneswar (Engineering)	10.00	907.00

(Note- Applicant's names kept confidential)

(Source: Datadump of eMedhabruti)

Thus, the software had been designed without creation of a master table reference for different Boards of Education, with details of maximum marks that would have restricted such incorrect data entries and allowed for rejection/ non-validation by the authorities concerned. Such discrepancies also indicate that the Principals concerned had recommended the applications without verifying the correctness of the marks entered in the applications.

The HED Department stated (September 2022) that the observations of Audit would be communicated to the service provider, to address the deficiencies.

5.5.3.2 Non-capturing of correct Aadhaar numbers

The Unique Identification Authority of India (UIDAI), under the Aadhaar Act and Regulations, 2016, has mandated centralised storage of all Aadhaar numbers in a different repository, known as the 'Aadhaar Data Vault'. In order to reduce the footprint of Aadhaar numbers in the ecosystem, each Aadhaar number is to be referred by an additional key known as the Reference Key. These keys are to replace the Aadhaar numbers in the organisation's ecosystem and mapping of reference keys and Aadhaar numbers is to be maintained in the Aadhaar Data Vault. HED was required to create an Aadhaar data Vault and replace the Aadhaar numbers, in all existing databases, with the respective reference keys.

On analysis of the eMedhabruti database, it was noticed that:

- In 84,631 out of 97,810 applications, Aadhaar number was stored in the table without encryption or masked form, due to which virtual identification was not captured in the database.
- Further, in 9,801 cases, invalid Aadhaar numbers, that were less than 12 digits or 'Null', were captured in the database, indicating that input controls were missing while designing the Aadhaar data field. This resulted in incorrect entry of Aadhaar numbers and sharing of Aadhaar data without masked form, violating the Act.

Thus, Aadhaar details were neither encrypted, as per the Aadhaar Act, nor captured correctly, as required under DBT.

The HED Department stated (September 2022) that the observations of Audit would be communicated to the service provider, to address the deficiencies.

5.5.3.3 Non-availability of dashboard in system

As per the Medhabruti guidelines, the Principal of the institution is responsible for verifying, validating and approving the data submitted by applicants, for onward transmission, for approval of scholarships. On analysis, it was observed that, in 1,466 out of 97,810 cases, all the requisite information, *i.e.*, income certificate, resident certificate, mark sheet, bank details and Aadhaar numbers, had been uploaded but the Principal had not verified/ updated and approved the data in time.

The system did not have a provision for students to check their status of applications. It also did not have the facility of a dashboard, for the Department to monitor the number of applications received, validated and approved at various levels, to ensure timely processing by the institution and OCAC, on a real-time basis. In the absence of a real-time dashboard, the applicant students also could not be informed about the status of their applications for PMS.

The HED Department replied (September 2022) that dashboard is available in the newly introduced OSSP portal.

Recommendation 5.5:

Flaws in the OSSP computer application system, in not detecting duplicate beneficiaries, incorrect capturing of vital data like dates of applications and Aadhaar numbers as well as absence of Master tables, should be remedied in order to make the system more efficient, in processing the scholarship applications.