

## Chapter 2

### Overview of Schemes and Audit Methodology

#### 2.1 Background for taking up the Audit

The Comptroller and Auditor General of India (C&AG) decided (September 2020) to take up an Audit on DBT, with focus on coverage, identification of beneficiaries, efficiency of the payment process and achievement of objectives. Post the execution of DBT in Odisha, as of March 2021, 22 schemes were incorporated under the DBT framework. The present Performance Audit aims to assess the implementation of DBT in the State through detailed examination of two such schemes that are being operated *via* the DBT mode, namely, the Post Matric Scholarship scheme for ST/SC/OBC/EBC students and the Medhabruti scheme. The main features of these two schemes, as well as objectives of the Performance Audit, along with audit scope, methodology, *etc.*, are outlined in the following paragraphs:

##### 2.1.1 Post Matric Scholarship (PMS) scheme for ST/ SC/ OBC/ EBC students

The Post Matric Scholarship (PMS) scheme for Scheduled Tribes (ST)/ Scheduled Castes (SC)/ Other Backward Classes (OBC)/ Economically Backward Classes (EBC), was introduced<sup>6</sup> by Government of India, to provide scholarship to eligible ST/ SC/ OBC/ EBC students, to pursue +2, ITI, +3, post-graduation and professional and technical courses, like MBA, MBBS, MCA, Law and M.Tech., *etc.* The scholarship amount under this scheme covers the admission and tuition fees and also includes reimbursement of other non-refundable compulsory fees, charged by Educational Institutions. Students also receive maintenance allowance, as per the prescribed rates, to meet the day-to-day expenses related to education.

In Odisha, the scheme is being implemented by the Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare (SSD) Department. The Department is headed by a Secretary, who also functions as the Head of the Department. The Principal Secretary is, in turn, assisted by three Directors *viz.*, Director (ST), Director (SC) and Director (OBC) at the State level.

At the field level, the Scheme is implemented by the District Welfare Officers (DWOs) in every district, Assistant District Welfare Officers (ADWO) in the Sub-divisions and Welfare Extension Officer (WEO) in every Block.

##### 2.1.1.1 Funding pattern for the PMS Scheme:

While the PMS scheme is jointly sponsored by the Centre and the State, the funding pattern of the scheme varies, depending upon the category of beneficiaries being covered. PMS has various components *viz.*, Scheduled Tribe (ST), Scheduled Caste (SC), Other Backward Classes (OBC) and

<sup>6</sup> PMS (SC/ ST): 1944-45, PMS (OBC): 1998-99 and PMS (EBC): December 2016

Economically Backward Classes (EBC). Sharing of funds between the Centre and the State across these components, is as follows:

- The financing of the PMS (ST) scheme was borne by the Centre and the State in the ratio of 75:25, during 2017-21.
- In case of the PMS (SC) scheme, the State Government had a committed liability<sup>7</sup> of ₹ 238.28 crore during 2017-20. However, from 2020-21 onwards, the funding pattern changed to 60:40 ratio between the Centre and the State.
- Expenditure on the PMS (OBC) scheme was borne by the State, with a committed liability of ₹ 9.61 crore annually, during 2017-18, while from the year 2018-19 onwards, the Central Government provided 100 per cent assistance.
- The PMS (EBC) scheme was 100 per cent centrally assisted, during 2017-21.

During the period 2017-21, 20.26 lakh students in the State were benefited by the PMS scheme and expenditure of ₹ 2,358.54 crore was incurred by the Government. Category-wise number of beneficiaries and expenditure incurred, are given in the table below.

**Table 2.1: Number of beneficiaries and expenditure incurred on PMS scheme, during 2017-21**

*(Amount ₹ in crore)*

Category	2017-18		2018-19		2019-20		2020-21	
	No. of Students	Amount	No. of Students	Amount	No. of Students	Amount	No. of Students	Amount
SC	1,84,883	252.52	2,27,412	379.27	1,66,400	297.94	1,67,702	317.50
ST	1,86,061	206.11	2,10,866	273.30	1,68,449	227.53	1,67,241	231.19
OBC	1,79,794	33.65	1,38,030	35.70	1,14,935	44.02	1,07,925	55.72
EBC	97	0.01	923	0.26	1153	1.07	3,702	2.75
<b>Total</b>	<b>5,50,835</b>	<b>492.29</b>	<b>5,77,231</b>	<b>688.53</b>	<b>4,50,937</b>	<b>570.56</b>	<b>4,46,570</b>	<b>607.16</b>

*(Source: Records furnished by SSD Department)*

Out of the aforesaid number of beneficiaries and expenditure on PMS during 2017-21, the number of beneficiaries who were not paid directly and were, instead, paid through the bank accounts of the institutions (SSD schools under the SSD Department and Government Industrial Technical Institute/ Centre and few private institutes<sup>8</sup>), are shown in the **Table 2.2:**

<sup>7</sup> The expenditure incurred by a State on the Scheme during the terminal year of the five-year plan period

<sup>8</sup> Hi-Tech Medical College and Hospital, Bhubaneswar and Kalinga Institute of Medical Sciences, Bhubaneswar

**Table 2.2: Number of PMS scheme beneficiaries paid through institutions, during 2017-21**

Year	No. of beneficiaries and scholarship amounts transferred to the bank account of the institutes				Scholarship payment to institution's bank account from 2017-18 to 2020-21	
	Course Fee		Maintenance Allowance		No. of students (in Nos.)	Amount paid (₹ in crore)
	No. of students (in Nos)	Amount paid (₹ in crore)	No. of students (in Nos.)	Amount paid (₹ in crore)		
2017-18	3,354	0.83	5,044	4.94	8,398	5.76
2018-19	12,596	3.75	6,134	6.04	18,730	9.79
2019-20	8,180	2.38	4,942	4.78	13,122	7.16
2020-21	9,381	2.51	4,748	4.75	14,129	7.26
<b>Total</b>	<b>33,511</b>	<b>9.47</b>	<b>20,868</b>	<b>20.51</b>	<b>54,379</b>	<b>29.97</b>

(Source: Records and information furnished by SSD Department)

The Scheme was identified for implementation under the DBT mode by Government of Odisha in January 2018 and was on-boarded as a DBT scheme in May 2018.

### 2.1.2 Medhabruti Scholarship Scheme

The 'Medhabruti' scheme was introduced by the Higher Education Department, Government of Odisha (GoO), to provide scholarships to those meritorious students of the State, whose parental income does not exceed ₹ 6.00 lakh per annum, to meet a part of their educational expenses while pursuing higher studies. The scholarships are awarded for pursuing general courses, *i.e.*, +3 (Sr.), Post Graduation, Technical and Professional courses, in Colleges and Universities inside and outside Odisha. The Medhabruti scheme is implemented by the Higher Education Department (HED), with Additional Chief Secretary (ACS) as the Head of the Department. The ACS is assisted by a Deputy Secretary in charge of Scholarship Unit and technically assisted by the Odisha Computer Application Centre (OCAC).

#### 2.1.2.1 Funding of Medhabruti

Medhabruti, being a State sponsored scheme, the funding for the scheme was exclusively from the resources of the State. During the period 2017-20<sup>9</sup>, 90,484 students in the State were benefited by the Medhabruti Scheme and expenditure of ₹ 73.40 crore was incurred by the State Government on the scheme, details of which are given in the table below.

**Table 2.3: Number of beneficiaries and expenditure incurred on Medhabruti scheme, during 2017-20**

Category	2017-18		2018-19		2019-20	
	No of students (In Nos.) <sup>10</sup>	Expenditure (₹ in crore)	No of students (In Nos.)	Expenditure (₹ in crore)	No of students (In Nos.)	Expenditure (₹ in crore)
Jr. Merit	10,897	3.28	11,973	3.32	5,577	6.99
Sr. Merit	10,707	5.58	4,042	2.13	13,208	8.39
PG Merit	1,757	1.76	1,547	1.55	4,083	4.28
TP Merit	11,787	13.68	8,140	10.21	6,766	12.23

<sup>9</sup> In case of Medhabruti, the advertisement for 2020-21 was floated in April 2021 but payment was not made, as of December 2021

<sup>10</sup> The numbers include both Fresh scholarship and Renewal of already sanctioned scholarship

Category	2017-18		2018-19		2019-20	
	No of students (In Nos.) <sup>10</sup>	Expenditure (₹ in crore)	No of students (In Nos.)	Expenditure (₹ in crore)	No of students (In Nos.)	Expenditure (₹ in crore)
<b>Total</b>	<b>35,148</b>	<b>24.30</b>	<b>25,702</b>	<b>17.21</b>	<b>29,634</b>	<b>31.89</b>

*(Source: Records and information furnished by Higher Education Department)*

The Scheme was identified for implementation under the DBT mode by GoO in February 2019 and was on-boarded as a DBT scheme in June 2019.

## **2.2 Audit objectives**

The Performance Audit on “Implementation of Direct Benefit Transfer in payment of Post Matric Scholarship to the eligible students in the State” was conducted to assess whether:

- Necessary process reengineering was done for implementation of DBT so as to identify and cover all the eligible beneficiaries under the scheme and also to minimise:
  - intermediary levels,
  - delay in payments to intended beneficiaries and
  - pilferage and duplication.
- Infrastructure, organisation and management of DBT was adequate and effective.

## **2.3 Audit criteria**

The performance of the schemes was evaluated with reference to the following criteria:

- Circulars, instructions and notifications, issued by the DBT Mission, GoI and the State Government,
- Handbook on DBT and Guidelines for State DBT Cell, issued by the DBT Mission, GoI,
- Standard Operating Procedure for Direct Benefit Transfer, issued by GoI/ GoO,
- Detailed Project Report, System Requirement Specifications, instructions on maintenance of database, IT control documents, generation of various reports,
- Guidelines, Circulars/ orders of SSD Department on PMS scheme for ST, SC and OBC,
- Guidelines, Circulars/ orders on Medhabruti scheme of Higher Education Department,
- Instructions/ notifications of Government on PMS and Medhabruti,
- Brochure and user manual of “PRERANA”,
- Odisha General Financial Rules (OGFR) and Odisha Treasury Code (OTC) and
- Miscellaneous Certificate Act.

## 2.4 Scope and methodology of Audit

The Performance Audit covers a four-year period from 2017-18 to 2020-21. Audit test-checked records of the Finance Department (DBT Cell), ST and SC Development, Minorities and Backward Classes Welfare Department, Higher Education Department, Odisha Computer Application Centre (OCAC), eight District Welfare Officers<sup>11</sup> (DWOs) and 98 educational institutions, including 30 institutions on judgemental basis. Besides, information of Odisha School Education Programme Authority (OSEPA) was also collected and utilised.

Audit also analysed all scholarship applications available in PRERANA software (14,22,413 nos.) and Odisha State Scholarship Portal (OSSP)<sup>12</sup> (5,26,434 nos.) for PMS scheme as well as e-Medhabruti database (5,31,774 nos.) for the Medhabruti scholarships. Besides, data from the Integrated Financial Management System (iFMS) and the Student Academic Management System (SAMS<sup>13</sup>) were also analysed. Joint physical inspection of institutes was carried out; photographs were captured, wherever required; and interviews of beneficiaries were also conducted.

The Audit objectives, criteria, scope and methodology of this Performance Audit were discussed in an Entry Conference with the Secretaries of the Finance Department, SSD Department and Higher Education Department, in February 2021.

The Exit Conference with the concerned Departments was held in September 2022, wherein the major Audit findings and other issues were discussed. The views of the Departments are suitably incorporated in the report.

## 2.5 Acknowledgement

Audit acknowledges the cooperation extended by the officials of the Finance Department, SSD Department, Higher Education Department, as well as by the officials at the associated offices of the aforesaid departments.

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<sup>11</sup> Bolangir, Gajapati, Jharsuguda, Kalahandi, Malkangiri, Mayurbhanj, Nayagarh and Sundargarh

<sup>12</sup> OSSP is an integrated e-Governance Portal for automation, streamlining and effective management of scholarship schemes being implemented in the State of Odisha

<sup>13</sup> SAMS software is an online (web-based) platform to manage the admission process for +2 and +3 (College) levels