

**CHAPTER – III**  
**IMPLEMENTATION OF NSAP**  
**THROUGH DBT**



## Brief Snapshot

*Implementation of NSAP through DBT revealed several deficiencies. Pension payments to 3,820 beneficiaries registered significant delays of one to 38 months beyond the stipulated effective date, leading to a total financial loss of ₹ 1.81 crore during the years 2017-21. Failed transactions follow-up by Implementing Agencies led to ₹ 1.57 crore Pension stoppage for 4,978 beneficiaries from one to more than 24 months during 2017-21. Flawed beneficiary migrations led to the loss of Pension amounting to ₹ 25.04 lakh for 380 beneficiaries, while missed migration opportunities led to monthly losses of ₹ 150 to ₹ 500 per beneficiary to a total of 270 beneficiaries during 2017-21.*

*The State Government did not contribute a matching Grant of ₹ 20,000 per beneficiary, leading to denial of benefits worth ₹ 55.60 crore for 27,801 NFBS beneficiaries. The GoI did not release its share of the IGNWPS Grants to the State Government during 2017-20, due to various non-compliance issues. The NSAP beneficiary data was not shared with other Departments (except Department of Food, Civil Supplies and Consumer Affairs) for convergence purposes. No Social Audits were conducted by 36 selected Gram Panchayats/Wards during 2017-21.*

### 3.1 Non-payment of Pension from the effective date resulting in loss to beneficiaries

As per paragraph 3.2.2 of the NSAP Guidelines, the time for processing of the application from the time of receipt till sanction or rejection shall not exceed 60 days. Further, as per Notification issued by the SJED in June 2018, once the pension is sanctioned by the designated Sanctioning Authority, the Pension to a beneficiary shall start from the month in which the application was made by the beneficiary (the Pension effective date).

#### *At State level*

Analysis of data dump of the NSAP from 2017 to 2021 revealed that in 3,820 out of 8,37,137 cases across three Pension components of NSAP (IGNOAPS, IGNWPS and IGNDPS), the Pension effective date was incorrectly set, ranging from one to 38 months beyond the month of application receipt. This resulted in a combined financial loss of ₹ 1.81 crore<sup>9</sup> to these 3,820 beneficiaries, as shown in **Table 3.1** below:

<sup>9</sup> Entitled Pension amount × No. of delayed months.

**Table 3.1: Financial loss due to delay in release of first Pension (State’s position)**

Components of NSAP	No. of affected beneficiaries	Non-payment of pension due to incorrect adoption of pension effective date (Amount in ₹)
IGNOAPS	198	4,18,250
IGNWPS	3,620	1,76,58,750
IGNDPS	02	6,600
<b>Total</b>	<b>3,820</b>	<b>1,80,83,600</b>

(Source: Data dump of NSAP)

### ***In Selected Districts***

Similarly, in the nine selected districts, 1,980 out of 2,42,128 beneficiaries remained deprived of their Pension for a period from one to 38 months, leading to financial loss of ₹ 1.05 crore during the same period, as shown in **Table 3.2** below:

**Table 3.2: Financial loss due to delay in release of first Pension in selected districts**

Selected districts	No. of affected beneficiaries	Component-wise No. of affected beneficiaries			Financial loss due to incorrect adoption of Pension effective date (Amount in ₹)		
		IGNOAPS	IGNWPS	IGNDPS	IGNOAPS	IGNWPS	IGNDPS
Ahmedabad	348	06	341	01	18,000	9,29,000	3,600
Banaskantha	46	21	25	00	41,500	3,73,250	00
Bharuch	21	01	20	00	2,500	78,250	00
Dang	194	00	194	00	00	5,02,000	00
Gandhinagar	32	00	32	00	00	3,19,750	00
Kachchh	99	01	98	00	2,500	2,18,500	00
Morbi	162	01	161	00	500	7,40,750	00
Rajkot	1,062	00	1,062	00	00	71,12,000	00
Valsad	16	11	05	00	39,250	84,750	00
<b>Total</b>	<b>1,980</b>	<b>41</b>	<b>1,938</b>	<b>01</b>	<b>1,04,250</b>	<b>1,03,58,250</b>	<b>3,600</b>

(Source: Data dump of NSAP)

**Table 3.2** further shows that the majority of the incorrect adoption of the pension effective date was in the case of IGNWPS (99 *per cent*).

Delay in the disbursement of Pensions can have severe consequences for the beneficiaries who rely on these payments for their basic needs and well-being.

The State Government accepted the Audit Observations and stated (April 2023) that since applications are now being accepted exclusively through the ‘Digital Gujarat Portal’ and the effective date of the pension is automatically set by the system, such delays will no longer occur.

## **3.2 Stoppage of Pension due to failed transactions**

A transaction is considered as failed once the transaction is returned or rejected by the Bank or National Payment Corporation of India (NPCI). In such cases, the Bank credits the unpaid amount back to the Accounts of the Director, Social Defence/Commissioner, W&CDD.

### ***At State level***

The analysis of the data provided by the Director, Social Defence/Commissioner, W&CDD for the period 2017-21 revealed failed

transactions, totaling 5,080 cases. The reasons for the failed transactions in 4,991 out of the 5,080 cases<sup>10</sup> involving ₹ 1.60 crore were attributed to a range of factors including:

- Inoperative Accounts: Such accounts that are currently inactive or non-functional through which transactions cannot be processed;
- Closed Accounts: Accounts that have been permanently closed and therefore cannot facilitate transactions;
- Blocked or Frozen Accounts: Accounts that have been blocked or frozen by the Bank or relevant authorities and therefore, are unable to process transactions;
- Dormant Accounts: Accounts that have not had any activity for an extended period of time are considered dormant and may not be operational;
- Invalid Account Information: Incorrect or outdated Account details can lead to failed transactions;
- Know Your Customer (KYC) Pending: Transactions may fail if the KYC verification process for the Account is pending or incomplete;
- Aadhaar De-seeded: If Aadhaar information has been removed or is not linked properly, transactions may not go through.

However, in all the 4,991 cases, the Implementing Agencies did not inform the beneficiaries concerned about the type of deficiency in their Bank Accounts for taking corrective action, leading to stoppage of pension payments. The details are shown in **Table 3.3** below.

**Table 3.3: Details of failed transactions during 2017-21**

Reasons for failed transactions	No. of affected beneficiaries				Amount involved (₹)			
	IGNOAPS	IGNWPS	NFBS	IGNDPS	IGNOAPS	IGNWPS	NFBS	IGNDPS
Account inoperative/closed/blocked/frozen.	2,228	110	08	21	95,30,000	3,81,250	1,60,000	39,600
Account dormant/no such Account.	24	01	01	00	1,65,000	1,250	20,000	00
Invalid Account type (NRE/PPF/Loan/FD), Account under litigation, KYC pending, unclaimed/Deaf Account	21	03	03	01	88,500	56,250	60,000	4,200
Aadhaar number de-seeded from NPCI mapper, customer to contact his/her Bank, Aadhaar not mapped with Account.	2,522	00	01	47	53,67,500	00	20,000	90,000
<b>Total</b>	<b>4,795</b>	<b>114</b>	<b>13</b>	<b>69</b>	<b>1,51,51,000</b>	<b>4,38,750</b>	<b>2,60,000</b>	<b>1,33,800</b>
	<b>4,991</b>				<b>1,59,83,550</b>			

(Source: Data furnished by Implementing Agencies)

This lack of effective follow-up action on the failed transactions by the Implementing Agencies led to the stoppage<sup>11</sup> of Pension amounting to ₹ 1.57 crore to 4,978 beneficiaries (excluding 13 NFBS beneficiaries) ranging for a period from one month to more than 24 months during 2017-21, as detailed in **Table 3.4** below:

<sup>10</sup> Excluding Accounts of 89 deceased beneficiaries.

<sup>11</sup> If no corrective action is taken to rectify the deficiencies in beneficiaries' Accounts, the payment files prepared and pushed to PFMS by the Implementing Agencies in the successive months are returned as failed transactions.

**Table 3.4: Stoppage of Pension due to lack of effective follow-up action**

Stoppage of Pension for the period	No. of affected beneficiaries	Amount of stopped Pension (₹)
1-6 months	4,306	87,23,600
7-12 months	335	22,12,450
13-18 months	176	20,27,500
19-24 months	131	21,54,750
Beyond 24 months	30	6,05,250
<b>Total</b>	<b>4,978</b>	<b>1,57,23,550</b>

(Source: Data furnished by Implementing Agencies)

### ***In Selected Districts***

In nine selected districts, 1,672 beneficiaries were affected by the failed transactions involving ₹ 57.02 lakh was stopped during 2017-21. The details are shown in the **Table 3.5** below:

**Table 3.5: Details of failed transactions and stoppage of Pension due to lack of effective follow-up action**

Reasons for failed transactions	No. of affected beneficiaries				Amount involved (₹)			
	IGNOAPS	IGNWPS	NFBS	IGNDPS	IGNOAPS	IGNWPS	NFBS	IGNDPS
Account inoperative/closed/blocked/frozen.	761	33	03	02	33,80,500	1,32,500	60,000	6,000
Account dormant/no such Account.	10	00	01	00	1,02,750	00	20,000	00
Invalid Account type (NRE/PPF/Loan/FD), Account under litigation, KYC pending.	08	01	03	00	29,750	30,000	60,000	00
Aadhaar number de-seeded from NPCI mapper, customer to contact his/her Bank, Aadhaar not mapped with Account.	835	00	00	15	18,46,750	00	00	33,600
<b>Total</b>	<b>1,614</b>	<b>34</b>	<b>07</b>	<b>17</b>	<b>53,59,750</b>	<b>1,62,500</b>	<b>1,40,000</b>	<b>39,600</b>
	<b>1,672</b>				<b>57,01,850</b>			

(Source: Data furnished by Implementing Agencies)

The State Government stated (April 2023) that in case of failed transactions, the Accounts of implementing agencies are credited back. Payment is then made to the affected beneficiaries, after verification and updation of their Bank Accounts in the System by the Implementing Agencies concerned.

The reply of the Government is not borne out by the facts, as there was a lack of effective follow-up action on the failed transactions by the Implementing Agencies, leading to the stoppage of Pension for prolonged periods. On the contrary, it raises questions about the efficiency of the Implementing Agencies in handling the failed transactions and ensuring that affected beneficiaries receive their payments in a timely and appropriate manner.

***Recommendation 2: The State Government may implement more robust processes for verifying and maintaining beneficiary account information, enhancing communication between the Implementing Agencies and beneficiaries, to keep the accounts active.***

### 3.3 Payment of Maximum Eligible Pension

The eligibility criteria and the scale of financial assistance outlined for beneficiaries across three Pension components of NSAP (IGNOAPS, IGNWPS, and IGNDPS) are depicted in **Table 3.6** below:

**Table 3.6: Eligibility criteria and financial assistance across three components of NSAP**

Components	Eligibility criteria	Assistance (₹)
<b>IGNOAPS (Pension)</b>	A person belonging to BPL category who has attained the age of 60 years.	₹ 750 per month (60-79 years) ₹ 1,000 per month (80 years and above)
<b>IGNWPS (Pension)</b>	A widow belonging to BPL category who has attained the age of 40 years.	₹ 1,250 per month
<b>IGNDPS (Pension)</b>	A disabled with a disability level of 80 <i>per cent</i> and above, belonging to the BPL category and above the age of 18 years.	₹ 600 per month (18-79 years) ₹ 1,000 per month (80 years and above)

(Source: NSAP Guidelines, 2014 and information furnished by SJED and W&CDD)

It may be seen from the table above that beneficiaries currently receiving a monthly Pension of ₹ 600 through the IGNDPS become eligible to receive an increased Pension amount of ₹ 750 per month upon reaching the age of 60 if they transit to the IGNOAPS. Similarly, women beneficiaries receiving a monthly Pension of ₹ 750 (for ages 60-79) or ₹ 1000 (for ages 80 and above) under the IGNOAPS become eligible for a higher monthly Pension of ₹ 1250 in the event of becoming a Widow, if they switch to the IGNWPS. Additionally, current IGNOAPS beneficiaries (ages 60-79) receiving ₹750 per month become eligible for an increased Pension of ₹ 1000 per month upon reaching 80 years of age.

The audit findings revealed that despite these provisions within the NSAP which enable beneficiaries to receive higher Pension amounts, there was currently no established mechanism in place for the automatic migration/transition of existing beneficiaries from one NSAP component to another, upon meeting specific eligibility criteria. The findings also indicated that instances of beneficiary migration across various components of the NSAP, as approved by the Implementing Agencies (*Mamlatdars* and Social Defence Officers), were flawed. Conversely, in cases where migration would have been advantageous and necessary, the Implementing Agencies did not take any action. These are discussed in the following paragraphs.

#### 3.3.1 Financial loss to beneficiaries due to flawed migration

##### *At State Level*

An analysis of the data dump of the NSAP revealed that the Implementing Agencies (*Mamlatdars* and Social Defence Officers) approved the migration of 380 beneficiaries from one component of NSAP to another between 2017 and 2021. This migration was done despite the original component being more beneficial for these beneficiaries than the one they were moved to. As a result,

a total Pension loss amounting to ₹25.04 lakh<sup>12</sup> was incurred, as detailed in **Table 3.7** below:

**Table 3.7: Financial loss due to flawed migration from one component of NSAP to another (State’s Status)**

	Loss due to flawed migration		Total
Components of NSAP	Migrated from IGNWPS to IGNOAPS	Migrated from IGNWPS to IGNDPS	
No. of beneficiaries	376	04	380
Amount (₹)	24,60,000	44,200	25,04,200

(Source: Data dump of NSAP)

### ***In Selected Districts***

A total of 107 beneficiaries in eight out of nine selected districts suffered a financial loss of ₹ 7.16 lakh due to ill-conceived migration decisions made between 2017 and 2021. The details are shown in **Table 3.8** below:

**Table 3.8: Financial loss due to flawed migration from one component of NSAP to another (Selected districts)**

Selected districts	Loss due to flawed migration in ₹ (No. of beneficiaries)				Total financial loss in ₹ (No. of beneficiaries)
	Migrated from IGNOAPS	IGNWPS to	Migrated from IGNDPS	IGNWPS to	
Ahmedabad	2,00,500 (33)		00		2,00,500 (33)
Banaskantha	89,500 (16)		00		89,500 (16)
Bharuch	70,500 (09)		00		70,500 (09)
Gandhinagar	76,500 (06)		00		76,500 (06)
Katchchh	65,000 (12)		13,000 (02)		78,000 (14)
Morbi	5,500 (01)		00		5,500 (01)
Rajkot	1,67,000 (21)		00		167,000 (21)
Valsad	28,000 (07)		00		28,000 (07)
<b>Total</b>	<b>7,02,500 (105)</b>		<b>13,000 (02)</b>		<b>7,15,500 (107)</b>

(Source: Data dump of NSAP)

### **3.3.2 Financial loss due to failure to migrate to IGNOAPS**

The analysis of payment details within the NSAP Portal and the examination of application and sanction records spanning the years 2017-21 in the offices of Social Defence Officers across nine selected districts revealed that 5,158 disabled beneficiaries were receiving a monthly Pension of ₹ 600 under the IGNDPS. Among these beneficiaries, 246 individuals<sup>13</sup> who reached the age of 60 or more became eligible for an increased Pension amount of ₹ 750 per month under the IGNOAPS. However, due to the absence of an automated transition process between various components within NSAP, these 246 beneficiaries continued to receive ₹ 600 per month throughout the years 2017-21. This oversight led to a financial loss of ₹ 150 per month per beneficiary.

In April 2023, the State Government stated that varying rates of financial aid are accessible across different components of NSAP. Nonetheless,

<sup>12</sup> Worked out from the date of migration up to 31/12/2020.

<sup>13</sup> Ahmedabad: 58 cases; Bharuch: 30 cases; Banaskantha: 38 cases; Gandhinagar: 10 cases; Valsad: 19 cases; Dang: 09 cases; Morbi: 10 cases; Kutch: 24 cases; and Rajkot: 48 cases.



beneficiaries' applications are being processed and transferred to the component offering the most advantageous assistance for them.

The State Government added that the minimum monthly Pension of ₹ 600 has been enhanced to ₹ 1,000 for disabled beneficiaries under IGNDPS, effective from 01 April 2022. Consequently, the need for disabled beneficiaries to migrate from IGNDPS to other NSAP components, till they attain the age of 79 years, has been eliminated.

While the step taken by the Government to enhance the minimum monthly Pension under IGNDPS is commendable, an opportunity still exists for disabled and widowed beneficiaries currently receiving ₹ 1,000 per month under IGNDPS to migrate to the IGNWPS, where they would be entitled to a higher monthly Pension of ₹ 1,250.

### 3.3.3 Financial loss due to failure to migrate to IGNWPS

Examination of records in *Mamlatdar* offices in seven<sup>14</sup> out of the 18 chosen talukas revealed that among the 800 beneficiaries of the IGNOAPS, 24 elderly women in seven talukas were receiving a monthly Pension of either ₹ 750 (for ages 60-79) or ₹ 1,000 (for ages 80 and above) in accordance with the Scheme Guidelines. These 24 elderly women, being widows, were entitled to a higher Pension amount of ₹ 1,250 per month under the IGNWPS. However, due to their non-transition from the Old Age Pension (IGNOAPS) to the more advantageous Widow Pension (IGNWPS), each of these 24 elderly widow beneficiaries incurred a financial loss of ₹ 250 or ₹ 500 per month during the period from 2017 to 2021.

The State Government stated (April 2023) that an online migration system for beneficiaries was accessible through the 'Digital Gujarat Portal'. Upon completing such migration, the *Mamlatdars* and the Social Defence Officers facilitate the transition within the NSAP Portal after obtaining the necessary application from the respective beneficiaries.

***Recommendation 3: The State Government may strengthen the oversight and monitoring mechanisms to ensure that migration decisions are well-informed, transparent and aligned with the best interests of the beneficiaries.***

### 3.4 Denial of financial assistance despite meeting eligibility criteria

Examination of records in 18 selected *Mamlatdar* offices revealed that during the period 2017-21, the Sanctioning Authorities declined financial assistance to 173 out of 982 beneficiaries (test-checked cases) in nine *Mamlatdar* offices, based on various grounds. These included reasons such as the applicant having a Joint Bank Account, not being listed under the BPL category, the applicant's age exceeding 60 years, absence of the deceased applicant's age, the applicant having a surviving son aged 21 years or older, failure to attach BPL card, non-validation of the application form by the Taluka Development Officer, the

<sup>14</sup> Ahwa (04 cases), Ankleshwar (05 cases), Bhabhar (01 case), Gandhinagar (04 cases), Jhagadia (04 cases), Kalol (03 cases) and Pardi (03 cases).

applicant’s income surpassing the prescribed limit, non-attachment of the death certificate, *etc.* The details are shown in **Table 3.9** below:

**Table 3.9: Denial of financial assistance on inappropriate grounds**

Sr. No.	Selected <i>Mamlatdar</i> office	No. of applications inappropriately rejected		
		IGNOAPS	NFBS	IGNWPS
1	Gandhinagar	00	07	43
2.	Kalol	00	34	00
3.	Mandvi	09	02	00
4.	Mundra	01	00	00
5.	Padhhari	04	00	00
6.	Rajkot (Rural)	04	03	04
7.	Tankara	08	03	00
8.	Vejalpur	02	04	00
9.	Wankaner	22	23	00
<b>Total</b>		<b>50</b>	<b>76</b>	<b>47</b>

(Source: Information furnished by the respective *Mamlatdar* offices)

However, upon scrutinizing the applications submitted by the beneficiaries and the accompanying supporting documents, it was revealed that all 173 beneficiaries had indeed met the eligibility criteria of the relevant Scheme. The justifications cited by the Sanctioning Authorities for the rejection of these applications were found to be incorrect. Additionally, it was noted that according to the NSAP Guidelines, the possession of a Joint Bank Account was not a valid disqualification criterion. Further, in several instances, the grounds for rejection were either not mentioned or not recorded in the case files, which violated the provision outlined in Paragraph 3.3 of the NSAP Guidelines<sup>15</sup>.

The State Government stated (April 2023) that the process of accepting and validating applications had been streamlined through the ‘Digital Gujarat Portal’. It further stated that explanations would be sought from the relevant *Mamlatdar* offices for the inappropriate rejection of applications.

***Recommendation 4: The State Government may reassess the applications of beneficiaries who were previously denied benefits under the Scheme due to unjustified rejections. Additionally, responsibility may be fixed for the officials responsible for the erroneous rejections.***

### 3.5 Non-contribution of State’s share under NFBS

As per Paragraph 2.3 of the NSAP Guidelines, eligible beneficiaries under the NFBS are entitled to receive ₹ 20,000 as financial assistance from the GoI. Furthermore, Paragraph 2.4.1 of the Guidelines strongly recommends that the State Government provide an additional amount equivalent to the Central Assistance to ensure beneficiaries receive a substantial level of financial support.

<sup>15</sup> As per Paragraph 3.3 of the NSAP Guidelines, in case of rejection of an application, the ground(s) for rejection needs to be recorded and intimated to the beneficiary, with a copy to the Gram Panchayat/Municipality concerned.

Audit observed that the Government of Gujarat did not adhere to these Guidelines by failing to offer any financial assistance under NFBS. Consequently, a total of 27,801 NFBS beneficiaries were only granted ₹ 20,000 each between 2017 and 2021. The absence of equivalent assistance of ₹ 20,000 from the Government of Gujarat resulted in 27,801 registered beneficiaries in the State being denied a total benefit amounting to ₹ 55.60 crore<sup>16</sup>.

Considering that beneficiaries of NFBS fall within the most vulnerable segment of society, the provision of significant lump-sum financial assistance would have immensely helped the bereaved households in the unfortunate event of the breadwinner's demise.

The State Government stated (April 2023) that a proposal to contribute the State's share was under consideration. Upon approval of this proposal, the State's share would be incorporated accordingly under the NFBS.

### 3.6 Short-receipt of Grants from GoI under IGNWPS

As per Paragraph 2.3 of the NSAP Guidelines, the widowed beneficiaries become eligible for benefits under the IGNWPS at the age of 40 and receive a monthly Pension of ₹ 1,250, with a GoI contribution of ₹ 300 per month. Upon reaching 80 years of age, while beneficiaries still receive the same monthly Pension amount of ₹ 1,250, the GoI's contribution increases to ₹ 500 per month.

Scrutiny of Utilization Certificates (UCs) and other relevant documents in the office of the Additional Commissioner, W&CDD revealed that the GoI did not release any Grants to the State Government under IGNWPS during 2017-20. In 2020-21, the GoI released ₹ 88.55 crore to the State Government, which was only 33 *per cent* of its total minimum liability under IGNWPS for the four years (2017-21). The details are shown in **Table 3.10**.

**Table 3.10: Details of Grants released by GoI under IGNWPS during 2017-21**  
(₹ in crore)

Year	Grants released by GoI	Minimum liability of GoI as per NSAP Guidelines
2017-18	0.00	51.48 <sup>17</sup> (1,43,009 beneficiaries)
2018-19	0.00	59.13 (1,64,249 beneficiaries)
2019-20	0.00	78.62 (2,18,395 <sup>18</sup> beneficiaries)
2020-21	88.55	78.62 (2,18,395 beneficiaries)
<b>Total</b>	<b>88.55</b>	<b>267.85</b>

(Source: Information furnished by the Additional Commissioner, W&CDD)

As a consequence, the State Government not only missed out on receiving the rightful funds from the GoI but also incurred an additional financial burden of ₹ 179.30 crore<sup>19</sup> during the period 2017-21.

<sup>16</sup> ₹ 20,000 × 27,801 beneficiaries.

<sup>17</sup> ₹ 300 per month × 12 months = ₹ 3,600 per year × 1,43,009 beneficiaries = ₹ 51.48 crore.

<sup>18</sup> For widow beneficiaries under IGNWPS, the GoI has fixed a numerical ceiling of 2,18,395. As such, the GoI was bound to release its share equivalent to this numerical ceiling, or the number of widow beneficiaries actually covered, whichever was less.

<sup>19</sup> ₹ 267.85 crore – ₹ 88.55 crore.

The State Government accepted the audit observation and stated (April 2023) that GoI did not release any Grants under IGNWPS during 2017-20, due to non-digitization of the beneficiaries’ details by the W&CDD and non-conduct of Social Audit of the Scheme.

### 3.7 Non-convergence of NSAP with other Schemes

According to Paragraph 8.1 of the NSAP Guidelines, due to the vulnerable socio-economic and health conditions faced by NSAP beneficiaries, it was deemed essential to converge various anti-poverty programmes with NSAP. This convergence was intended to streamline and enhance the comprehensive and effective distribution of social support. Thus, all the eligible NSAP beneficiaries were meant to automatically receive the advantages of other Social Welfare Schemes administered by the Central and State Governments, such as, Rashtriya Swasthya Bima Yojana, State-level Health Insurance Schemes, Mahatma Gandhi National Rural Employment Guarantee Act, Indira Awaas Yojana, National Food Security Act, National Rural Livelihood Mission, Aajeevika Skills Programme and more.

Information furnished (January 2022) by the Director, Social Defence and the Commissioner, W&CDD revealed that except 96 per cent<sup>20</sup> of NSAP beneficiaries, who were drawing ration under National Food Security Act, no data of NSAP beneficiaries had been shared by the Implementing Agencies with the Implementing Agencies of other Schemes for convergence purpose.

The fact that data of NSAP beneficiaries has not been shared with implementing agencies of other Schemes for convergence meant that potential opportunities for integrating services and resources to provide comprehensive support to vulnerable individuals and families have been missed.

The State Government stated (April 2023) that Pilot Projects have been started in nine districts of the State for convergence of NSAP with other Schemes, with the support of Self Help Groups.

***Recommendation 5: To facilitate enhanced coordination and synergy between various Government Schemes, the NSAP beneficiary data may be shared with other implementing agencies of different Departments. This approach would enable effective convergence, allowing identified vulnerable beneficiaries to access benefits from multiple State/Central Schemes.***

### 3.8 Non-conduct of Social Audit

Public participation in decision-making and policy execution is a key aspect of good governance. Involving members of society, especially stakeholders of a Scheme, in assessing and reviewing its implementation at the grassroots level can lead to valuable insights for more effective implementation. This process, known as ‘Social Audit’, serves to improve the Schemes by identifying and

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<sup>20</sup> 7,23,820 out of 7,55,957 NSAP beneficiaries were converged under the National Food Security Act.

addressing shortcomings, thereby enhancing transparency, accountability and addressing beneficiaries' concerns.

As per paragraph 6.10.2 of the NSAP Guidelines, Social Audit under NSAP is to be conducted by the Gram Sabha/Ward Committee, at least once in every six months. Therefore, it is necessary for the Gram Panchayat/Municipality to include "Conducting Social Audit for NSAP Schemes" as one of the agenda items in at least two Gram Sabhas/Ward meetings convened annually.

Scrutiny of records, however, revealed that none of the 36 selected Gram Panchayats/Wards conducted Social Audit of NSAP during the period 2017-21. Notably, the non-conduct of Social Audit by the State Government was cited as one of the reasons by the GoI for withholding of Grants under IGNWPS from 2017 to 2020, as detailed in **Paragraph 3.6** above.

The State Government stated (April 2023) that the Central Government had assigned the Social Audit Unit of the Mahatma Gandhi National Rural Employment Guarantee Act to conduct the Social Audit of NSAP. A trial Audit in this regard was completed in December 2021. The State Government further stated (June 2024) that the Social Audit Unit had prepared a schedule/calendar for conducting the Social Audit of the NSAP. However, Social Audit had not been completed.

### 3.9 Funds received under 'Administrative Expenses' not spent

As per Paragraph 7.1 of Scheme Guidelines, the State Governments are permitted to utilize up to three *per cent* of the NSAP funds released during the year towards 'Administrative Expenses', to enable effective implementation of the NSAP. The States can decide the norms and formula for allocating this three *per cent* as per local requirements. The activities permissible under the 'Administrative Expenses' are, printing and distribution of Pension Passbook, printing of application forms, organizing camps for distribution of Disability Certificates, IEC<sup>21</sup>, training of Nodal Officers of PRIs/ULBs/NGOs, MIS, impact assessment, quality supervision, operational expenses, *etc.*

Audit observed that the GoI released ₹ 135.46<sup>22</sup> lakh to the State Government towards 'Administrative Expenses' under NFBS during 2018-21 (no funds were released by the GoI during 2017-18). However, the State Government neither decided any norm(s) nor worked out a formula for allocating these funds for meeting expenses under the heads mentioned above. Thus, 'Administrative Expenses' of ₹ 135.46 lakh released by the GoI during 2018-21 remained unutilized.

The State Government accepted (April 2023) the audit observation and stated that GoI funds could not be utilized, as no provision was made for 'Administrative Expenses' under NFBS in the State budget during 2018-21.

<sup>21</sup> Information, Education and Communication.

<sup>22</sup> 2018-19: 41.16 lakh; 2019-20: 41.16 lakh; and 2020-21: 53.14 lakh.

