

PERFORMAMCE AUDIT

FINANCE DEPARTMENT, SOCIAL WELFARE DEPARTMENT AND RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT

1.2 Performance Audit on Direct Benefit Transfer (covering in-cash transfers only)

Highlights

- *State Government constituted a Committee on DBT to act as Advisory having members from 16 Government Departments but did not include members from Unique Identification Authority of India, State Level Banking Committee, Telecom Service Providers, etc.*

(Paragraph 1.2.7.1(i))

- *As the DBT related activities were carried out independently by the departments concerned, the role of the DBT Cell was limited to forwarding of instructions received from the Centre to various implementing departments.*

(Paragraph 1.2.7.1 (ii))

- *State DBT Co-ordinator operated without any Implementation Support viz., Technical, Non-technical and Finance & Admin and was assisted by two officers of the Institutional Finance Cell of Finance Department. No subordinate staff were posted even after five years of its creation. Hence the State DBT Cell was not adequately manned to provide unity of command.*

(Paragraph 1.2.7.2)

- *DBT Cell could not provide one-stop point to coordinate all efforts for seamless on-boarding of schemes on to the DBT platform and for monitoring and evaluation of progress made by various departments on DBT against targets, milestones and indicators as envisaged in the guidelines.*

(Paragraph 1.2.8.1)

- *DBT portal could not provide for dynamic up-dation of data and daily tracking of progress, report generation, etc. could not be done. DBT portal showed 78 schemes but the number of beneficiaries and amount transferred scheme-wise could not be generated or viewed. Two schemes in the DBT portal were not presently implemented by the departments.*

(Paragraphs 1.2.8.4 & 1.2.8.6)

- *The flow of funds from GoI to State Government for transfer of government benefits to the eligible beneficiaries was not consistent and effective. Delays were at various stages such as, release of funds to State, submission of UCs, and transfer of funds to implementing departments and agencies by the State, and release of benefits to the beneficiaries' accounts.*

(Paragraph 1.2.10.1)

- *In respect of IGNOAPS, overall delays in transfer of funds from GoI to State was to the extent of three months to four months during 2017-2020 adversely affecting*

monthly disbursement of pensions. All 100 selected beneficiaries received their pensionary benefits with delays ranging from four months to 44 months during 2017-18 to 2020-21 against the prescribed monthly payment of pension.

(Paragraphs 1.2.10.1 (i) & 1.2.10.2 (i))

- In PMAY-G, delay in transfer of funds from State Government to SNA ranged from 23 to 212 days. The balance amount of ₹ 3.11 crore was still lying in the bank as of 31 March 2021. In 89 out of 100 beneficiaries test checked, first instalments were paid with delays ranging from two days to 98 days beyond the stipulated time of one week. Second instalments with delays of two days to 207 days after completion of Plinth level for all the 100 beneficiaries and for the third instalments delay ranged from one day to 236 days after completion of Lintel level.

(Paragraphs 1.2.10.1 (ii) & 1.2.10.2 (ii))

- In PMMVY, ₹ 4.27 lakh was yet to be released by the State Government as of March 2021. The delays in release of funds to the beneficiaries ranged from 12 months to 25 months. Out of 100 beneficiaries test checked, payment of first instalment in 69 cases were delayed ranging from one day to 863 days. The second instalment of 67 cases were delayed ranging from two days to 672 days. For the third instalment, the delay ranged from one day to 557 days in 49 cases.

(Paragraphs 1.2.10.1 (iii) & 1.2.10.2 (iii))

- Even under DBT platform, the delay in transfer of benefits to the beneficiaries' accounts was very significant. The very objective of achieving timely and reliable transfer of government benefits to the eligible recipients remained to be achieved. This was mainly due to delays in fund flow from GOI to State and then from the State to the implementing departments which in turn further delayed the transfers of the benefits to the beneficiaries.

(Paragraph 1.2.10.2)

- Monitoring mechanism for implementation of the selected schemes were found to be inadequate.

(Paragraph 1.2.10.3 (ii))

1.2.1 Introduction

Direct Benefit Transfer (DBT) is a major reform initiative of Government of India (GoI) to ensure better and timely delivery by direct transfer of financial assistance and entitlements to eligible beneficiaries' bank accounts in a fair, transparent, efficient and reliable manner. This delivery mechanism would facilitate efficient interface between Government and people. This would involve accurate identification and targeting of intended beneficiaries, promotion of financial inclusion and remove leakages, re-engineer government process for flow of funds and information and setting up of digital platforms that are accessible and reliable.

DBT was rolled out in the country in 2013 with Central Sector (CS) and Centrally Sponsored Schemes (CSS) in a phased manner. As of March 2021, 311 schemes across the country were being implemented through DBT mode, reaching out to more than

98 crore beneficiaries with more than 600 crore transactions. GOI has set the target to bring all CS and CSS and subsidy schemes under DBT purview through a coordinated effort between Centre and States.

In order to implement DBT, States have been asked to set up a State DBT Cell to act as a one-stop point to coordinate all efforts for bringing the implementation of schemes on to DBT. The State DBT Cell is to consolidate guidelines received from Central Ministries and disseminate them to the respective departments. It has to act as a unity of command and provide technical support in implementation and coordination.

In Manipur, the State DBT Cell was constituted in October 2016 and nine schemes were brought on DBT portal during 2017-18. As per the information furnished by the State DBT Cell, there are 78 schemes on the DBT portal being implemented by 15 Departments as of July 2020. As the information regarding the total number of beneficiaries covered under these 78 schemes was not available with the Cell, we called for the data from the respective departments and as per the information furnished by eleven out of the 15 departments for 23 schemes (out of 51 schemes being implemented by them), the total number of beneficiaries covered by eight¹ departments was 5.24 lakh. The data from the remaining seven departments is awaited (March 2022).

1.2.2 Scope of Audit

The Performance Audit (PA) was conducted during September 2020 to December 2020. State DBT Cell was selected and in addition, for the purpose of test-check, three schemes were selected *viz.*, (i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS)², (ii) Pradhan Mantri Awaas Yojana-Gramin (PMAY-G)³ and (iii) Pradhan Mantri Matru Vandhana Yojana (PMMVY)⁴ for the period from 2017-18 to 2020-21 (up to July 2020) in 4 districts (Valley Districts- Bishnupur, Imphal East and Hills Districts- Chandel and Senapati) out of 9 districts⁵, selected through Probability Proportional to Size Without Replacement Method (PPSWOR) based on funds transferred to the districts. Two departments being implementing departments, *viz.*, Social welfare for IGNOAPS and PMMVY; Rural Development and Panchayati Raj

¹ Out of eleven departments; three departments furnished Nil report, hence the total No. of departments which furnished information will be considered as eight.

² IGNOAPS, a fully funded Central Sector Scheme is implemented under the National Social Assistance Program (NSAP) which provides monthly pension to Below Poverty Line beneficiaries @ ₹ 200 per month (between 60-79 years of age) and ₹ 500 per month (above 80 years of age) and is implemented in Manipur by the Social Welfare Department.

³ PMAY-G provides financial assistance @ ₹ 1.30 lakh to houseless beneficiary to build *pucca* house and is funded by the Centre and State in the ratio 90:10 for North Eastern and Himalayan States and is implemented in Manipur by Rural Development & Panchayati Raj Department.

⁴ PMMVY, provides financial assistance to Pregnant Women and Lactating Mothers after delivery of the first living child @ ₹ 5000 as partial compensation for loss of wages during motherhood and is funded by Central and State Governments in the ratio 90:10 for North Eastern and Himalayan States and is implemented in Manipur through Anganwadi Services of Integrated Child and Development Scheme under the Social Welfare Department.

⁵ For the purpose of audit, the earlier administrative formation of nine districts is considered since the newly formed districts were not fully functional.

for PMAY-G were selected. Audit analysis of records of 300 beneficiaries⁶ in the State was done, of which Joint Physical Verification (JPV) of beneficiaries for a total of 100 beneficiaries in the sampled districts was conducted as shown below:

Table 1.2.1 Statement showing selection of beneficiaries for JPV

Name of Scheme	Valley District		Hill District		Total
	Bishnupur	Imphal East	Chandel	Senapati	
IGNOAPS	10 (5615)	9 (9034)	8 (2115)	7 (8224)	34 (24988)
PMAY-G	8 (351)	8 (1352)	8 (1212)	9 (1943)	33 (4858)
PMMVY	8 (580)	9 (1185)	8 (101)	8 (78)	33 (1944)
Total	26 (6546)	26 (11571)	24 (3428)	24 (10245)	100 (31790)

Note: Figures in parenthesis are total No. of beneficiaries in the respective sampled districts.

Source: Departmental Records.

1.2.3 Audit Objectives

The topic was selected to ascertain:

- whether the infrastructure, organisation and management of DBT were adequate and effective; and
- whether necessary process reengineering was done for implementation of DBT so as to minimise (a) intermediary levels (b) delay in payments to intended beneficiaries and (c) pilferage and duplication.

1.2.4 Audit Criteria

This audit was benchmarked with the following criteria:

- Documents, circulars, orders, instruction and notification issued by the DBT Mission, Central Ministry and State Government;
- Standard Operating Procedures and Guidelines for State DBT Cell issued by DBT Mission and
- Guidelines of the schemes viz., PMAY-G, IGNOAPS and PMMVY.

1.2.5 Audit methodology

The audit commenced with an Entry Conference (15 September 2020) with the Finance Department handling DBT Cell, Rural Development & Panchayati Raj Department and Social Welfare Department, Government of Manipur, wherein the scope of audit, objectives and criteria were discussed. Thereafter, records and documents pertaining to 300 selected beneficiaries were examined and the audit findings, conclusions and recommendations were arrived at, regarding status of implementation of DBT, deficiencies of flow of benefits *etc.* In addition, Joint Physical Verification (JPV) of 100 beneficiaries was conducted and photographic evidences were also gathered to substantiate the audit findings.

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Name of Scheme	No. of Beneficiaries detailed checked	Total No. of Beneficiaries
IGNOAPS	100	56,045
PMAY-G	100	11,251
PMMVY	100	14,611

An Exit Conference was held on 28 March 2022 with the above Departments, wherein the audit findings were discussed. The response of the Government has been incorporated appropriately in the report.

1.2.6 Organisational Structure for implementation of DBT

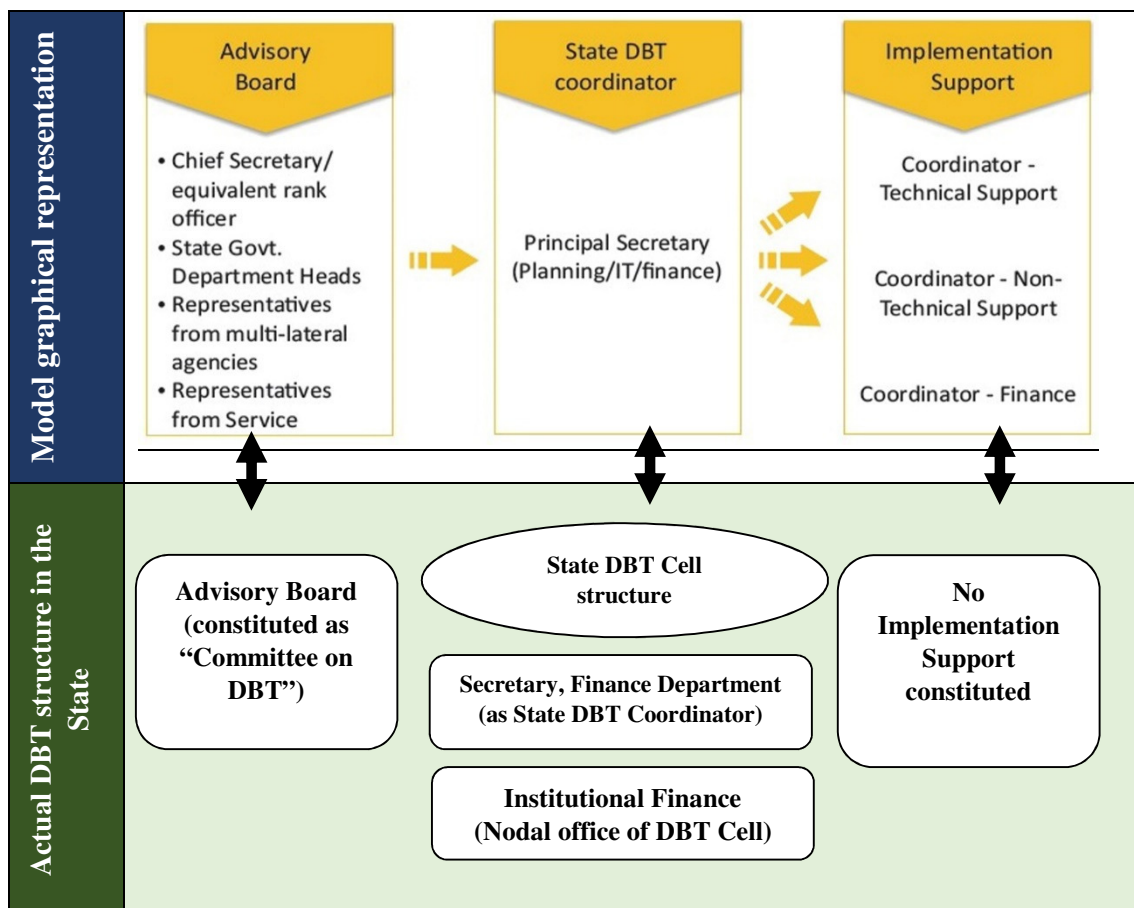
The State DBT Cell is headed by Chief Secretary, Finance Department who also acts as DBT Coordinator in matters related to DBT. The Director, Institutional Finance is a Nodal Office co-ordinating with the departments implementing the schemes. The nodal officers of the implementing departments are responsible for implementing the scheme in their respective departments.

1.2.6.1 Organisational Structure of State DBT Cell

The State DBT Cell is to act as a nodal point for all activities and matters related to DBT operations in the State and shall be responsible for liaisoning with various stakeholders, disseminating the directives to respective departments, developing department specific Information and Communication Technology (ICT) applications to capture DBT data, monitoring and evaluating the progress of departments on DBT related indicators, *etc.*

The State DBT cell should have an organisational structure consisting of three broad components *viz.*, Advisory Board, DBT Coordinator and Implementation Support as presented in the following Chart:

Chart 1.2.1 Organisational structure of State DBT cell



Audit Findings

1.2.7 Management of State Direct Benefit Transfer Cell

1.2.7.1 Deficiencies in organisational arrangements in State DBT Cell

Audit analysed the position of organisational arrangements in the State DBT Cell and the following observations emerged:

(i) Advisory Board: As per Guidelines, Advisory Board was to be constituted, as a parallel body and as an independent entity to State DBT Cell, with representatives from various enablers and stakeholders such as all Government Departments, UIDAI⁷, SLBC⁸, TSPs⁹ etc. to provide a holistic, well-rounded advisory and consulting inputs to the DBT cell.

Audit observed that the State Government constituted (July 2016) a Committee on DBT, as Advisory Board with Chief Secretary as the Chairman, and the Administrative heads of 16 other Departments as its members. However, no representative from UIDAI, SLBC, TSP etc. was included in the Committee.

(ii) State DBT Coordinator: As per Guidelines, the Administrative Head of Planning/ IT/ Finance was to be nominated as State DBT Coordinator on DBT related matters and to coordinate and liaison with various Departments in setting up deadlines, receiving directives from the Centre, strategising, etc.

State Government constituted (October 2016) a DBT Cell with the Administrative Head of Finance Department as State DBT Coordinator with 10 other representatives including that from NIC, NABARD and SLBC.

Audit, however, observed that though the Coordinator was to spearhead in reengineering efforts to bring the schemes on to DBT platform but these activities were being carried out by the concerned departments independently without any coordination/ liaison with the State DBT Coordinator. As such, the functions of the State DBT Coordinator were limited to forwarding of instructions received from the Centre to various implementing units.

(iii) Implementation Support: Implementation Support was to be provided by three coordinators who were responsible for Technical, Non-Technical and Finance & Administrative Support to the Cell's operations.

Scrutiny showed that no Technical, Non-Technical and Finance & Administrative Support layers had been created in the State.

During Exit Conference (March 2022), Finance Department stated that it is difficult for a small state like Manipur to comply with all the required organisational structures as envisaged in the DBT guidelines. The matter would be taken up with DBT Mission.

⁷ Unique Identification Authority of India.

⁸ State Level Bankers' Committee.

⁹ Telecom Service Providers.

Further, representatives from the concerned departments/ stakeholders will be made part of the Advisory Board.

1.2.7.2 Human Resources for State DBT Cell

As per the Guidelines, Implementation Support component of DBT Cell would function as the operational part of the Cell, with three coordinators for Technical, Non-Technical and Finance & Admin units, who would directly report to the DBT Coordinator.

However, the State Cell did not have manpower and only two officers, viz., Director and Assistant Director of Institutional Finance Cell, were looking after the State DBT Cell without any subordinate staff. Thus, even after a span of five years from establishment of State DBT Cell in October 2016, required manpower and organisational arrangements for implementation of DBT had not been provided.

During Exit Conference (March 2022), Finance Department agreed with the audit observation.

1.2.8 Functions of DBT Cell

1.2.8.1 Targets not set for onboard of schemes under DBT

As per Guidelines, DBT Cell has to set targets/ goals and deadlines for on-boarding of schemes implemented by various departments on to DBT for capturing the information pertaining to DBT.

It was observed that 78 schemes, as on the date of Audit (October 2020) were under DBT. On further enquiry in Audit, the Cell stated that no target for on-boarding of schemes was set as the schemes were implemented by the departments as per their requirements or instructions from the Central Government. The Cell, from time to time, made requests to the departments to indicate if there were any schemes which are yet to be on-boarded on to DBT.

Audit however observed that the Cell had no information about how many schemes were yet to be brought under DBT. Despite efforts of DBT Cell, the Departments concerned did not regularly send information regarding on-boarding of Schemes in DBT Cell as per requirement. The DBT Cell has not functioned as a one stop-point for all activities related to DBT operations in the State as envisaged in the guidelines.

During Exit Conference (March 2022), Finance Department agreed that no specific target was set for on-boarding the schemes. DBT Cell shall make efforts to set targets for on-boarding of schemes under DBT platform in future in coordination with the departments.

1.2.8.2 Absence of monitoring and evaluation of progress made by departments

As per Guidelines, the State DBT Cell has to closely monitor and evaluate the progress of various departments on DBT related indicators *vis-à-vis* expected outcomes.

Audit observed that the DBT Cell had not evaluated the progress made on DBT by various departments. The Cell stated that actual progress and achievements of DBT

implementation are being monitored by the implementing departments and the information is updated by them on the DBT Portal.

During Exit Conference (March 2022), Finance Department stated that State DBT cell has not evaluated the progress made on DBT by various departments. Further, the uploading of data on the portal is done manually and not in real time.

1.2.8.3 Benchmarking studies on best practices not conducted

As per Guidelines, the Cell has to conduct benchmarking studies on best practices and develop roadmap to incorporate those practices in the State.

Audit noticed that the Cell was yet to conduct such studies.

Thus, in the absence of benchmarking studies on best practices, implementation of DBT in the State would be deprived of the benefits of such innovative practices available internationally.

Finance Department stated (March 2022) that benchmarking studies on best practices could not be done as it is difficult for a small state like Manipur to conduct such studies. Best practices of other states are highlighted whenever workshops are conducted by DBT Mission.

1.2.8.4 Deficiencies of State DBT Portal

The SOP of DBT requires that the DBT Cell would develop an IT based System Utility/MIS for schemes, to enable report generation, dynamic update of data and daily tracking of progress.

The DBT Cell has a State DBT Portal which is a part of GoI's DBT portal. On enquiry in Audit, the Cell stated that at the end of each financial year while roll-over is being done to the new year, the data is set to zero. Data of previous years was no longer accessible once the roll-over was done. If any data for previous years is required, these can be extracted only by Central Technical Team of Central DBT Mission. Thus, the DBT portal did not have provision for dynamic updation of data, daily/periodic tracing of progress, report generation, *etc.*, as envisaged in the SOP.

During Exit Conference (March 2022), Finance Department agreed that there is a need for IT based system Utility/MIS for the schemes to enable report generation, dynamic updating, *etc.* As per DBT Mission instructions, all State schemes are to be linked to DBT MIS, the work for which is in progress.

1.2.8.5 Non-constitution of dedicated body for complaints and grievances

As per SOP of DBT, the DBT Cell was to constitute a dedicated body to deal with complaints and grievances of beneficiaries pertaining to various issues like delays in receiving subsidy amount in their bank account, incorrect or delayed feedback, incorrect entitlements received, *etc.*

Audit noticed that no such dedicated body has been set up as envisaged in the guidelines.

During the Exit Conference (March 2022), Finance Department stated that henceforth a mechanism would be put in place to redress grievances/ complaints of beneficiaries.

1.2.8.6 On-boarding schemes on DBT portal

In Manipur, implementation of DBT started from 2016-17 with the constitution of State DBT Cell in October 2016. There were no schemes under State DBT portal in 2016-17. The number of schemes under DBT portal increased 8.6 times from 9 schemes (2017-18) to 78 schemes (2020-21). However, amount transferred and number of beneficiaries against these 78 schemes were not depicted in the DBT portal.

Audit scrutiny further revealed that out of 78 schemes in the DBT portal, two schemes, viz., National Scheme of Incentives to Girls for Secondary Education and Development of Inland Fisheries and Aquaculture appearing in the DBT portal are not being implemented in Manipur. Moreover, the Cell could not provide information, as to how many schemes were beneficiary-oriented schemes being implemented in the State, number of such schemes yet to be brought under the purview of DBT, total number of beneficiaries already linked to DBT, the position of fund flow, etc.

Thus, the State DBT portal could not provide accurate and up-to-date information on all schemes linked to DBT platform for the State, for the purpose of monitoring and evaluation of progress made by implementing Departments.

During Exit Conference (March 2022), Finance Department stated that timely on-boarding of schemes on to DBT portal could not be done till the implementing Departments provide the information. Linkage of departments' MIS with DBT cell is under discussion, and the existing flaws would be resolved once the linkage is completed.

1.2.8.7 Delivery of benefits to beneficiaries and financial outgo under DBT platform

The DBT Cell was to ensure on-boarding of schemes implemented by various Departments on to DBT portal in a timely manner. DBT Cell is to act as an interface between Government and eligible beneficiaries involving accurate identification and targeting of intended beneficiaries.

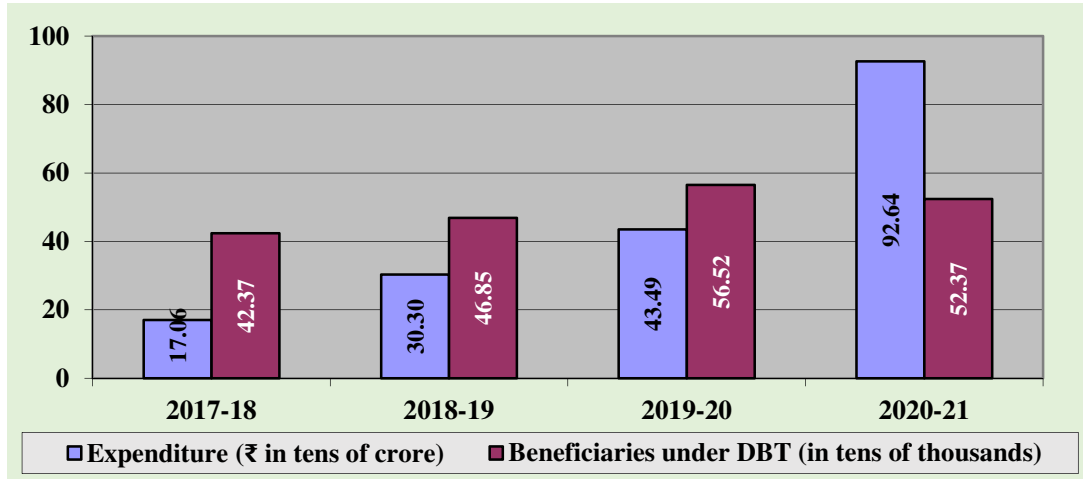
Audit scrutiny revealed that though the DBT portal indicated 78 schemes being implemented by 15 Departments, no financial outgo could be generated from the system and thus could not be verified in Audit. The Department-Scheme-wise details extracted from the DBT portal are given in *Appendix 1.3*.

In order to verify the actual number of beneficiaries availing direct transfer of benefits, the number of schemes and corresponding financial outgo, Audit requisitioned information from the DBT Cell and 19 Departments implementing various schemes.

As of March 2022, only 11 Departments furnished the information. Analysis of information furnished by the 11 Departments (September to October 2021) revealed that 23 schemes having 7,41,870 beneficiaries, were being implemented by these Departments, but only 5,23,738 beneficiaries had been linked to DBT mechanism as

on July 2020 leaving 2,18,132 beneficiaries out of the DBT mechanism as detailed in **Appendix 1.4**. The reasons for leaving such huge number of beneficiaries outside DBT platform is yet to be furnished by the Departments. In absence of complete details of schemes being implemented by various State Government Departments, the actual number of beneficiaries and the financial outgo could not be ascertained in Audit. The position as per the available information is depicted in the Chart below:

Chart 1.2.2 Position of beneficiaries under DBT platform and expenditure



Sources: Departmental Records.

Further, it can be seen from above that fund transfers through DBT increased by 5.43 times from ₹ 170.65 crore (2017-18) to ₹ 926.42 crore (2020-21). The number of beneficiaries increased steadily from 4.24 lakh (2017-18) to 5.65 lakh (2019-20) but decreased marginally to 5.24 lakh in 2020-21 (July 2020). Though the beneficiaries in 2020-21 decreased by 41,000 (approximately), the expenditure had increased by ₹ 500 crore, reasons of which were not on record.

Thus, it is evident that the information flow on DBT schemes through DBT cell was incomplete. DBT cell was yet to act as one-stop point for on-boarding of schemes to DBT and for subsequent monitoring of progress made by each Department, by setting against targets and milestones for transition of schemes to DBT platform as envisaged in the guidelines. As such, there is a need for strengthening the DBT Cell to monitor on-boarding of schemes on to the DBT portal on regular basis and to coordinate efforts of implementing Departments to bring delivery of benefits through DBT platform in a time-bound manner.

In response, Finance Department assured (March 2022) that the Audit observations on the 11 Departments would be examined and reasons for the discrepancies on the number of beneficiaries would be furnished to Audit.

1.2.8.8 Process re-engineering for DBT

The Standard Operating Procedure of DBT states that the DBT Cell would study existing process flow and fund flow under each scheme and reengineer the same wherever necessary.

It was found that the Cell had not conducted any study on existing process flow and fund flow under each scheme for necessary reengineering so as to simplify process flow of funds and information, selection procedure of beneficiaries, transfer of benefits, monitoring of activities, *etc.*

The Cell stated that this effort is within the purview of implementing Departments, as most schemes are Central Sector/ Centrally Sponsored Schemes, which are being monitored directly by the Ministry concerned.

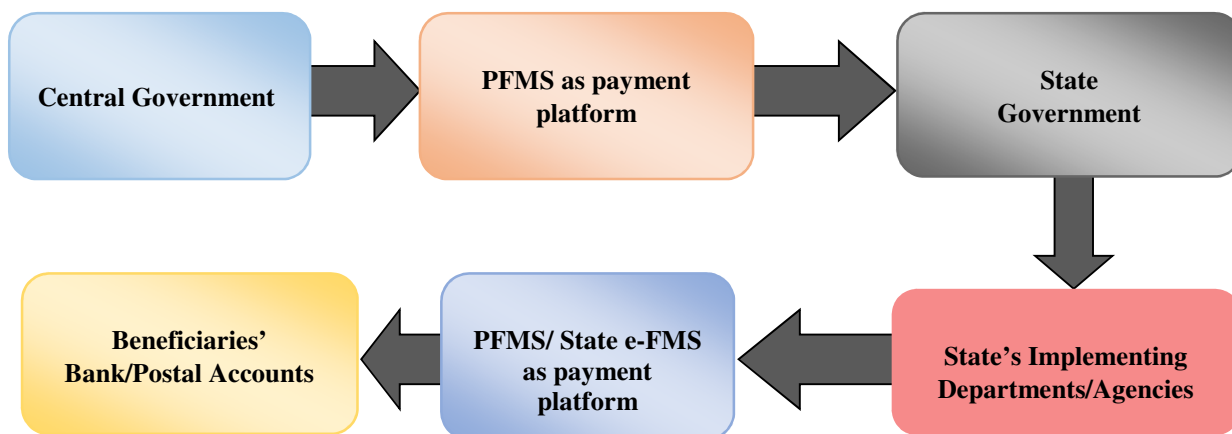
Audit further emphasised that DBT delivery mechanism functions in a decentralised manner, in which the state DBT Cell is to play a pivotal role in the implementation of DBT, thus it is responsible for coordinating and liaising with all stakeholders for seamless transitioning of schemes to DBT.

During Exit Conference (March 2022), Finance Department accepted the Audit observation.

1.2.9 Fund flow under DBT

For all DBT oriented schemes, Central Ministries/ Departments and the State Treasuries were to be registered on the centralised Public Fund Management System (PFMS) portal. All allocated flow of funds to the respective State Departments/ Implementing Agencies of the schemes are made through PFMS and then into the Bank/ Postal accounts of the individual beneficiaries. The process of fund flow is depicted in a diagram below:

Chart 1.2.3 Chart showing fund flows under DBT



For Direct Benefit Transfer (DBT) to the beneficiaries' accounts in respect of three selected schemes¹⁰, centralised software namely NSAP-PPS (IGNOAPS), *AwaasSoft* (PMA-Y-G) and PMMVY-CAS (PMMVY) was being used by Implementing Departments. In order to assess the efficacy of DBT in these three selected schemes, records of 100 beneficiaries each were selected and checked by Audit with Departmental officials. The process followed by implementing Departments for identifying end beneficiaries and transfer of benefits was as follows:

¹⁰ IGNOAPS, PMA-Y-G and PMMVY.

- a) after completion of beneficiary identification by the local authority/elected ward members/ anganwadi workers, the selected beneficiaries are enrolled in Ministry's DBT Scheme Management software by seeding with their respective Aadhars;
- b) thereafter, the beneficiary data along with bank and Aadhar details are sent to PFMS for verification. PFMS automatically sends the details to the banks, and NPCI/UIDAI respectively for validation of accounts details with Aadhar;
- c) after their validation, the validation response files containing information on account holders as per records is sent back to the Departments by Bank/ NPCI/ UIDAI; and
- d) finally, payment to validated beneficiaries are made in their respective bank accounts.

Further, to test check the last mile receipt of cash benefits by end beneficiaries, the related data and bank details of 33/34 out of 100 beneficiaries for each scheme was subsequently verified jointly with the concerned Department officials during field survey.

Audit found that selected eligible beneficiaries were enrolled in the DBT system after seeding with their Aadhars and validated both by Ministry and Departments/Banks for transfer of cash benefits through PFMS. The end beneficiaries were also receiving the benefits regularly except that there was delay in receipt of the amount as highlighted in the succeeding **para 1.2.10.2**. Thus, though the DBT Cell and the DBT Portal did not function as a centralised one-stop point for on-boarding and monitoring of transfer of benefits, the individual departments were implementing the schemes on DBT platform using the Centralised Software system and the eligible end beneficiaries were receiving the benefits as envisaged.

1.2.10 Audit Findings on Three Selected Schemes

DBT is to ensure better and timely delivery by direct transfer of financial assistance to eligible beneficiaries' bank accounts in a fair, transparent, efficient and reliable manner. Audit, however, observed various deficiencies in flow of benefits to the end beneficiaries in the three sampled DBT schemes¹¹ which are elaborated in the following paragraphs.

1.2.10.1 Delay in flow of funds

(i) Indira Gandhi National Old Age Pension Scheme

Under Indira Gandhi National Old Age Pension Scheme (IGNOAPS), which is a fully funded Central Scheme, funds are released to the states in two instalments, viz., 50 per cent as first instalment and the remaining 50 per cent upon submission of

¹¹ (i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS), (ii) Pradhan Mantri Awaas Yojana- Gramin (PMAY-G) and (iii) Pradhan Mantri Matru Vandhana Yojana (PMMVY).

requisite documents¹². Proposal for second instalment should be submitted latest by 15 December along with UC for the funds received during the current financial year in the prescribed proforma. Position of funds received and transferred during 2017-18 to 2020-21 (up to July 2020) is as shown in the table below:

Table 1.2.2 Position of fund receipts and transfers

(₹ in lakh)

Year	Fund released by GOI		Fund released by GOM		Fund transferred to beneficiaries		Unspent balance if any
	Date of release	Amount	Date of release	Amount	Date of release	Amount	
2017-18	09/10/2017	1684.48	15/03/2018	1684.48	17/05/2018	1684.48	Nil
	22/03/2018	842.23	20/06/2018	842.23	07/07/2018	842.23	Nil
Total for 2017-18		2526.71		2526.71		2526.71	Nil
2018-19	28/09/2018	813.88	19/03/2019	813.88	13/09/2019	813.88	Nil
	19/08/2019	813.88	23/03/2020	813.88	15/05/2020	813.88	Nil
Total for 2018-19		1627.76		1627.76		1627.76	Nil
2019-20	19/08/2019	808.19	23/03/2020	808.19	25/03/2020	808.19	Nil
	22/10/2020	808.19	10/12/2020	808.19	25/12/2020	808.19	Nil
Total for 2019-20		1616.38		1616.38		1616.38	Nil
2020-21 (up to July 2020)	03/04/2020	277.93	09/04/2020	277.93	13/04/2020	277.93	Nil
	11/05/2020	277.93	22/05/2020	277.93	27/05/2020	277.93	Nil
	28/05/2020	404.09	02/07/2020	404.09	07/07/2020	404.09	Nil
	22/06/2020	134.70*	15/11/2020	134.70	04/02/2021	134.70	Nil
Total for 2020-21		1094.65		1094.65		1094.65	Nil
Grand total		6865.50		6865.50		6865.50	Nil

Source: Departmental Records.

* ₹ 404.09 lakh released for three months from July 2020 to September 2020. Thus, the fund would be ₹ 134.70 (₹ 404.09/3).

Audit observed that:

- During 2017-18, the first instalment was released by State Government to the Social Welfare Department with a delay of five months and the Department further delayed release of benefits to the beneficiaries by two months. Thus, altogether, there was a delay of seven months in release of first instalment to the beneficiaries.

For release of second instalment, UCs for the first instalment was to be submitted in December 2017. However, it was submitted in March 2018 after a delay of three months. Though GoI released the second instalment promptly, State Government released the funds to the Social Welfare Department after a delay of three months leading to as much delay in release of second instalment to the beneficiaries.

- During 2018-19, State Government released the first instalment to the Department after a delay of five months, who further delayed release of benefits to the Beneficiaries by six months. Thus, altogether there was delay of 11 months in release of first instalment to the beneficiaries.

¹² UCs for funds received during the previous year as well as the current year, certificate for funds transferred to the beneficiaries as per provisions of the guidelines, etc.

GoI released second instalment with a delay of three months, as the UCs of the first instalment was submitted with a delay of four months. The State Government further delayed release of second instalment of the fund to the Department by seven months which further delayed release of benefits to the beneficiaries by one and half months. Thus, there was delay of 11 and half months in release of second instalment to the beneficiaries.

- During 2019-20, State Government released the first instalment after a delay of seven months. However, there was no further delay in release of benefits by the Department to the beneficiaries.

GoI released the second instalment with a delay of four months, as the UCs of the first instalment was submitted with a delay of five months. The State Government delayed release of second instalment by one month. However, there was no further delay by the Department in releasing the fund to the beneficiaries. Thus, altogether, there was a delay of five months in release of second instalment to the end beneficiaries.

- During 2020-21, the first instalment was released in four instalments, of which in two cases there were delays of one month and six months in release of benefits to the beneficiaries. Details are given in **Appendix 1.5(A)**.

Thus, the overall delays in transfer of funds from GoI to State was to the extent of three months to four months during 2017-2020 adversely affecting monthly disbursement of pensions. Thus, State Government should review fund flow from Centre to the State and from the State Government to the Implementing Agencies / Department and finally to beneficiaries' accounts so as to rectify the faulty process causing unwarranted delays and ensure timely transfer of benefits.

(ii) Pradhan Mantri Awaas Yojana-Gramin

Pradhan Mantri Awaas Yojana-Gramin (PMAY-G) is funded on sharing basis between Central and State Governments in the ratio 90:10. Central share was to be transferred to the State Nodal Account (SNA) within 15 days from its date of receipt, failing which a penal interest of 12 *per cent* per annum would be charged which was to be transferred to SNA by the State. Position of the fund received and transferred during 2017-18 to 2020-21 is as shown below:

Table 1.2.3 Fund Receipt and transferred in respect of PMAY-G

(₹ in lakh)

Phase	Year ¹³	Opening Balance	Bank Interest	Fund received and released to SNA			Total Expenditure	Fund balance
				Central	State	Total		
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (3+4+5+6)	(8)	(9)=(7-8)
Phase I	2017-18	657.80 *	97.02	5925.57	0.00	6680.39	6680.39	0
Phase I	2018-19	0	12.91	5267.17	600.00	5880.08	5880.08	0
Phase I	2019-20	0	18.12	107.81	643.64	769.57	769.57	0
Phase I	2020-21	0	75.95	551.09	73.21	9525.26	9214.73	310.53

¹³ Year in which State Government released to SNA.

Phase	Year ¹³	Opening Balance	Bank Interest	Fund received and released to SNA			Total Expenditure	Fund balance
				Central	State	Total		
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (3+4+5+6)	(8)	(9)=(7-8)
Phase II	2020-21			7942.51	882.50			
Total				19794.15	2199.35	22855.30	22544.77	

* O.B. of ₹ 657.795 lakh was inter-transferred fund from IAY to PMAY-G for initial utilisation of PMAY-G
Source: Departmental Records.

Audit observed as follows:

- During 2017-21, ₹ 197.94 crore was received from Central Government in 10 instalments. Except for two instalments, State Government released the funds to the SNA with delays ranging from 23 days to 212 days. Consequently, penal interest of ₹ 6.33 crore at the rate of 12 per cent per annum was due to be paid to SNA by the State Government which was yet to be released (July 2021). Details are given in *Appendix 1.5 (B)*.
- Moreover, against the total funds of ₹ 228.55 crore released to SNA, an amount of ₹ 225.44 crore was spent till March 2021 and a balance of ₹ 3.11 crore was lying in bank accounts as on 31 March 2021. There was delay in transfer of funds to beneficiaries' accounts from the SNA level ranging from one day to 236 days. Details are given in *Appendix 1.6 (B)*.

Further, there was delay in transfer of funds to the beneficiaries as per sampled beneficiaries records test-checked ranging from two days to 98 days for first instalment, two days to 207 days for second instalment and one day to 236 days for third instalment.

Thus, there was delay in transfer of funds from State Government to SNA ranging from 23 to 212 days during the period September 2016 to December 2020 and balance amount of ₹ 3.11 crore was lying in the bank as of 31 March 2021. Delay in release of funds under PMAY-G to the implementing agency by the State Government have delayed payments to the end beneficiaries under this DBT Scheme.

(iii) Pradhan Mantri Matru Vandana Yojana

Funding under Pradhan Mantri Matru Vandana Yojana (PMMVY) is shared between Central and State Governments in the ratio 90:10 for North Eastern and Himalayan States. The Central share was to be directly transferred from Central Government to an Escrow Account¹⁴. The position of fund received and transferred during 2017-18 to 2020-21 is as shown in the table:

¹⁴ As per the scheme guidelines, the State Government has to maintain a separate Escrow Account for the scheme to ensure dedicated and timely availability of funds to the beneficiaries without parking of funds at State level.

Table 1.2.4 Fund Receipts and transferred in respect of PMMVY (Escrow Account)

(₹ in lakh)

Year	Opening Balance	Fund received		Fund Available	Fund transferred (to beneficiaries)	Closing balance	Short Contribution by GoM
		Central	State				
2017-18	0	1263.42	0	1263.42	65.81	1197.56	(-) 140.38
2018-19	1197.56	0	0	1197.56	274.23	923.37	0.00
2019-20	923.37	411.51	40.00	1374.88	1060.77	314.11	(-) 5.72
2020-21 (July 2020)	314.11	186.65	162.57	663.33	407.61	255.72	(+)141.83
Total		1861.58	202.57		1808.43		(-) 4.27

Source: Departmental Records.

Audit observed that:

- During 2017-18, Central share of ₹ 1263.42 lakh was received in October and November 2017 against which the State Government was to release its share of ₹ 140.38 lakh (₹ 1263.42 ÷ 0.9 x 0.1).

However, the State Government released only ₹ 40 lakh as its State share in December 2019, after a delay of 25 months leaving a balance of ₹ 100.38 lakh for the year 2017-18 till August 2020¹⁵.

- During 2018-19, GoI did not release any fund, the reasons of which were not on record. During 2019-20, GoI released ₹ 411.51 lakh but the State Government was yet to release its State share of ₹ 45.72 lakh till August 2020.
- During 2020-21, GoI released ₹ 186.65 lakh for which the State share of ₹ 20.74 lakh was to be released. State Government released (August 2020) its State's share of ₹ 162.57 lakh, the additional amount of ₹ 141.83 lakh being the State share of previous years.

Thus, during 2017-21 (up to July 2020) GoI released a total of ₹ 1861.58 lakh against which State share was ₹ 206.84 lakh. But the State Government had released ₹ 202.57 lakh, leaving a balance of ₹ 4.27 lakh as of March 2021. The delays in release of State share to Escrow Account ranged from 12 months to 25 months.

While accepting the audit observations, Social Welfare Department and RD&PR Department stated (March 2022) that due to poor financial resources, funds were not released in time by Finance Department. This subsequently resulted in delays in release of funds to the end beneficiaries by the implementing Departments. Hence, UCs could not be submitted in a timely manner.

1.2.10.2 Delay in delivery of benefits to beneficiaries' accounts

As per DBT Guidelines, direct transfer of financial benefits to eligible beneficiaries are channelised through specific schemes using DBT delivery mechanism under

¹⁵ August 2020, the date of release of the next State share is taken as release of balance amount of ₹ 100.38 lakh of 2017-18.

centralised PFMS portal. This envisaged timely transfer of benefits to beneficiaries' bank account in an efficient and reliable manner.

Audit, however, observed delays in direct transfer of benefits to beneficiaries' bank accounts in the three sampled DBT schemes as discussed below:

(i) Indira Gandhi National Old Age Pension Scheme

As per NSAP Guidelines, regular monthly disbursement of pensions should be achieved in the shortest possible period. Audit scrutiny of *NSAP-PPS* of IGNOAPS revealed that out of 100 beneficiaries test checked there were delays in payment of monthly pension during 2017-18 for a period ranging from four to 44 months for all 100 beneficiaries. During 2018-19, the delay ranged from 12 months to 32 months. There was marginal improvement during 2019-20 as delays were ranging from 8 months to 20 months, which further improved during 2020-21 with delays ranging from seven to 10 months. Details are given *Appendix 1.6(A)*.

(ii) Pradhan Mantri Awaas Yojana-Gramin

As per PMAY-G Guidelines, first instalment should be released to the beneficiary within a week from the date of issue of sanction order, whereas the second and third instalments were to be released on completion of plinth level and the lintel level respectively. Audit examination of *AwaasSoft* report of PMAY-G revealed that out of 100 beneficiary's records test-checked, payments of first instalments to 89 beneficiaries were not done within the stipulated time of one week. The delays ranged from two days to 98 days. For all 100 beneficiary's records test-checked, payments of second instalments were made after delay of two days to 207 days after completion of Plinth level, of which in 20 cases (20 per cent) payments were made only after 3 months. The third instalments were made after delay of one day to 236 days after completion of Lintel level, of which 34 beneficiaries (34 per cent) were paid the third instalment only after completion of the structure, in deviation of the Guidelines with delays ranging from three days to 134 days. However, reasons for delays in transfer of funds were not recorded. Details are given in *Appendix 1.6(B)*.

(iii) Pradhan Mantri Matru Vandana Yojana

As per PMMVY Guidelines, cash benefits were to be released to the beneficiaries accounts in three instalments¹⁶. The bills for the beneficiaries are prepared automatically subject to the uploading/ updation the details in PMMVY-CAS regarding completion of the milestones. Audit examined the records of PMMVY-CAS in respect of 100 beneficiaries and observed that the first instalment in 31 cases was released in time, but in the remaining 69 cases, there were delays ranging from one day to 863 days,

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Amount (Instalment)	When entitled	Submission of Form	Amount to be distributed within
₹ 1000 (First instalment)	Registration of pregnancy at the AWC	Form 1-A	30 days from the date of registration
₹ 2000 (Second instalment)	After six months of pregnancy with at least one ante-natal check-up	Form 1-B	30 days from the date of receiving Form 1-B
₹ 2000 (Third instalment)	Registration of child birth & first cycle of BCG, OPV, DPT & Hepatitis-B vaccination	Form 1-C	30 days from the date of receiving Form 1-C

of which in case of five beneficiaries (five *per cent*) delays were from two to three months while in case of 45 beneficiaries (45 *per cent*) the delay was more than three months. The second instalment in 33 cases was released in time, but there was delay ranging from two days to 672 days in remaining 67 cases, of which in case of four beneficiaries (four *per cent*) delays were from two to three months while in case of 45 beneficiaries (45 *per cent*) the delay was more than three months. The third instalment amount was released in time in respect of 46 cases but in 49 cases, the delay ranged from one day to 557 days, of which in case of 29 beneficiaries (29 *per cent*) the delay was more than four months. The amount for the remaining five cases (five *per cent*) was yet to be released due to non-submission of claims till date of audit (July 2020). Details are given in **Appendix 1.6(C)**.

Thus, it is evident that even under DBT platform, delay in transfer of benefits to the beneficiaries' accounts was very significant. This was mainly due to delays in submission of UCs, release of State share, transfer of funds to implementing Departments by the State Government, *etc.* Unless fund flow under the respective schemes is streamlined, implementation of DBT delivery mechanism in itself would not achieve the intended objective of ensuring reliability and timeliness in transfer of benefits to the beneficiaries. Further, non-ensuring of timelines stipulated for making payment of benefits would result in hardships to vulnerable section of society.

While accepting the Audit observations, Social Welfare Department and RD&PR Department stated (March 2022) that the delay in transfer of benefits in respect to the beneficiaries' accounts was due to delay in release of fund by the State Government.

1.2.10.3 Other findings

Audit conducted beneficiary survey of 33/34 beneficiaries for the sampled DBT schemes. Some of the significant findings are highlighted below.

- (i) Under PMAY-G, two houses¹⁷ were found incomplete but reported as completed in the *AwaasSoft* even after nine and 23 months of having availed the final instalments.

¹⁷ Out of the 33 houses for which Joint Physical Verification was conducted.

Photo uploaded as completed in AwaasSoft	Photo of Incomplete house seen during beneficiary survey
1st Case (Beneficiary no. MN1027050: Photo uploaded as completed in AwaasSoft on 15/07/2019)	
	
	
2nd Case (Beneficiary no. MN1026024:- Photo uploaded as completed in AwaasSoft on 29/05/2020)	

As could be seen from the above photographs, the incorrect images were uploaded on AwaasSoft showing the houses as completed which indicated that misleading geo-tagging was used by the Department.

(ii) Under PMMVY, three beneficiaries¹⁸ were paid ₹ 11,000 who applied for benefits after 730 days of their pregnancy by wrongly entering the dates of Last Menstrual Period to make registration valid which was beyond the permissible periods in violation of scheme Guidelines.

(iii) The monitoring mechanism for implementation of the above three selected schemes was found to be inadequate. As per guidelines of IGNOAPS, a designated State Level Committee (SLC)¹⁹ was responsible for implementation, monitoring and evaluation of the programme. However, no SLC was constituted for this scheme till March 2021. Though PMAY-(G) commenced in the State during 2017-18, but State Programme Management Unit (SPMU) to implement and monitor the scheme was set up only in February 2020 after a lapse of three years. Similarly, State level PMMVY Cell required for effective implementation of the scheme was constituted only in

¹⁸ Out of the 33 beneficiaries for which Joint Physical Verification was conducted.

¹⁹ As per 6.1.2 of the NSAP Guideline 2014, SLC will be headed by the Chief Secretary /Additional Chief Secretary and will include (a) Secretaries of concerned Departments, Health, Revenue, Women and Child Development, Minorities, SC, ST etc., (b) two Representatives of Banks/Post Office (c) two Chairpersons of Zilla Parishad (d) Collectors from 4 districts in rotation, and (e) four independent experts and representatives of NGOs.

March 2020. Delays in fund flows and in transfer of government benefits to the intended beneficiaries even under DBT platform in all the above three sampled schemes were reflective of weak monitoring mechanism.

During Exit Conference (March 2022), Social Welfare Department stated that in respect of PMAY-G, photographs with geo-tagging were taken at various stages of house construction *viz.*, before construction, during construction and after construction. Efforts will be made to avoid such lapses in future. Department also assured that adequate monitoring mechanism for the schemes will be put in place in future.

1.2.11 Conclusion

- The State Government constituted a Committee on DBT as Advisory Board and DBT Cell in July 2016 and October 2016 respectively. As the above DBT related activities were carried out by the departments concerned independently, the role of the DBT Cell was limited to forwarding of instructions received from the Centre to various implementing departments.
- The DBT Cell had a State DBT Coordinator but without any Implementation Support *viz.*, Technical, Non-Technical and Finance & Admin. The State Coordinator was assisted by Director and Assistant Director of the Institutional Finance Cell of Finance Department. No subordinate staff were posted even after five years of its creation. Hence the State DBT Cell was not adequately manned to provide unity of command.
- The DBT Cell could not provide one-stop point to coordinate all efforts for seamless on-boarding of schemes on to the DBT platform and for monitoring and evaluation of progress made by various departments on DBT against targets, milestones and indicators as envisaged in the guidelines.
- The DBT portal could not provide for dynamic up-dation of data and daily tracking of progress, report generation, *etc.* could not be done. DBT portal showed 78 schemes but the number of beneficiaries and amount transferred scheme-wise could not be generated or viewed. Two schemes in the DBT portal were not presently implemented by the departments. Thus, information on DBT schemes maintained by the Cell were not complete or updated.
- The flow of funds from GoI to State Government for transfer of government benefits to the eligible beneficiaries through DBT delivery mechanism was not consistent and effective. There were delays at various stages starting from processing of sanctions, release of funds to State, submission of UCs, and transfer of funds to implementing departments and agencies by the State, and release of benefits to the beneficiaries' accounts by the implementing department.
- In respect of IGNOAPS, overall delays in transfer of funds from GoI to State was to the extent of three months to four months during 2017-2020 adversely affecting monthly disbursement of pensions. All 100 selected beneficiaries received their pensionary benefits with delays ranging from four months to 44 months during 2017-18 to 2020-21 against the prescribed monthly payment of pension.

- In PMAY-G, there was delay in transfer of funds from State Government to SNA ranging from 23 to 212 days. The balance amount of ₹ 3.11 crore was still lying in the bank as of 31 March 2021. In 89 out of 100 beneficiaries test checked, first instalments were paid with delays ranging from two days to 98 days beyond the stipulated time of one week. All 100 beneficiaries test checked were paid second instalments with delays of two days to 207 days after completion of Plinth level. The third instalments for all the 100 beneficiaries test checked were paid with delay ranging from one day to 236 days after completion of Lintel level.
- In PMMVY, GoI released a total of ₹ 1861.58 lakh against which State's share was ₹ 206.84 lakh. But the State Government had released up to ₹ 202.57 lakh, leaving a balance of ₹ 4.27 lakh till the date of audit (March 2021). The delays in release of funds ranged from 12 months to 25 months further affecting timely release of benefits to the beneficiaries. Out of 100 beneficiaries test checked, payment of first instalment in 31 cases was made in time, but in the remaining 69 cases, there were delays ranging from one day to 863 days. The second instalment in 33 cases was released in time, but there was delay ranging from two days to 672 days in the remaining 67 cases. The third instalment amount was released in time in respect of 46 cases but in 49 cases, the delay ranged from one day to 557 days.
- Thus, even under DBT platform, the delay in transfer of benefits to the beneficiaries' accounts was very significant thus defeating the very objective of achieving timely and reliable transfer of government benefits to the eligible recipients. This was mainly due to delays in fund flow from GOI to State and then from the State to the implementing departments which in turn further delayed the transfers of the benefits to the beneficiaries.
- Monitoring mechanism for implementation of the selected schemes were found to be inadequate.

1.2.12 Recommendations

- *State DBT Cell should be strengthened with required manpower to operationalise its organisational structure with the assigned responsibilities to enable the DBT Cell to act as one-stop point or nodal point for smooth on-boarding of schemes on to DBT platform and to effectively monitor the progress made by each Implementing Department by setting targets and milestones for implementation of DBT in a time bound manner;*
- *State DBT Cell should take up steps to further develop the DBT portal establishing the required linkages with all beneficiary-oriented schemes being implemented in the State under DBT platform, so as to generate MIS on current status of DBT implementation;*
- *Benchmarking studies on best practices may be conducted to enhance the effectiveness of benefit delivery;*
- *A dedicated body to deal with complaints and grievances of beneficiaries pertaining to various issues like delays in receiving subsidy amount in the bank*

accounts of beneficiaries, incorrect set of entitlements received by the end beneficiary as per SOP Module of DBT may be constituted; and

- *State Government should review fund flow from Centre to the State and from the State Government to the Implementing Agencies/ Department and finally to beneficiaries' accounts in order to ensure timely transfer of benefits, and undertake necessary process re-engineering with the implementing departments for ensuring reliable and time-bound transfer of Government benefits under DBT platform.*