

सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on Performance Audit of
Direct Benefit Transfer
(Cash Transfer)**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Punjab
Report No. 1 of the year 2022

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Comptroller and Auditor General of India
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Preface

This Report of the Comptroller and Auditor General of India for the period April 2017 to July 2020 has been prepared for submission to the Governor of the State of Punjab under Article 151(2) of the Constitution of India.

The Report contains the results of performance audit of Direct Benefit Transfer (Cash Transfer) in respect of the social security schemes being implemented by the Department of Social Security and Women and Child Development, Government of Punjab, in coordination with the State Direct Benefit Transfer Cell under the control of the Department of Governance Reforms and Public Grievances, Government of Punjab, for the period April 2017 to July 2020.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Audit wishes to acknowledge the cooperation received from the Department of Social Security and Women and Child Development, and the Department of Governance Reforms and Public Grievances.

Executive Summary

Executive Summary

The Report contains significant results of the performance audit of Direct Benefit Transfer (Cash Transfer) in the Department of Social Security and Women and Child Development, and Department of Governance Reforms and Public Grievances, Government of Punjab, covering the period from April 2017 to July 2020.

Introduction

Direct Benefit Transfer (DBT) is a major reform initiative launched by Government of India on 1 January 2013 to re-engineer the existing cumbersome delivery processes using modern Information and Communication Technology (ICT) applications. The scope of DBT has expanded since inception to now include benefits under (i) Cash Transfers; (ii) In-kind Transfers; and (iii) Other Transfers. DBT aims to transform the manner in which social welfare schemes and programmes are implemented across the nation by using Aadhaar as a unique identifier as well as an individual beneficiaries' financial address. This marks a paradigm-shift in the process of delivering benefits like wage payments, fuel subsidies, foodgrain subsidies, etc. directly into the bank accounts of the beneficiaries, removing leakages and enhancing financial inclusion.

After implementation (March 2017) of DBT in the State of Punjab, coverage in number of schemes (cash transfer) under DBT increased from 51 schemes in 2017-18 to 94 schemes in 2020-21 (up to July 2020).

Audit framework

Considering the criticality of achieving its intended outcomes, escalating financial outlays and relative impact of social security schemes, which aim to provide monthly financial support to alleviate economic deprivation, three schemes *viz.* Old Age Pension (OAP), Financial Assistance to Widows and Destitute Women (FAWDW) and Financial Assistance to Dependent Children (FADC) being implemented by the Department of Social Security and Women and Child Development (DSSWCD) were selected taking into account highest expenditure incurred thereunder for conducting the performance audit of DBT (cash transfer) covering the period April 2017 to July 2020. Besides, records/data being maintained by the Department of Governance Reforms and Public Grievances (DGRPG) on State DBT Portal and Pension Beneficiary Management System (PBMS) were also test-checked.

The audit objectives for carrying out the performance audit of selected social security schemes under DBT (cash transfer) were to ascertain: (i) Whether necessary process re-engineering was done for implementation of DBT so as to minimise intermediary levels, delay in payments to intended beneficiaries and pilferage and duplication; and (ii) Whether the infrastructure, organisation and management of DBT were adequate and effective.

The audit findings, conclusions and recommendations relating to each of the two audit objectives have been reported in two distinct chapters *viz.* Chapters III and IV to facilitate easy comprehension and follow up.

Process re-engineering for implementation of Direct Benefit Transfer

The procedure implemented by the Department was not in consonance with the spirit of the DBT framework whereby transfer of benefits should be done directly to the beneficiaries. The procedure can be termed as benefit transfer, but not as “direct” benefit transfer. Despite lapse of more than three years from the decision (March 2017) of the State Government to bring all the social security schemes under DBT, the DSSWCD could reduce only one intermediary level (payment through Gram Panchayat’s Bank Account) in disbursing the financial assistance under the social security schemes.

[Paragraph 3.2.1]

Though Aadhaar numbers of 92 *per cent* of the digitised beneficiaries had been captured in six test-checked districts, system of transfer of financial assistance directly to the Aadhaar linked bank accounts of the beneficiaries by generation of payment files instructions in Public Financial Management System (PFMS)/through State treasury account was not ensured.

[Paragraph 3.2.2]

After porting the beneficiaries’ data in PBMS, neither any review to check the completeness, authenticity and correctness of the legacy data was conducted nor were any instructions passed on to DSSWCD to get the data verified at their level, as Audit noticed duplicate Pension Ledger Account numbers in 204-4,736 cases; beneficiaries’ age less/more than the prescribed limit in 661-6,498 cases; and acceptance of gender as male for the scheme meant for female beneficiaries (FAWDW) in 5,205 cases, under three selected schemes in six test-checked districts.

[Paragraphs 3.3 and 3.4]

In six test-checked districts, the DSSWCD weeded out (January 2018-July 2020) 8,256 records of duplicate beneficiaries under three selected social security schemes. However, no action had been taken for recovery of probable excess financial assistance of ₹ 9.89 crore paid (April 2017-July 2020) to these duplicate beneficiaries. Further, Audit noticed 941 duplicate/ineligible records of beneficiaries under three selected schemes in six test-checked districts. The probable excess financial assistance paid (April 2017-July 2020) to these beneficiaries worked out to ₹ 1.82 crore. Besides, financial assistance of ₹ 0.72 crore was also paid to 651 children beyond the prescribed age of 21 years, in contravention of the FADC Scheme guidelines.

[Paragraphs 3.5 and 3.6]

In 213 cases, the financial assistance was provided to same beneficiaries under two different social security schemes viz. OAP and FAWDW in six test-checked districts, in contravention of the guidelines of the State Government to provide financial assistance only in one type of social security scheme. The excess financial assistance in these cases worked out to ₹ 0.37 crore.

[Paragraph 3.7]

Excess financial assistance amounting to ₹ 26.87 crore (out of ₹ 27.20 crore) was recoverable (as of July 2021) in respect of 10,327 duplicate/ineligible beneficiaries weeded out by DSSWCD during the verification process conducted between May 2017 and November 2017 under three selected schemes in six test-checked districts.

[Paragraph 3.8]

In six test-checked districts, active beneficiaries were denied financial assistance of ₹ 277.96 crore in three selected schemes during the period from April 2017 to July 2020. Besides, in 8,371 cases, the financial assistance was sanctioned with a delay up to 1,432 days beyond the prescribed time period of 30 days in four test-checked districts. Whereas, the delay in sending payment files to banks ranged up to 245 days from the sixth day of the succeeding month in which the financial assistance was due in six test-checked districts.

[Paragraphs 3.9 and 3.10]

Modification in master database *i.e.* change in bank account numbers of beneficiaries, etc. was being done by DSSOs without any authority or request of applicant on record. Dissemination of information through SMS about payment of financial assistance to beneficiaries and regulation of failed transactions received from the respective banks was also lacking.

[Paragraphs 3.11, 3.14.2 and 3.14.3]

No mechanism existed in DSSWCD for identification of deceased beneficiaries through the Registrar General of India to ensure discontinuance of financial assistance to the deceased. Requisite Committees as initiated by the Department for periodical review/identification of eligible/ineligible beneficiaries had not been formed at block levels, in spite of detecting substantial number of ineligible beneficiaries during a review conducted by the State Government in June 2017.

[Paragraphs 3.13 and 3.14.1]

Recommendations

In the light of the audit findings, the State Government may consider:

- *taking appropriate steps to eliminate the existing intervening layers as per Standard Operating Procedure of DBT Manual, besides adopting*

the system of transfer of financial assistance directly to Aadhaar linked bank accounts of beneficiaries by generation of payment files instructions in PFMS/through State treasury account for making the flow of funds faster, secure and curbing pilferage/duplication in payments;

- *carrying out a comprehensive review of the beneficiaries' data including the legacy data already ported in PBMS to ensure its completeness, authenticity and correctness;*
- *putting in place adequate input and validation controls in PBMS application so as to curb duplicate, unauthentic and invalid data, thereby capturing data in respect of eligible beneficiaries as per provisions of the respective rules of the social security schemes under DBT;*
- *putting in place mechanism for modification in beneficiaries' database on the basis of authentic records; dissemination of information through SMS about payment of financial assistance to beneficiaries; and regulation of failed transactions received from respective banks;*
- *integration of beneficiaries' data with the death data available with the Registrar General of India for identification of deceased beneficiaries to ensure discontinuance of financial assistance to the deceased, besides, adoption of mechanism at block levels for periodical review/identification of eligible/ineligible beneficiaries so as to ensure payment of financial assistance to bona fide beneficiaries; and*
- *making strenuous efforts for effecting recovery of inadmissible/excess payment of financial assistance from the ineligible beneficiaries, besides fixing responsibility for inaction by the authorities concerned.*

Infrastructure, organisation and management of Direct Benefit Transfer

The State Advisory Board (SAB) had been constituted (November 2017) in the State of Punjab. However, no meeting of SAB to provide the Cell's executive body, a holistic and well-rounded advisory and consulting inputs, was held during the audit period.

[Paragraph 4.1.1]

Implementation Support Layer consisting of three coordinators of the rank of Director or Officer on Special Duty (OSD), responsible for technical, non-technical, and finance and administration support to Cell's operations for eliciting cooperation and participation from the grass-root levels had not been constituted in line with the Guidelines for State DBT Cell. Neither any training calendar was prepared nor was any training on DBT provided to State officials by the State DBT Cell. No exposure visits for State/district officials

in DBT progressive States were arranged by the State DBT Cell for familiarising the officials with model practices being adopted by those States. Neither any benchmark studies were conducted on Best Practices for developing roadmap to incorporate those practices in State operations nor was any innovation in the State through pilots/experiments carried out by the State DBT Cell.

[Paragraph 4.1.2]

Robust governance framework was lacking at State level to continuously monitor the readiness of schemes and programmes. No workshop, seminar, etc. to operationalise DBT was conducted either by the State DBT Cell or DSSWCD. Besides, the departmental DBT Cell/Committee to ensure adoption of DBT framework in implementation of schemes, as per Protocol Document on DBT in States, was not constituted in DSSWCD.

[Paragraphs 4.1.3 and 4.1.4]

The State DBT Portal was integrated with DBT Bharat Portal (<https://dbtbharat.gov.in>) and information related to all identified schemes in the State was displayed on the Portal. However, Website Quality Certification was not obtained from Standardisation Testing Quality Certification; Web Information Manager and Technical Manager were not appointed in line with the Guidelines for Indian Government Websites (GIGW) to ensure proper flow and quality of content to the site; Content Contribution, Moderation and Approval Policy to ensure authenticity of data and responsibility, authorisation and workflow details with regard to content publishing on State DBT Portal was not framed; provision for regional language content on State DBT Portal was not made; and various important information with regard to Portal functionalities like About Us, Scheme, Multimedia, Documents, Success Story, Download, etc. were not made available on State DBT Portal.

[Paragraph 4.2]

There was a variation ranging between ₹ 34.00 crore and ₹ 4,555.58 crore in respect of the amount of cash transferred to the beneficiaries in three selected schemes viz. OAP, FAWDW and FADC under DBT during the period 2017-2021 (up to July 2020), uploaded on the DBT Portal and that supplied by DSSWCD.

[Paragraph 4.4]

The DSSWCD and DGRPG did not have any Disaster Recovery and Business Continuity Plan for State DBT Portal and Password Policy both for State DBT Portal and PBMS application.

[Paragraphs 4.5 and 4.6]

Recommendations

In the light of the audit findings, the State Government may consider:

- *conducting periodical meetings of SAB for providing DBT Cell, a holistic and well-rounded advisory and consulting inputs;*
- *strengthening governance framework including constitution of internal DBT Cell/Committee in each department, in line with the Guidelines for State DBT Cell to ensure adoption of DBT framework in implementation of schemes;*
- *hosting of State DBT Portal in accordance with the Guidelines for Indian Government Websites and Standard Operating Procedure and User Manual on State DBT Portal, besides, depicting authentic data on State DBT Portal with regard to benefits transferred to the beneficiaries in respective schemes under DBT; and*
- *putting in place Disaster Recovery and Business Continuity Plan and Password Policy to ensure safety and smooth functioning of State DBT Portal and PBMS application.*

Chapter-I

Introduction

Chapter-I

Introduction

1.1 Background

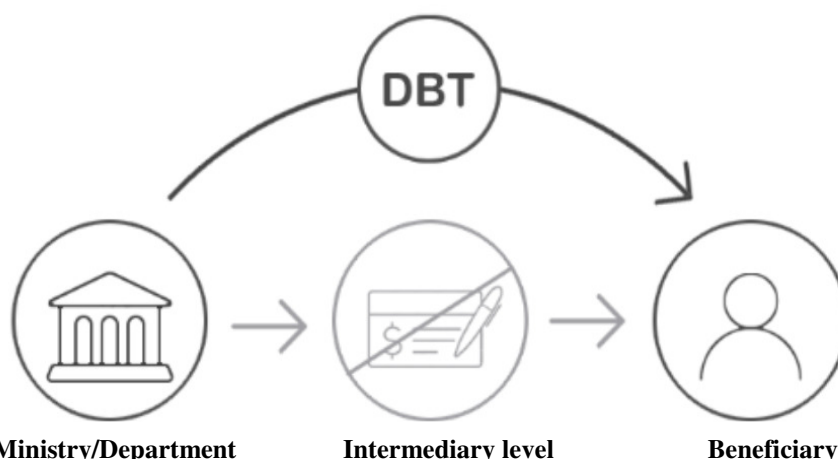
Social Security is an integral part of the development process and is designed to guarantee long term sustenance with a special focus on the vulnerable and marginal sections of the society. Article 41 of the Constitution of India directs the State to provide public assistance to its citizens in the case of unemployment, old age, sickness and disablement within the limit of the State's economic capacity and development.

Direct Benefit Transfer (DBT) is a major reform initiative launched by the Government of India on 1 January 2013 to re-engineer the existing cumbersome delivery processes using modern Information and Communication Technology (ICT) applications.

DBT is an attempt for a better and timely delivery of benefits to the people through cash transfer, in-kind transfer and other transfers by using Aadhaar number as a unique identifier ensuring greater transparency, curbing middleman role, greater accountability, identification of eligible beneficiary and removal of ineligible beneficiary of the schemes. Cash transfers refer to money being electronically remitted directly into a beneficiaries' bank account from departments. In-kind transfers refer to physical transfer of benefits (such as food grains, books, kits, etc.) upon Aadhaar based authentication of the beneficiary at the time of benefit transfer. Other transfers refer to money being electronically remitted to an individual service provider/enabler (such as ASHA workers, Aanganwadi workers, etc.) directly into their bank account (preferably Aadhaar linked).

In a nutshell, the vision of DBT is “a governance regime which ensures a simple and user-friendly Government to People (G2P) interface and directly delivers entitlement to eligible individuals and households in a fair, transparent, efficient and reliable manner.” Thus, DBT entails leveraging modern technology and IT tools to realise the dream of ‘Maximum Governance’ and ‘Minimum Government’.

Figure 1.1: DBT Framework



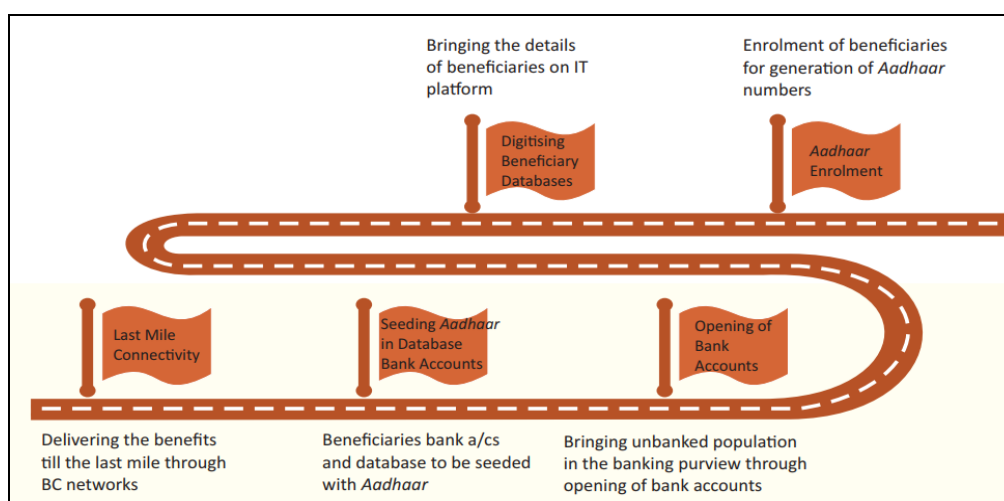
Source: DBT User Manual

1.2 Pre-requisites of Direct Benefit Transfer

The principal objective of DBT is to facilitate direct processing and credit of payments to the legitimate beneficiary in right account and in right time i.e. without undue delay. The pre-requisites of DBT are:

- Digitisation of database of beneficiaries;
- Opening of bank accounts of beneficiaries; and
- Enrolment of beneficiaries for generation of Aadhaar number.

Figure 1.2: Pre-requisites of DBT

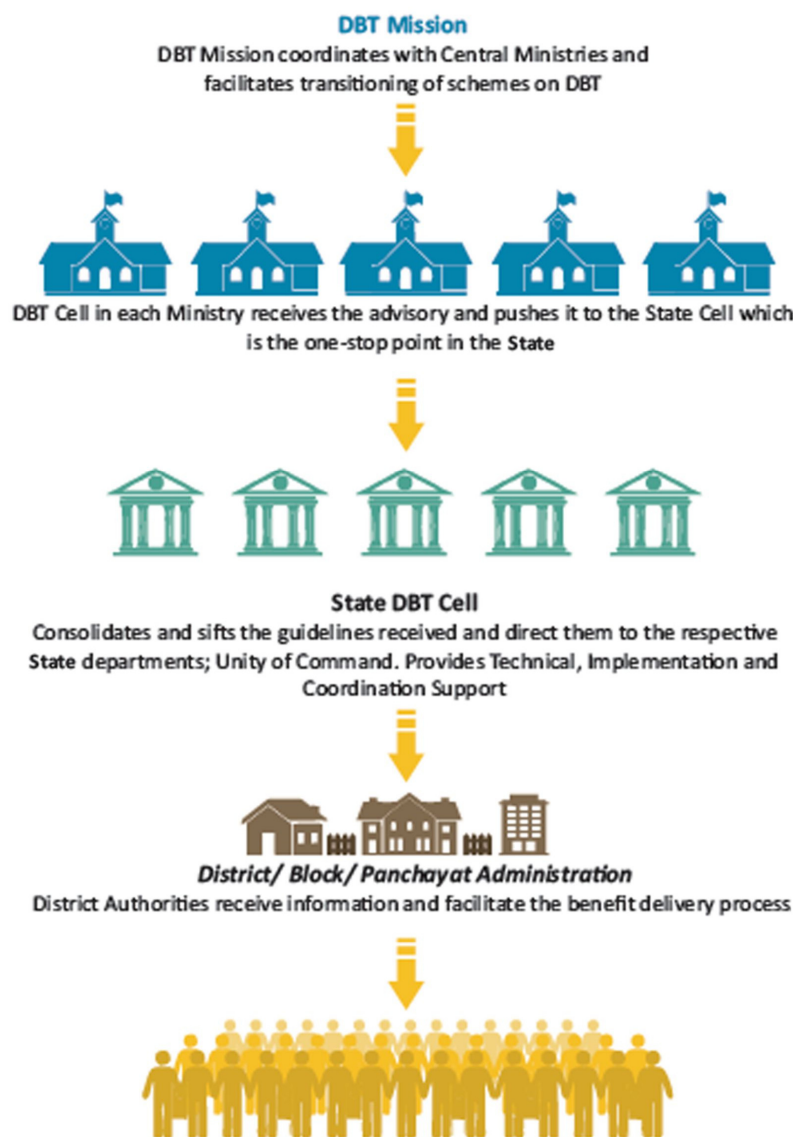


Source: DBT Mission document of GoI

DBT framework has a multi-stakeholder architecture which capitalises on the competencies of various departments and institutions to deliver benefits to beneficiaries in a timely and effective manner. A coordinated effort between the Centre and the State will enable faster decision-making, eliminate duplication of efforts and smoothen out differences, if any, hence fostering an

easier transition of schemes on to DBT. The desired map of Centre-State co-ordination with DBT Cell in States is depicted in **Figure 1.3**.

Figure 1.3: Centre-State Coordination with DBT Cell in States

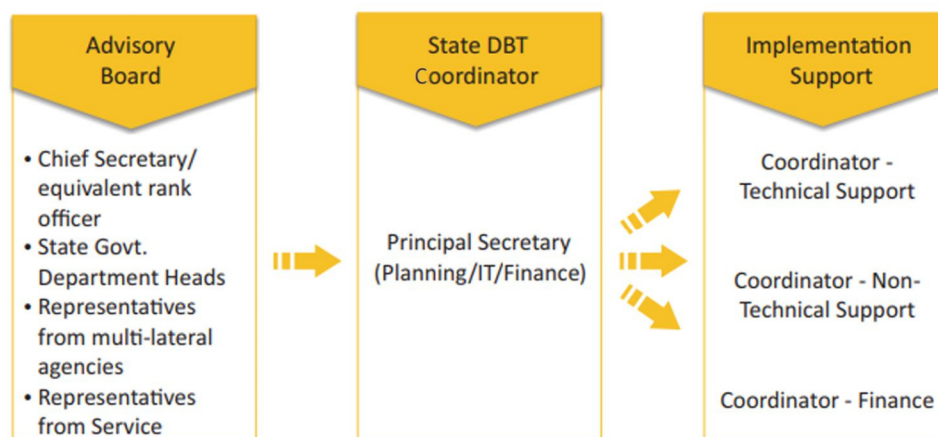


Source: Guidelines for State DBT Cell

1.3 Status of Direct Benefit Transfer in the State

In accordance with DBT Mission guidelines and in order to enable adoption of the DBT framework at the State level, a DBT Cell was constituted (July 2017) under the Department of Governance Reforms and Public Grievances (DGRPG) to monitor the progress of implementation of various DBT schemes in Punjab. As per guidelines for State DBT Cell, the proposed architecture of the State DBT Cell is depicted in **Chart 1.1**.

Chart 1.1: Proposed Architecture of State DBT Cell



Source: Guidelines for State DBT Cell

In the State of Punjab, State Advisory Board to DBT Cell under the chairmanship of Chief Secretary was constituted in November 2017. The Additional Secretary-cum-Director, DGRPG is the Nodal Officer and the Punjab State e-Governance Society (PSeGS) is the implementing agency for the State DBT Cell. Implementing departments of the State Government were also required to form their internal DBT Cells to consolidate the DBT related activities of their respective departments.

The primary objective of the DBT Cell is to aggregate and assess information of all schemes with beneficiaries; analyse and identify DBT applicable schemes and programmes being implemented at State level; and monitor the status of implementation/adoption/on-boarding of the scheme/programme on DBT framework. As of July 2020, as many as 274.84 lakh beneficiaries were covered under 127 different schemes across 17 departments/entities under DBT (both cash and in-kind transfer). Of these, 49.23 lakh beneficiaries were covered under 94 schemes across 13 departments under DBT (cash transfer). Year-wise and department-wise details of total number of schemes, beneficiaries covered and expenditure incurred under DBT (cash transfer) during 2017-2021 (upto July 2020) are given in **Table 1.1** and **Appendix 1.1** respectively.

Table 1.1: Number of schemes, beneficiaries covered and expenditure incurred under DBT (cash transfer) during 2017-2021 (up to July 2020)

Year	Number of schemes	Number of beneficiaries (in lakh)	Expenditure (₹ in crore)
2017-18	51	45.27	6,085.83
2018-19	71	44.95	2,491.58
2019-20	81	56.42	3,565.89
2020-21 (up to July 2020)	94	49.23	2,289.49
Total			14,432.79

Source: Information provided by State DBT Cell

Table 1.1 shows that after implementation of DBT in the State of Punjab, coverage in number of schemes (cash transfer) under DBT increased from 51 schemes in 2017-18 to 94 schemes in 2020-21 (up to July 2020). Reasons for decrease in the expenditure during 2018-19 over the preceding year 2017-18 have been discussed in Chapter-IV (Paragraph 4.4) of the Report.

Chapter-II

Audit Framework

Chapter-II

Audit Framework

2.1 Selection of Department

The Government of Punjab (GoP) had transferred an amount of ₹ 14,432.79 crore under 94 different schemes across 13 departments through DBT (cash transfer) during the period from April 2017 to July 2020. Of this, 60 *per cent* of the amount (i.e. ₹ 8,674.43 crore) was transferred under 18 schemes through DBT being implemented by the Department of Social Security and Women and Child Development (DSSWCD), of which ₹ 7,672.62 crore (i.e. 88 *per cent* of ₹ 8,674.43 crore) was transferred by the Department under three schemes *viz.* (i) Old Age Pension (OAP); (ii) Financial Assistance to Widows and Destitute Women (FAWDW); and (iii) Financial Assistance to Dependent Children (FADC) during the same period (*Appendix 2.1*).

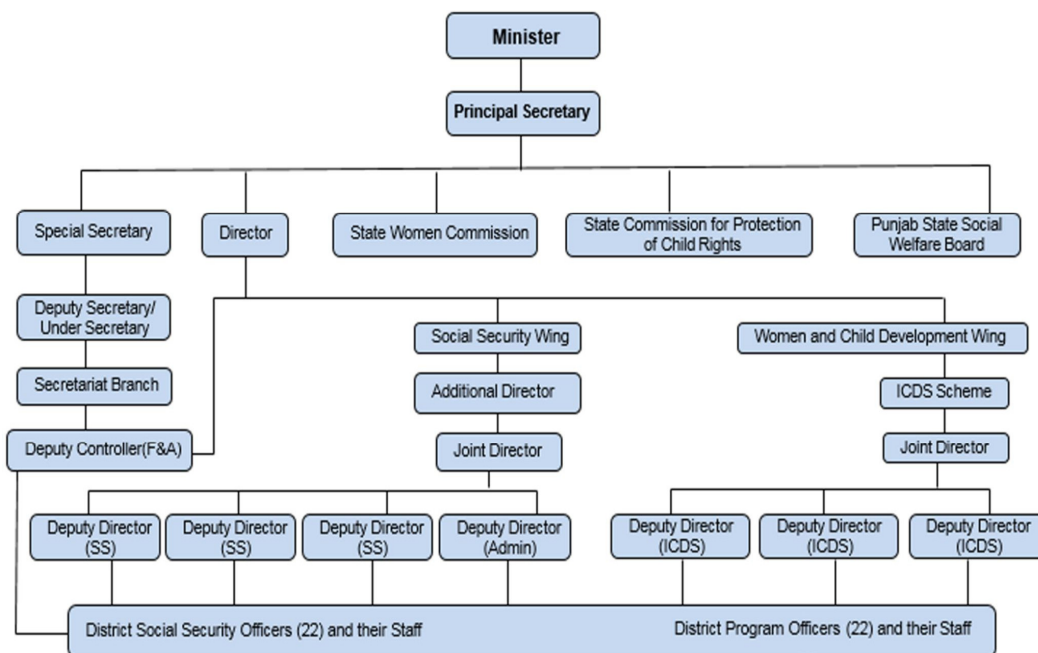
Considering the criticality of achieving its intended outcomes, escalating financial outlays and relative impact of social security schemes, which aim to provide monthly financial support to alleviate economic deprivation, three schemes *viz.* OAP, FAWDW and FADC being implemented by DSSWCD were selected taking into account highest expenditure incurred thereunder for conducting the performance audit of DBT (cash transfer).

2.2 Organisational set-up

The Department of Social Security and Women and Child Development (DSSWCD), Punjab works for the welfare of widows and destitute women; the elderly; persons with disabilities¹; and orphaned and dependent children including Integrated Child Development Services and nutrition and health services to the pregnant and lactating mothers. The organisational structure of DSSWCD is given in **Chart 2.1**.

¹ As specified in the Rights of Persons with Disabilities Act, 2016.

Chart 2.1: Organisational chart of Department of Social Security and Women and Child Development



Source: Website of Department (<http://sswcd.punjab.gov.in>)

2.3 Brief description of selected schemes

As per the prevalent rules² for three selected social security schemes viz. OAP, FAWDW and FADC being implemented in DSSWCD, financial assistance of ₹ 500/- per month (up to June 2017) and ₹ 750/- per month (from July 2017 onwards) was to be provided to the eligible beneficiaries. The eligibility criteria prescribed for each of three schemes is depicted in **Table 2.1**.

Table 2.1: Eligibility criteria for providing financial assistance under the selected social security schemes

Sr. No.	Description	OAP	FAWDW	FADC
1.	Age	65 years or above for male and 58 years or more for female.	Widow or destitute women (including women whose husband is mentally or physically disabled) of age below 58 years or unmarried women above the age of 30 years	Maximum two children having age less than 21 years whose parents have died/are disabled/ unable to earn their livelihood
	Verification	Date of Birth Proof	In case of widow, death certificate of husband, affidavit for unmarried women, disability certificate from Government Medical Officer and Date of Birth Proof	Death certificate of parents, Disability certificate from Government Medical Officer and Date of Birth Proof

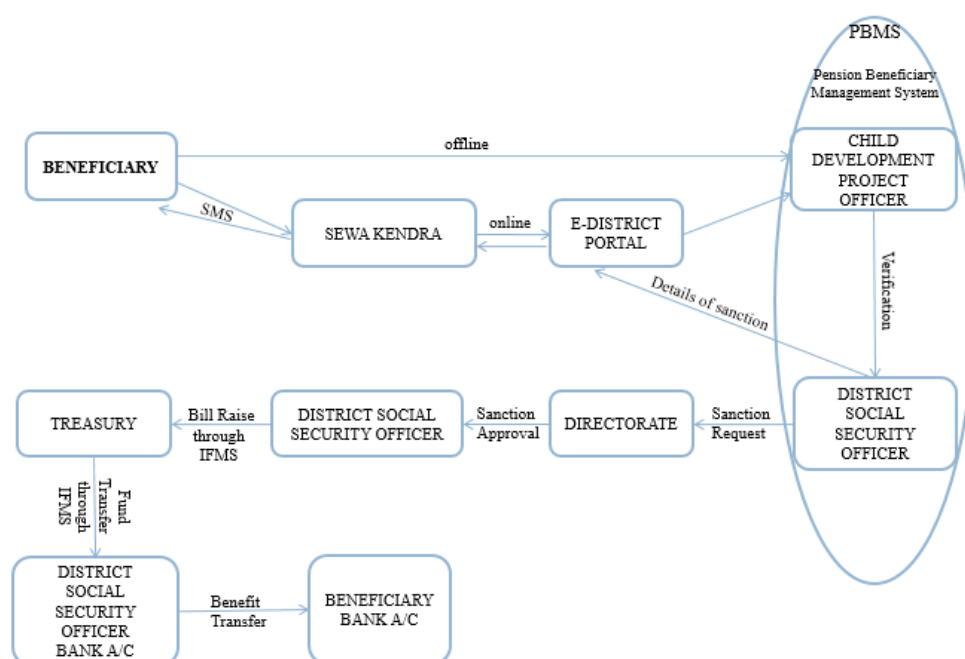
² (i) Punjab Old Age Pension Rules, 1996; (ii) Financial Assistance to Widows and Destitute Women in Punjab Rules, 1996; and (iii) Financial Assistance to Dependent Children in Punjab Rules, 1996, amended from time to time.

Sr. No.	Description	OAP	FAWDW	FADC
2.	Annual income ceiling	Less than ₹ 60,000/- per annum (Self declaration)		
3.	Period of residence	Resident of Punjab since last three years immediately before applying for benefits (self-declaration)		Not applicable
4.	Land			
	For Rural beneficiaries	Having not more than 2.5 acre agriculture land or not more than 5 acre of non-agriculture land	Not applicable	Not applicable
	For Urban beneficiaries	Residential house less than 200 sq mtr		
	Verification	Verification report from Patwari/EO, MC		

Source: Social Security Schemes Rules

The procedure for sanction of financial assistance to beneficiaries under the social security schemes in DSSWCD is given in **Chart 2.2**.

Chart 2.2: Work flow showing procedure for sanction of financial assistance to beneficiaries



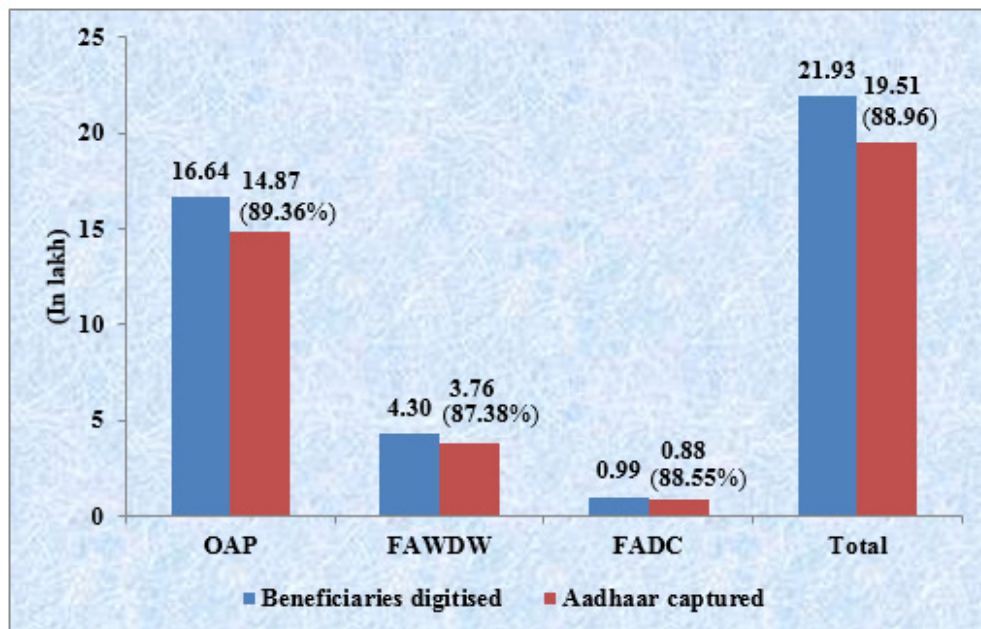
Source: Departmental information

Digitisation of beneficiaries

It has been observed from the data supplied by DSSWCD in respect of selected social security schemes that as of July 2020, details of 21.93 lakh beneficiaries had been digitised, of which Aadhaar numbers of

19.51 lakh (88.96 per cent) beneficiaries were captured in the Pension Beneficiary Management System³ (PBMS), as detailed in **Chart 2.3**.

Chart 2.3: Details of beneficiaries digitised vis-à-vis Aadhaar numbers captured under the selected social security schemes in the State



Source: Departmental data

2.4 Audit objectives

The audit objectives for carrying out the performance audit of selected social security schemes under DBT (cash transfer) were to ascertain:

- Whether necessary process re-engineering 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; and
- Whether the infrastructure, organisation and management of DBT were adequate and effective.

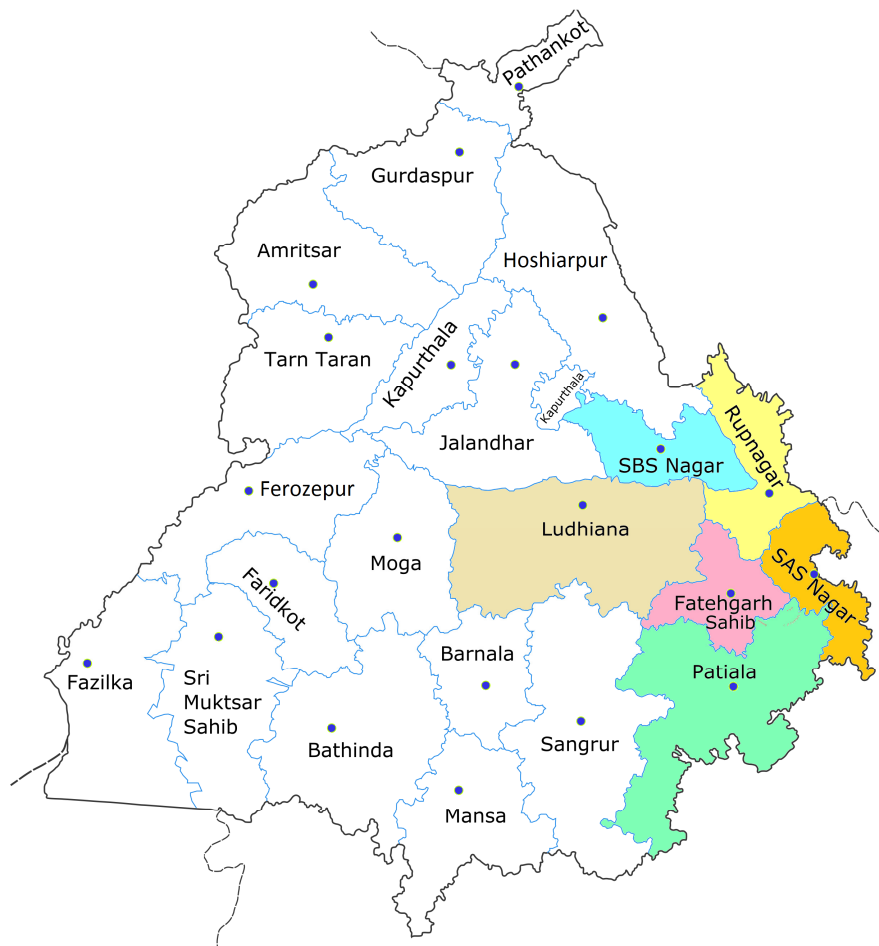
2.5 Audit scope and methodology

The performance audit of three selected social security schemes viz. OAP, FAWDW and FADC being implemented in DSSWCD under DBT (cash transfer) covering the period from April 2017 to July 2020 was

³ PBMS is a web-based software developed by DSSWCD to capture the details of the beneficiary in respect of social security schemes being implemented in the State of Punjab.

conducted (October 2020 - March 2021) in six (out of 22) selected districts, as shown in the map of the State of Punjab, below:

Map of State of Punjab showing six districts selected for the performance audit



Further, two blocks in each of the six districts were selected⁴ for test-check of records. Besides, records/data being maintained by the Department of Governance Reforms and Public Grievances (DGRPG) were also test-checked.

An entry conference in respect of the performance audit was held (December 2020) with the Principal Secretary to Government of Punjab, DSSWCD and Special Secretary, DGRPG, wherein the audit methodology, scope, objectives and criteria were discussed. The audit findings were discussed with the Departments concerned in the exit conference held in July 2021 and the replies furnished by them have been suitably incorporated in the Report.

⁴ (i) Fatehgarh Sahib (Amlah and Bassi Pathana); (ii) Ludhiana (Doraha and Khanna); (iii) Patiala (Rajpura and Patiala-Urban); (iv) Rupnagar (Morinda and Chamkaur Sahib); (v) SBS Nagar (Aur and Balachaur); and (vi) SAS Nagar (Majri and Kharar), selected on judgemental basis due to COVID-19 pandemic scenario.

2.6 Audit criteria

The audit criteria were derived from the following sources:

- Standard Operating Procedures, Protocol Document on DBT in States, Handbook on DBT, Guidelines for State DBT Cell, etc. issued by DBT Mission, Government of India (GoI);
- Guidelines for Indian Government Websites and various instructions regarding maintenance of database, generation of various reports and IT controls;
- Guidelines, rules and orders related to selected schemes *viz.* 'Old Age Pension', 'Financial Assistance to Widows and Destitute Women' and 'Financial Assistance to Dependent Children', issued by the State Government from time to time; and
- Punjab Budget Manual and other circulars, orders, instructions and notifications issued by DBT Mission, GoI and the State Government.

2.7 Organisation of audit findings

The audit findings, conclusions and recommendations relating to each of the two audit objectives have been reported in two distinct chapters *viz.* Chapters III and IV to facilitate easy comprehension and follow up.

2.8 Acknowledgement

Audit acknowledges the cooperation and assistance extended by the State Government, Department of Social Security and Women and Child Development, Department of Governance Reforms and Public Grievances, and all the test-checked District Social Security Officers and Child Development Project Officers in conducting the performance audit.

Chapter-III

Process re-engineering for implementation of Direct Benefit Transfer

Chapter-III

Process re-engineering for implementation of Direct Benefit Transfer

3.1 Financial management

3.1.1 Budget and expenditure

The details of budget and expenditure in respect of three selected social security schemes viz. Old Age Pension (OAP); Financial Assistance to Widows and Destitute Women (FAWDW); and Financial Assistance to Dependent Children (FADC) during the period 2017-2021 (up to July 2020) are given in **Table 3.1**.

Table 3.1: Details of budget and expenditure under three selected schemes during the period 2017-2021 (up to July 2020)

(₹ in crore)					
Name of Scheme	Year	Budget	Expenditure	Savings	Percentage Savings
OAP	2017-18	1,230.45	687.34	543.11	44.14
	2018-19	1,185.70	1,179.04	6.66	0.56
	2019-20	1,402.30	1,399.26	3.04	0.22
	2020-21 (up to July 2020)	1,558.11	629.93	--	--
Total		5,376.56	3,895.57	--	--
FAWDW	2017-18	221.22	197.95	23.27	10.52
	2018-19	338.84	336.02	2.82	0.83
	2019-20	389.70	388.58	1.12	0.29
	2020-21 (up to July 2020)	428.06	172.65	--	--
Total		1,377.82	1,095.20	--	--
FADC	2017-18	78.11	68.66	9.45	12.10
	2018-19	117.00	114.51	2.49	2.13
	2019-20	132.70	132.13	0.57	0.43
	2020-21 (up to July 2020)	145.71	58.07	--	--
Total		473.52	373.37	--	--
Grand Total		7,227.90	5,364.14	--	--

Source: Departmental data

Table 3.1 shows that against the release of ₹ 1,529.78 crore, expenditure of ₹ 953.95 crore was incurred by DSSWCD during 2017-18, thereby resulting into savings of ₹ 575.83 crore, ranging between 11 per cent and 44 per cent under three selected social security schemes. Audit, however, noticed that during the period April 2017 to July 2020, adequate funds were provided by the State Government for providing financial assistance to the beneficiaries under the social security schemes.

During exit conference, the Director, DSSWCD attributed (July 2021) the reasons for less utilisation of funds during 2017-18 to verification process initiated by the State Government to identify ineligible beneficiaries. The reply of the Department was not acceptable as Audit noticed that despite availability of funds during 2017-18, no payment was made to the beneficiaries found eligible during the verification process for the period May 2017 to November 2017, except for the beneficiaries residing in Municipal Corporation (MC) area of ten districts¹, as discussed in paragraph 3.9. The Department further stated (July 2021) that the Finance Department had been approached to release ₹ 726.19 crore for making payments to the beneficiaries found eligible during verification process.

3.1.2 Non-reconciliation of payment of financial assistance with banks

Rule 12.3(3) of the Punjab Budget Manual provides that in respect of the withdrawal from the treasury/bank during a month, a certificate in prescribed form is required to be prepared by the department for Treasury Officer's (bank) signature so as to reach him by 2nd of the following month. On receipt of certificate referred to above, the Treasury Officer (bank) will verify the entries with the register of expenditure maintained in the office and the same duly verified will be returned to the head of the office concerned by 5th of the following month.

Examination of records in six test-checked districts revealed that in four districts, reconciliation was not made with the respective banks in respect of financial assistance amounting to ₹ 758.40 crore² disbursed by the concerned DSSOs under three selected social security schemes, to the beneficiaries during the period from April 2017 to July 2020, in contravention of the rules *ibid*. In the absence thereof, the actual expenditure incurred by these four districts for the purpose could not be verified in audit.

During exit conference, the Director, DSSWCD stated (July 2021) that necessary instructions had been issued to DSSOs for compliance. It was added that the financial assistance was being made through PFMS Portal in two districts (Sangrur and Rupnagar) as a pilot project. Thereafter, PFMS would be implemented in all the districts of Punjab by December 2022 and the issue regarding reconciliation would be resolved. Thus, the fact remains that the codal provisions *ibid* were not being complied with by the Department.

¹ (i) Gurdaspur (payment made for the months of July and August 2017); (ii) Amritsar; (iii) Bathinda; (iv) Hoshiarpur; (v) Jalandhar; (vi) Ludhiana; (vii) Moga; (viii) Pathankot; (ix) Phagwara; and (x) SAS Nagar (payment made for the months of May to September 2017).

² (i) Patiala (₹ 398.96 crore); (ii) Rupnagar (₹ 131.78 crore); (iii) SAS Nagar (₹ 90.83 crore); and (iv) SBS Nagar (₹ 136.83 crore).

3.2 Direct Benefit Transfer framework

3.2.1 Reduction in intermediary levels

The aim of Direct Benefit Transfer (DBT) is to transfer the benefits and subsidies of various social welfare schemes directly in the bank/postal account of the beneficiary on time by bringing efficiency, effectiveness, transparency; and also to eliminate the existing intervening layers and there shall be no intermediary accounts/layers.

According to Rule 87 of the GoI's General Financial Rules, 2017, "transfer of benefits should be done directly to beneficiaries under various Government Schemes and Programmes using Information and Communication Technology (ICT). Necessary process re-engineering to minimise intermediary levels and to reduce delay in payments to intended beneficiaries with the objective of minimising pilferage and duplication should be done".

The Government of Punjab (GoP) decided (March 2017) that all subsidies, pensions and other pro-poor schemes such as Aashirwad, Atta Dal, etc. would be targeted towards genuine beneficiaries through DBT. The concerned departments would make necessary amendments in the schemes and ensure their immediate implementation.

The process for cash transfer of benefits under social security schemes through DBT as per Standard Operating Procedure (SOP) Modules for DBT *vis-à-vis* process being adopted by the State Government before and after issue of notification in June 2017 is detailed as under:

As per SOP Modules of DBT	Before GoP's notification (June 2017)	After GoP's notification (June 2017)
Finance Department (Budget allocation to DSSWCD)	Finance Department (Budget allocation to DSSWCD)	
DSSWCD (Budget allocation to District Social Security Officers (DSSOs))	DSSWCD (Budget allocation to DSSOs)	
Generation of payment file instruction in Public Financial Management System (PFMS)/other payment system adopted by State Government and payment to beneficiary's bank account directly (DSSOs)	DSSOs (Submission of monthly bills to treasury)	
-	District Treasury Officer (Pass the Bill and credit the funds in the designated bank account of DSSO through Electronic Clearing System)	
-	DSSO (Funds transferred in the bank account of Gram Panchayat for beneficiaries in rural areas; and for the beneficiaries in urban areas, benefit transferred from the bank account of DSSO)	DSSO (Benefit transferred to the bank account of beneficiaries)
-	Gram Panchayat (Amount disbursed to beneficiaries through GP/Panchayat Secretary in rural areas)	-

After notification (June 2017), the steps involved in beneficiary identification, enrolment and funds transfer under the selected schemes of the Department of Social Security and Women and Child Development (DSSWCD), Punjab are as under:

- The applicant submits his/her request for sanctioning of pension/financial assistance either to the Sewa Kendra (SK) or directly to Child Development Project Officer (CDPO) by providing required details along with the supporting documents. The data is entered in the e-District Portal by the SK operator. The operator hands over the acknowledgement receipt number generated by the e-District Portal under his/her signature to the applicant after registration.
- Thereafter, CDPO processes all the applications received via e-District Portal as well as directly from the applicants for verification through e-District Portal and offline (manual applications) respectively for further submission to DSSO.
- The DSSO after re-verifying the details of applicants processed through e-District Portal and offline mode (forwarded by CDPO), sanctions the pension. For the applications processed via e-District Portal, an SMS alert is sent to the applicant and the offline applications received from the CDPO are entered in PBMS at this stage. Subsequently, the data verified through e-District Portal is pushed to the PBMS.
- On the basis of eligible beneficiaries derived from the database maintained in PBMS, DSSO after ensuring necessary budget provision from Directorate level, submits a bill for a consolidated amount to District Treasury through 'Integrated Financial Management System' (IFMS) and after passing of the respective bills, the funds are credited into the bank account of the DSSO.
- The DSSO then submits the list of beneficiaries along with the assistance amount to the designated banks in an Excel file generated by PBMS via email/CD. Subsequently, the bank disburses the pension/financial assistance to the beneficiaries directly into their bank accounts and shares the data related to the failed transactions in an Excel file through email with the respective DSSOs, along with the reasons for the failure.

Audit observed that despite the decision (March 2017) and notification (June 2017):

- The procedure implemented by the Department was not in consonance with the spirit of the DBT framework whereby transfer of benefits should be done directly to the beneficiaries. The procedure can be termed as benefit transfer, but not as "direct" benefit transfer. In Audit's opinion, once the

up-to-date list of eligible beneficiaries is maintained and managed in PBMS (with all necessary validations/ verifications), the bill (or at the very least, the detailed statement for the bill) should be automatically generated from PBMS, and the payment into the bank accounts of the beneficiaries should go directly from IFMS, and not through the bank accounts of the DSSO, using MS Excel spreadsheets which are open to error or manipulation, besides time lag/delay in payment of financial assistance to the beneficiaries, as discussed in Paragraph 3.10(ii). Some States have gone further and implemented the system of a single DDO for making payment of old age pensions, whereby the entire generation of pension bills for the State is done centrally and presented centrally to one Treasury; this further minimises manual intervention.

- The Department could reduce only one intermediary level (payment through Gram Panchayat's Bank Account) in disbursing the financial assistance under the social security schemes through DBT.

During exit conference, the Director, DSSWCD stated (July 2021) that all the intermediary levels would be eliminated after the adoption of PFMS in all the districts of Punjab by the end of December 2022 and the financial assistance would be disbursed as per DBT framework. The adoption of PFMS for direct payments will be reviewed in future audits.

3.2.2 Aadhaar seeding with beneficiaries' bank accounts

Aadhaar based DBT is a significant governance reform to ensure greater transparency and accountability in public service delivery through effective use of technology. The Protocol Document for DBT in States also provides for beneficiaries digitisation *viz.* validated Aadhaar seeding of beneficiary database so that benefit could be transferred directly into beneficiaries' bank account, preferably Aadhaar linked bank account.

Examination of the data in respect of three selected schemes *viz.* OAP, FAWDW and FADC in six test-checked districts revealed that as against the digitisation of details of 5.87 lakh beneficiaries, Aadhaar numbers of 5.41 lakh (92.16 *per cent*) beneficiaries had been captured as of July 2020, as detailed in **Table 3.2**. However, the DSSOs of six test-checked districts did not have any mechanism/information regarding Aadhaar seeding with beneficiaries' bank accounts for ensuring transfer of financial assistance directly to the Aadhaar linked bank accounts of the beneficiaries.

Table 3.2: Details of beneficiaries digitised vis-à-vis Aadhaar numbers captured in the selected schemes in six test-checked districts

(Numbers in lakh)

Sr. No.	Name of district	OAP		FAWDW		FADC		Total		
		Beneficiaries digitised	Aadhaar captured	Beneficiaries digitised	Aadhaar captured	Beneficiaries digitised	Aadhaar captured	Beneficiaries digitised	Aadhaar captured	Percentage
1.	Fatehgarh Sahib	0.36	0.35	0.11	0.11	0.02	0.02	0.49	0.48	97.96
2.	Ludhiana	1.50	1.41	0.50	0.44	0.08	0.08	2.08	1.93	92.79
3.	Patiala	1.29	1.13	0.34	0.29	0.07	0.06	1.70	1.48	87.06
4.	Rupnagar	0.41	0.38	0.13	0.12	0.03	0.03	0.57	0.53	92.98
5.	SAS Nagar	0.31	0.29	0.11	0.10	0.03	0.03	0.45	0.42	93.33
6.	SBS Nagar	0.41	0.40	0.14	0.14	0.03	0.03	0.58	0.57	98.28
Total		4.28	3.96	1.33	1.20	0.26	0.25	5.87	5.41	92.16

Source: Departmental data

Thus, due to non-adoption of system of direct transfer of benefit in the Aadhaar linked bank account of the beneficiary by generation of payment files instructions in PFMS/through State treasury account, the payment of financial assistance under DBT Schemes to the *bona fide* beneficiaries could not be ensured, besides possibility of leakage of financial assistance to ineligible beneficiaries.

During exit conference, the Director, DSSWCD stated (July 2021) that strenuous efforts were being made to capture the Aadhaar numbers of remaining beneficiaries enrolled under social security schemes. It was further stated (September 2021) that Aadhaar number was not mandatory to avail the benefits under the social security schemes. However, after adopting PFMS in all the districts and capturing 100 *per cent* Aadhaar numbers, payment through Aadhaar linked bank accounts would be considered.

3.3 Migration of legacy data

The Pension Beneficiary Management System³ (PBMS) became operational in the year 2015 and the whole legacy data of the beneficiaries of social security schemes in respect of the entire State was ported to PBMS up to the year 2018 by the Department of Governance Reforms and Public Grievances (DGRPG). It was, however, observed that neither any review to check the completeness, authenticity and correctness of the legacy data (e.g. migration of all eligible beneficiaries to PBMS, ineligibility due to death, remarriage, etc.) was conducted nor were any instructions passed on to DSSWCD to get the data verified at their level. Further, periodical review/updation of beneficiaries' data was also not being done, as discussed in Paragraph 3.14.1. It was noticed in six selected districts that payments to beneficiaries were being made by DSSOs on the basis of the details captured in the master database being

³ A web-based application/software developed to capture the details of beneficiaries in respect of social security schemes being implemented in the State of Punjab.

maintained in PBMS, which was not cent *per cent* accurate. Thus, payment of due financial assistance to the eligible beneficiaries could not be authenticated in audit, as discussed in the Report.

During exit conference, the Director, DGRPG stated (July 2021) that DSSOs were informed about the completion of import process and to validate the same at their level. The Director, DSSWCD stated (January 2022) that the exercise to check the completeness, authenticity and correctness of the legacy data would be conducted in consultation with DGRPG.

3.4 Input and validation controls

Input controls are the application controls which seek to minimise the risk of incorrect data entry by making validation checks, duplicate checks and other related controls. The accuracy of data input to a system can be controlled by imposing a number of computerised validity checks on the data presented to the system. These provide the earliest opportunity to detect and correct possible mistakes.

The DSSWCD operationalised PBMS in the year 2015, which was developed in-house by the State DBT Cell. Analysis of data in respect of three selected social security schemes *viz.* OAP, FAWDW and FADC, supplied by DSSWCD and being maintained by the State DBT Cell (DGRPG) in PBMS revealed the following inconsistencies in application controls i.e. input and validation controls:

3.4.1 Old Age Pension Scheme

The Punjab Old Age Pension Rules, 1996 *inter alia* provide for financial assistance of ₹ 500/- per month (up to June 2017) and ₹ 750/- per month (from July 2017 onwards) to male beneficiaries aged 65 years or above and female beneficiaries aged 58 years or above.

Audit analysis of master data (16,63,646 cases as of July 2020) in respect of active beneficiaries under OAP Scheme being maintained in PBMS showed that:

- A unique Pension Ledger Account (PLA) number was to be assigned to each beneficiary. However, in 19,798 cases (including 4,736 cases⁴ in six test-checked districts), duplicate PLA numbers were found.
- In 1,09,204 cases (male beneficiaries: 50,053 and female beneficiaries: 59,151) including 6,498 cases⁵ in six selected districts, the age (date of birth) was found lower than the prescribed age. In 76,848 (out of 1,09,204) cases, the date of birth field was blank.

⁴ (i) Fatehgarh Sahib (593 cases); (ii) Ludhiana (670 cases); (iii) Patiala (2,892 cases); (iv) Rupnagar (248 cases); (v) SBS Nagar (241 cases); and (vi) SAS Nagar (92 cases).

⁵ (i) Fatehgarh Sahib (male: 491 and female: 112); (ii) Ludhiana (male: 2,080 and female: 212); (iii) Patiala (male: 975 and female: 99); (iv) Rupnagar (male: 470 and female: 154); (v) SBS Nagar (male: 208 and female: 97); and (vi) SAS Nagar (male: 909 and female: 691).

3.4.2 Financial Assistance to Widows and Destitute Women

The Financial Assistance to Widows and Destitute Women in Punjab Rules, 1996 *inter alia* provide for financial assistance of ₹ 500/- per month (up to June 2017) and ₹ 750/- per month (from July 2017 onwards) to widows and destitute women of less than 58 years of age or unmarried destitute women above 30 years of age.

Audit analysis of master data (4,30,138 cases as of July 2020) in respect of active beneficiaries under FAWDW Scheme being maintained in PBMS showed that:

- In 11,913 cases (including 1,264 cases⁶ in six test-checked districts), duplicate PLA numbers were found.
- In 12,047 cases (including 5,205 cases⁷ in six test-checked districts), 'Gender' field was depicting as Male, whereas FAWDW scheme is meant for female beneficiaries only.
- In 23,754 cases (including 661 cases⁸ in five test-checked districts), the age was found less than 18 years, thus, were not eligible⁹ for financial assistance under this scheme. In 21,253 cases (out of 23,754) including 251 cases¹⁰ in four test-checked districts, the date of birth field was blank.

3.4.3 Financial Assistance to Dependent Children

The Financial Assistance to Dependent Children in Punjab Rules, 1996 *inter alia* provide for financial assistance of ₹ 500/- per month (up to June 2017) and ₹ 750/- per month (from July 2017 onwards) to maximum two children having age less than 21 years whose parents have died/are disabled/unable to earn their livelihood.

Audit analysis of master data (99,459 cases as of July 2020) in respect of active beneficiaries under FADC Scheme being maintained in PBMS showed that:

- In 737 cases¹¹ (including 204 cases¹² in six test-checked districts), duplicate PLA numbers were found.

⁶ (i) Fatehgarh Sahib (20 cases); (ii) Ludhiana (122 cases); (iii) Patiala (912 cases); (iv) Rupnagar (44 cases); (v) SBS Nagar (94 cases); and (vi) SAS Nagar (72 cases).

⁷ (i) Fatehgarh Sahib (620 cases); (ii) Ludhiana (3,113 cases); (iii) Patiala (255 cases); (iv) Rupnagar (714 cases); (v) SBS Nagar (87 cases); and (vi) SAS Nagar (416 cases).

⁸ (i) Ludhiana (247 cases); (ii) Patiala (01 case); (iii) Rupnagar (49 cases); (iv) SBS Nagar (06 cases); and (v) SAS Nagar (358 cases). No such cases were noticed in district Fatehgarh Sahib.

⁹ Taking into account minimum age of 18 years for marriage of a woman.

¹⁰ (i) Ludhiana (55); (ii) Rupnagar (03); (iii) SBS Nagar (03); and (iv) SAS Nagar (190). No such cases were noticed in districts Fatehgarh Sahib and Patiala.

¹¹ No case of duplicate PLA was found in two districts viz. (i) Gurdaspur; and (ii) Pathankot.

¹² (i) Fatehgarh Sahib (12 cases); (ii) Ludhiana (12 cases); (iii) Patiala (144 cases); (iv) Rupnagar (14 cases); (v) SBS Nagar (12 cases); and (vi) SAS Nagar (10 cases).

- In 10,269 cases (including 3,124 cases¹³ in six test-checked districts), date of birth and/or names of first child and/or second child were not present. In the absence of such data, veracity of transactions could not be ascertained.
- In 13,223 cases in 21 districts barring Fatehgarh Sahib (including 1,803 cases¹⁴ in five districts), age of guardian/parents was depicted less than 18 years.

Audit conducted a sample check of 438 application forms in respect of three selected schemes (OAP: 55; FAWDW: 273; and FADC: 110) made available in four test-checked districts¹⁵ to verify the beneficiary details available online with the available physical application forms. It was noticed that as per application forms, though the beneficiaries were eligible for financial assistance under the respective Schemes, data thereof was not fed correctly in the PBMS.

This indicated that system was not having adequate input and validation controls, which could lead to irregular payment of financial assistance to ineligible beneficiaries under the social security schemes, as discussed in the Paragraphs 3.5 to 3.13.

On this being pointed out in audit, the Director, DSSWCD attributed (July 2021) the discrepancies to the deficiency in system software and stated that matter would be taken up with DGRPG for further necessary action. It was added that instructions to all the DSSOs would be issued to make necessary corrections, after checking the credentials of the beneficiaries. The Director, DGRPG also assured to look into the matter and to make necessary amendments in the software as required.

3.5 Inadmissible payment of financial assistance due to duplicate records in database

(i) Examination of master data being maintained in PBMS, as provided by DSSWCD, containing the list of beneficiaries in respect of three selected schemes, revealed that records of 46,146 beneficiaries¹⁶ being duplicate were weeded out by DSSWCD, between the period January 2018¹⁷ and July 2020. However, action taken, if any, for recovery of excess payment made to these beneficiaries by DSSWCD, was awaited (June 2021).

¹³ (i) Fatehgarh Sahib (54 cases); (ii) Ludhiana (12 cases); (iii) Patiala (995 cases); (iv) Rupnagar (435 cases); (v) SBS Nagar (475 cases); and (vi) SAS Nagar (1,153 cases).

¹⁴ (i) Ludhiana (1,253 cases); (ii) Patiala (01 case); (iii) Rupnagar (16 cases); (iv) SBS Nagar (08 cases); and (v) SAS Nagar (525 cases). No such cases were noticed in district Fatehgarh Sahib.

¹⁵ No physical forms were available in Rupnagar and SBS Nagar districts as the applications were being received through online mode only.

¹⁶ OAP (35,647 records); FAWDW (7,931 records); and FADC (2,568 records).

¹⁷ Excluding 68,307 beneficiaries flagged inactive prior to January 2018 under three selected social security schemes by the Department, for which action to recover the excess financial assistance had already been initiated, as discussed in paragraph 3.8.

Out of the above 46,146 beneficiaries, in six test-checked districts, the position of duplicate records flagged inactive between the period January 2018 and July 2020, in respect of three selected schemes, is detailed in **Table 3.3**.

Table 3.3: Details of duplicate records flagged inactive from January 2018 to July 2020 in respect of selected schemes in test-checked districts

(₹ in crore)

Sr. No.	Name of district	OAP		FAWDW		FADC		Total	
		No. of beneficiaries flagged inactive	Amount*	No. of beneficiaries flagged inactive	Amount*	No. of beneficiaries flagged inactive	Amount*	No. of beneficiaries flagged inactive	Amount*
1.	Fatehgarh Sahib	170	0.09	51	0.05	27	0.07	248	0.21
2.	Ludhiana	567	0.24	224	0.13	92	0.11	883	0.48
3.	Patiala	1,387	2.61	207	0.39	73	0.14	1,667	3.14
4.	Rupnagar	2,887	3.28	858	1.06	236	0.44	3,981	4.78
5.	SBS Nagar	188	0.18	103	0.08	28	0.04	319	0.30
6.	SAS Nagar	1,064	0.86	43	0.05	51	0.07	1,158	0.98
Total		6,263	7.26	1,486	1.76	507	0.87	8,256	9.89

Source: Departmental data

* Amount calculated for the period from April 2017 to July 2020.

The probable excess financial assistance paid (April 2017-July 2020) to 8,256 duplicate beneficiaries flagged inactive (January 2018-July 2020) in respect of three selected social security schemes in six test-checked districts worked out to ₹ 9.89 crore.

(ii) During analysis of PBMS data containing the list of active beneficiaries in respect of three selected schemes, Audit noticed (apart from the duplicate records weeded out by DSSWCD itself, as detailed in preceding paragraph), 7,420 number of duplicate records¹⁸ of beneficiaries residing in same village, block and district and were having same name, father's name, Aadhaar number and/or bank account number (last 4 digits).

On being enquired whether these 7,420 duplicate records were having same Aadhaar numbers and/or bank account numbers, DGRPG confirmed that in 4,902 cases, the Aadhaar numbers and bank account numbers were same. In remaining 2,518 cases, since Aadhaar/bank account numbers were not available/ matched¹⁹ with the database, the duplication could not be verified. However, reply in this regard was awaited from DSSWCD. Thus, the possibility of fraud due to payment of financial assistance against duplicate entries could not be ruled out in audit.

In six test-checked districts, Audit found 581 duplicate records (out of the above 7,420 cases) of beneficiaries having same name, father's name, Aadhaar number and/or bank account number (last 4 digits), as detailed in **Table 3.4**. Out of these 581 cases, 383 duplicate records were confirmed by DGRPG.

¹⁸ OAP (2,421 records); FAWDW (4,267 records); and FADC (732 records).

¹⁹ Observation regarding modification in database has been discussed in paragraph 3.11.

Table 3.4: Details of duplicate records noticed by Audit in respect of selected schemes in test-checked districts*(₹ in crore)*

Sr. No.	Name of district	OAP		FAWDW		FADC		Total	
		No. of duplicate beneficiaries	Amount*	No. of duplicate beneficiaries	Amount*	No. of duplicate beneficiaries	Amount*	No. of duplicate beneficiaries	Amount*
1.	Fatehgarh Sahib	26	0.05	4	0.01	-	0.00	30	0.06
2.	Ludhiana	49	0.10	9	0.02	-	0.00	58	0.12
3.	Patiala	114	0.23	123	0.22	29	0.07	266	0.52
4.	Rupnagar	62	0.04	41	0.05	5	0.01	108	0.10
5.	SBS Nagar	29	0.06	62	0.04	-	0.00	91	0.10
6.	SAS Nagar	6	0.01	22	0.03	-	0.00	28	0.04
Total		286	0.49	261	0.37	34	0.08	581	0.94

*Source: Departmental data*** Amount calculated for the period from April 2017 to July 2020.*

The probable excess financial assistance paid (April 2017-July 2020) to 581 duplicate beneficiaries in respect of three selected social security schemes in six test-checked districts worked out to ₹ 0.94 crore²⁰. The DSSO, Fatehgarh Sahib admitted to have made double payment to 13 beneficiaries in OAP Scheme and to 03 beneficiaries in FAWDW Scheme and stated (April 2021) that duplicate entries had now been deleted and recovery would be initiated from these beneficiaries. In remaining cases, system was showing duplicate records due to some technical problem. However, no supporting documents in this regard was provided to Audit. The DSSOs of remaining test-checked districts stated (November 2020-March 2021) that requisite action would be taken after verifying the records under intimation to Audit.

During exit conference, the Director, DSSWCD stated (July 2021) that duplicate records in the master database was a serious issue and all the DSSOs had been instructed to check duplicity of beneficiaries in master database to avoid excess payment. The Director, DSSWCD also assured to issue recovery notices to the beneficiaries to whom excess payment had been made. The DSSWCD further attributing the reasons for discrepancies in the data to deficiency in system software, stated that the matter would be taken up with DGRPG for further necessary action.

²⁰ In the absence of payment records/files with the Department, actual amount of financial assistance paid to these beneficiaries could not be ascertained in audit.

3.6 Non-exclusion of ineligible beneficiaries

Audit analysis of master data being maintained in PBMS in respect of three selected social security schemes revealed as under:

(i) The DSSWCD stopped (May 2016-July 2020) the financial assistance to 4,762 beneficiaries (OAP: 4,330 and FAWDW: 432), including 360 beneficiaries (OAP: 302 and FAWDW: 58) in six test-checked districts on the ground of death and other reasons viz. verification failed, found ineligible, etc. Audit, however, noticed that these beneficiaries continued to avail the financial assistance, as there were duplicate entries of the same beneficiaries which remained flagged as active as of July 2020. The financial assistance against both the entries was sanctioned, before the date of deletion against one entry. As a result, these ineligible beneficiaries continued to draw financial assistance against the second entry. The probable financial assistance paid to 302 ineligible beneficiaries under OAP Scheme and 58 ineligible beneficiaries under FAWDW Scheme in six test-checked districts during the period from April 2017 to July 2020, worked out to ₹ 73.99 lakh and ₹ 13.54 lakh, as detailed in **Table 3.5(a)** and **Table 3.5(b)** respectively.

Table 3.5(a): Details of ineligible beneficiaries to whom financial assistance was paid against duplicate entry under OAP Scheme from April 2017 to July 2020

Sr. No.	Name of district	No. of duplicate beneficiaries			Amount (₹ in lakh)	Period when FA stopped
		Death cases	Others	Total		
1.	Fatehgarh Sahib	7	13	20	4.78	May 2016 – May 2020
2.	Ludhiana	36	120	156	40.50	August 2016 - August 2019
3.	Patiala	14	0	14	1.65	April 2017 – May 2020
4.	Rupnagar	1	28	29	7.10	March 2017 - April 2020
5.	SBS Nagar	10	32	42	10.16	December 2017 - July 2019
6.	SAS Nagar	0	41	41	9.80	October 2017 – February 2020
Total		68	234	302	73.99	

Source: Departmental data

Table 3.5(b): Details of ineligible beneficiaries to whom financial assistance was paid against duplicate entry under FAWDW Scheme from April 2017 to July 2020

Sr. No.	Name of district	No. of duplicate beneficiaries			Amount (₹ in lakh)	Period when FA stopped
		Death cases	Others	Total		
1.	Fatehgarh Sahib	3	1	4	0.98	October 2016 – December 2018
2.	Ludhiana	3	29	32	8.10	August 2016 – August 2019
3.	Patiala	4	0	4	0.24	September 2019 – May 2020

Sr. No.	Name of district	No. of duplicate beneficiaries			Amount (₹ in lakh)	Period when FA stopped
		Death cases	Others	Total		
4.	Rupnagar	1	7	8	1.96	March 2017 – November 2017
5.	SBS Nagar	0	5	5	1.23	December 2017 – January 2018
6.	SAS Nagar	0	5	5	1.03	October 2017 – July 2020
Total		11	47	58	13.54	

Source: Departmental data

The DSSO, Fatehgarh Sahib stated (April 2021) that the above cases were inadvertently shown as death cases on the portal. However, no documents in support of the reply were furnished to Audit, besides not furnishing the reply in respect of other duplicate cases. The DSSOs of remaining test-checked districts stated (November 2020-March 2021) that requisite reply/action/recovery would be effected after verifying the facts.

(ii) The Financial Assistance to Dependent Children in Punjab Rules, 1996 *inter alia* provide for financial assistance of ₹ 500/- per month (up to June 2017) and ₹ 750/- per month (from July 2017 onwards) to maximum two children having age less than 21 years whose parents have died/are disabled/ unable to earn their livelihood.

Examination of data in respect of FADC Scheme in six test-checked districts revealed that in 651 cases shown active in four test-checked districts, financial assistance amounting to ₹ 72.12 lakh²¹ had been disbursed (April 2017 to July 2020) even after attaining the age of 21 years, in contravention of the rules *ibid*. The concerned DSSOs stated (November 2020-March 2021) that requisite reply/action/recovery would be effected after verifying the facts.

During exit conference, the Director, DSSWCD stated (July 2021) that all DSSOs had been instructed to check duplicate records in master database of beneficiaries to avoid excess payment and correct the discrepancies immediately. It was added that after the implementation of PFMS Portal, cases of duplicate/ghost beneficiaries would be eliminated.

3.7 Disbursement of financial assistance to female beneficiaries under both OAP and FAWDW Schemes

The guidelines formulated by the State envisage that an applicant would be entitled to receive only one type of social security pension and the applicants need to opt for the scheme they are applying for.

Examination of master data being maintained in PBMS revealed that 2,226 female beneficiaries residing in same village, block and district having

²¹ (i) Patiala: ₹ 44.06 lakh (295 cases); (ii) Rupnagar: ₹ 5.97 lakh (144 cases); (iii) SAS Nagar: ₹ 0.98 lakh (04 cases); and (iv) SBS Nagar: ₹ 21.11 lakh (208 cases). No such cases were noticed in two districts *viz.* Fatehgarh Sahib and Ludhiana.

same name, father's name, Aadhaar numbers and/or bank account numbers (last four digits only) were taking the benefit of financial assistance in both OAP and FAWDW schemes, in contravention of provisions *ibid*. The financial assistance in these cases was sanctioned between January 1996 and June 2020. This shows that requisite validation controls in the application were lacking to restrict financial assistance to same beneficiary in another social security scheme.

In six test-checked districts, the probable disbursement of financial assistance to 213 female beneficiaries under both OAP and FAWDW schemes for the period ranging between 01 and 38 months worked out to ₹ 37.32 lakh during the period from April 2017 to July 2020, as detailed in **Table 3.6**.

Table 3.6: Details of female beneficiaries who were provided financial assistance in both OAP and FAWDW schemes in six test-checked districts during the period from April 2017 to July 2020

Sr. No.	Name of district	No. of beneficiaries	Period (In months)	Amount (₹ in lakh)
1.	Fatehgarh Sahib	20	4-33	4.37
2.	Ludhiana	37	4-38	6.49
3.	Patiala	124	1-33	19.42
4.	Rupnagar	11	7-33	2.33
5.	SBS Nagar	14	4-33	3.18
6.	SAS Nagar	7	10-33	1.53
Total		213	1-38	37.32

Source: Departmental data

The DSSO, Fatehgarh Sahib while confirming the facts in respect of 13 cases stated (April 2021) that requisite action in this regard was being taken. It was added that 07 cases were being shown as duplicate due to technical error, but these actually belonged to different persons. However, no supporting documents in this regard were produced to Audit. The DSSOs of the remaining test-checked districts stated (November 2020-March 2021) that reply would be given after verifying the facts.

During exit conference, the Director, DSSWCD stated (July 2021) that all DSSOs had been instructed to check duplicate records in master database of beneficiaries to avoid excess payment and correct the discrepancies immediately. It was added that after the implementation of PFMS Portal, cases of duplicate/ghost beneficiaries would be eliminated.

The DSSWCD may ensure incorporating requisite validation controls in the application to restrict financial assistance to same beneficiary in another social security scheme.

3.8 Non-recovery of inadmissible payment of financial assistance

Government of Punjab (GoP) instructed (June 2017) all the Deputy Commissioners of the State to review eligibility of all beneficiaries covered under revised guidelines/eligibility conditions of social security schemes viz. OAP, FAWDW, FADC and FADP²². Further, notification issued (June 2017) by DSSWCD *inter alia* provided that if the credentials of beneficiaries were found to be incorrect, then recovery would be effected from the beneficiaries under the Land Revenue Act, besides, taking appropriate action against the concerned officers/officials and the ineligible beneficiaries.

Audit observed that after conducting review of the beneficiaries in accordance with GoP's instructions (June 2017), the DSSWCD found 70,137 beneficiaries ineligible²³ under four social security schemes pointing out recovery of ₹ 162.35 crore. Of these, 68,307 ineligible beneficiaries with recoverable amount of ₹ 157.17 crore pertained to three selected schemes. As of July 2021, out of the inadmissible amount of financial assistance of ₹ 157.17 crore recoverable from 68,307 ineligible beneficiaries, only 0.52 per cent (i.e. ₹ 0.81 crore) had been recovered, leaving ₹ 156.36 crore still to be recovered. However, action taken, if any, against the concerned officers/officials and ineligible beneficiaries, as per notification (June 2017), was not intimated by the Department (July 2021).

In six test-checked districts, as of July 2021, out of the inadmissible amount of financial assistance of ₹ 27.20 crore recoverable from 10,327 ineligible beneficiaries, only 1.21 per cent of the amount (i.e. ₹ 0.33 crore) had been recovered, leaving ₹ 26.87 crore still to be recovered under three selected social security schemes, as discussed in **Table 3.7**.

Table 3.7: Amount of inadmissible financial assistance in respect of three selected social security schemes recoverable from ineligible beneficiaries in six test-checked districts

(₹ in crore)					
Sr. No.	Name of district	No. of ineligible beneficiaries	Amount recoverable	Amount recovered (per cent)	Amount outstanding
1.	Fatehgarh Sahib	469	0.93	0.12 (12.90)	0.81
2.	Ludhiana	1,871	4.25	0.08 (1.88)	4.17
3.	Patiala	6,456	19.40	0.01 (0.05)	19.39
4.	Rupnagar	629	1.66	0.05 (3.01)	1.61
5.	SBS Nagar	204	0.65	0.05 (7.69)	0.60
6.	SAS Nagar	698	0.31	0.02 (6.45)	0.29
Total		10,327	27.20	0.33 (1.21)	26.87

Source: Departmental data

²² Financial Assistance to Disabled Persons.

²³ Age less than the age prescribed under rules (36,617 cases); income more than the income prescribed under rules (7,852 cases); and possession of land more than the land prescribed under rules (25,668 cases).

During exit conference, the Director, DSSWCD stated (July 2021) that instructions had been issued to DSSOs for speedy recovery of dues and the compliance in this regard was being monitored.

3.9 Denial of financial assistance to eligible beneficiaries

As per the prevalent rules²⁴ for three selected social security schemes viz. OAP, FAWDW and FADC being implemented in DSSWCD, financial assistance of ₹ 500/- per month (up to June 2017) and ₹ 750/- per month (from July 2017 onwards) was to be provided to the eligible beneficiaries.

(i) Audit observed that as a result of verification of beneficiaries in accordance with the GoP's instructions (June 2017), as mentioned in the preceding paragraph, none of the eligible beneficiaries was provided financial assistance under any of the social security schemes in the State, except for Municipal Corporation (MC) area of ten districts²⁵, during the period from May to November 2017.

Examination of master data being maintained in PBMS of three selected schemes revealed that none of the eligible beneficiaries were provided financial assistance in six test-checked districts (except for MC area of two districts viz. Ludhiana and SAS Nagar, where payment was made for the months from May to September 2017) during the verification period from May to November 2017, which worked out to ₹ 204.03 crore, as detailed in **Table 3.8**.

Table 3.8: Beneficiaries deprived of financial assistance under three selected schemes in six test-checked districts during May to November 2017

(₹ in crore)

Sr. No.	Name of district	No. of beneficiaries* (Range)	Financial assistance payable	Financial assistance paid	Outstanding amount
1.	Fatehgarh Sahib	40,110 – 41,538	19.44	0.00	19.44
2.	Ludhiana	1,64,125 – 1,69,035	79.64	16.33	63.31
3.	Patiala	1,19,162 – 1,32,271	58.59	0.00	58.59
4.	Rupnagar	48,919 – 50,743	23.78	0.00	23.78
5.	SBS Nagar	48,055 – 49,225	23.06	0.00	23.06
6.	SAS Nagar	37,095 – 37,600	16.48	0.63	15.85
Total		37,095 – 1,69,035	220.99	16.96	204.03

Source: Departmental data

* Range of total beneficiaries under the three selected schemes month-wise for the period May to November 2017, subject to the audit observations on the eligibility of beneficiaries, as pointed out in paragraphs 3.5 to 3.7.

²⁴ (i) Punjab Old Age Pension Rules, 1996; (ii) Financial Assistance to Widows and Destitute Women in Punjab Rules, 1996; and (iii) Financial Assistance to Dependent Children in Punjab Rules, 1996, amended from time to time.

²⁵ (i) Gurdaspur (payment made for the months of July and August 2017); (ii) Amritsar; (iii) Bathinda; (iv) Hoshiarpur; (v) Jalandhar; (vi) Ludhiana; (vii) Moga; (viii) Pathankot; (ix) Phagwara; and (x) SAS Nagar (payment made for the months of May to September 2017).

During exit conference, the Director, DSSWCD stated (July 2021) that the Finance Department had been approached to release ₹ 726.19 crore for making payments to the beneficiaries found eligible during verification process and payment would be made to the beneficiaries within 2-3 months. Further reply/action of the Department was awaited (October 2021).

(ii) Examination of the master data maintained in PBMS containing list of active beneficiaries (after taking into account addition and deletion) and lists of beneficiaries sent to banks (in Excel format) for payment as of July 2020 in respect of three selected schemes in six test-checked districts revealed that apart from the active beneficiaries, who were not provided financial assistance during the seven months' period from May-November 2017, as discussed in preceding paragraph, an average of 1,715²⁶ beneficiaries (ranging between 06 and 37,485 beneficiaries) remained deprived of the financial assistance during the audit period from April 2017 to July 2020, which worked out to ₹ 73.93 crore, as detailed in **Table 3.9**.

Table 3.9: Beneficiaries deprived of financial assistance under three selected schemes in six test-checked districts during April 2017 to July 2020 (excluding May to November 2017, as pointed out in Table 3.8)

(₹ in crore)

Sr. No.	Name of district	OAP		FAWDW		FADC		Total	
		No. of beneficiaries* (Range)	FA not paid	No. of beneficiaries* (Range)	FA not paid	No. of beneficiaries* (Range)	FA not paid	No. of beneficiaries* (Range)	FA not paid
1.	Fatehgarh Sahib	172-3,685	1.30	30-1,181	0.38	10-300	0.16	10-3,685	1.84
2.	Ludhiana	7,562-25,985	30.29	529-8,660	6.01	170-1,381	0.96	170-25,985	37.26
3.	Patiala	233-37,485	10.24	141-11,598	3.73	112-2,671	2.16	112-37,485	16.13
4.	Rupnagar	27-5,271	3.70	19-1,800	1.55	26-649	0.11	19-5,271	5.36
5.	SBS Nagar	128-4,146	3.01	22-12,683	2.32	18-1,049	0.56	18-12,683	5.89
6.	SAS Nagar	106-11,758	4.26	216-5,711	2.70	6-1,091	0.49	06-11,758	7.45
Total			52.80		16.69		4.44	6-37,485	73.93

Source: Departmental data

* Subject to the audit observations on the eligibility of beneficiaries, as pointed out in paragraphs 3.5 to 3.7.

On this being pointed out in audit, the Director, DSSWCD stated (July 2021) that the payment to the beneficiaries could not be made as there were no provision for payment of arrear for the period for which financial assistance was withheld/stopped for reasons viz. minimum balance in bank not maintained, dormant account, etc. It was added that non-provision for payment of arrear was a serious issue and assured that a Standard Operating Procedure in this regard would be formulated to streamline the payment to the eligible beneficiaries in such cases.

²⁶ OAP: 3,688 beneficiaries; FAWDW: 1,150 beneficiaries; and FADC: 307 beneficiaries on average in respect of six test-checked districts.

Thus, poor and needy people of the society for whom the social security schemes were initiated, remained deprived of the financial assistance, thereby defeating the objectives of the schemes.

The DSSWCD may consider opening of zero balance bank accounts of the beneficiaries so as to minimise the failed transactions on account of minimum balance not being maintained.

3.10 Delay in sanction/payment of financial assistance to beneficiaries

(i) As per notification issued (June 2017) by DSSWCD, the applications for sanction of financial assistance to the beneficiaries may be processed within 30 days of their receipt under the social security schemes.

Examination of data being maintained in PBMS in respect of three selected schemes in six test-checked districts revealed that out of total 5,87,732 cases, the date of receipt of application from Child Development and Project Officer (CDPO) was filled in 37,393 cases²⁷ in respect of four districts only. Of these, in 8,371 cases²⁸, the financial assistance was sanctioned (as of July 2020) with an average delay of 61 days (with maximum delay of 1,432 days) beyond the prescribed time period of 30 days in four test-checked districts. In the absence of payment records/files with the Department, the actual date of payment of financial assistance to beneficiaries could not be ascertained in audit.

It was further noticed that in three selected districts²⁹, the financial assistance was sanctioned before receipt of applications from CDPO in 1,147 cases, with an average time difference of 44 days (with maximum difference of 1,097 days). The DSSO, Fatehgarh Sahib attributed (April 2021) the reason for this to clerical mistake in mentioning the date of receipt of application, but no supporting document in support of the reply was furnished to Audit. Replies in respect of remaining two test-checked districts *viz.* Ludhiana and SBS Nagar were awaited (June 2021).

(ii) The respective rules in respect of three selected social security schemes provide for payment of financial assistance to the beneficiaries every month. Further, as per Standard Operating Procedure (SOP), DBT payments being processed by other implementing agencies through PFMS or other payments systems will also adhere to the timelines and processes mentioned in this SOP.

²⁷ Requisite data i.e. date of receipt of application from CDPO was maintained/available in PBMS in four test-checked districts *viz.* (i) Fatehgarh Sahib (2,225 out of 49,472 cases); (ii) Ludhiana (31,490 out of 2,08,115 cases); (iii) SBS Nagar (32 out of 58,042 cases); and (iv) SAS Nagar (3,646 out of 45,144 cases). Requisite data in respect of two districts- Patiala and Rupnagar, was not present in data provided.

²⁸ (i) Fatehgarh Sahib (01-1,432 days in 174 out of 2,225 cases); (ii) Ludhiana (31-585 days in 8,134 out of 31,490 cases); (iii) SBS Nagar (60-93 days in 03 out of 32 cases); and (iv) SAS Nagar (02-184 days in 60 out of 3,646 cases).

²⁹ (i) Fatehgarh Sahib (05-1,097 days in 26 cases); (ii) Ludhiana (01-425 days in 1,113 cases); and (iii) SBS Nagar (02-147 days in 08 cases). No such discrepancy was noticed in three districts *viz.* Patiala, Rupnagar and SAS Nagar.

The maximum total time for receiving payments response: success or failure (with reasons) is T+4 working days, where T is the day of transaction.

Audit observed that the system of direct transfer of benefit in the bank account of the beneficiary by generation of payment files instructions in PFMS/through State treasury account had not been developed, as per DBT framework. However, it was observed in six test-checked districts that there was a delay in sending payment files to banks by respective DSSOs with an average delay of 33 days (with maximum delay of 245 days) from the sixth day of the succeeding month in which the financial assistance was due during 2017-2021 (up to July 2020), as detailed in **Table 3.10**.

Table 3.10: Delay in payment of financial assistance to beneficiaries during 2017-2021 (up to July 2020)

Sr. No.	Name of district	No. of months in which		Delay in days	Amount disbursed (₹ in crore)		
		Payment made	Payment delayed		Total	with delay	Percentage
1.	Fatehgarh Sahib	33*	31	1 to 237	114.77	106.50	92.79
2.	Ludhiana	38	36	3 to 225	473.23	441.58	93.31
3.	Patiala	33*	30	1 to 245	398.96	357.55	89.62
4.	Rupnagar	33*	31	1 to 223	131.78	122.71	93.12
5.	SBS Nagar	33*	31	2 to 229	136.83	126.98	92.80
6.	SAS Nagar	38	35	3 to 224	90.83	78.72	86.67
Total					1,346.40	1,234.04	91.65

Source: Departmental data

* Payment for the period May to September 2017 was made in MC Area of Ludhiana and SAS Nagar districts only.

During exit conference, the Director, DSSWCD stated (July 2021) that instructions had been issued to all the DSSOs to sanction the pension in timely manner and the Deputy Commissioners had also been asked to monitor the compliance in their districts. It was added that a 'Review Performa' had also been prepared to check the time taken by DSSOs to sanction the financial assistance and to release the same to the beneficiaries for the first time.

3.11 Modification in master database

Pension Beneficiary Management System (PBMS) is a web-based software developed by DSSWCD to capture the beneficiary details in respect of social security schemes being implemented in the State of Punjab.

During test-check of records (i.e. master data maintained in PBMS and list of files submitted to respective banks in MS-Excel format during April 2017 to July 2020) in six test-checked districts, it was observed that bank account numbers of beneficiaries in the master database were changed at the level of DSSOs without any authority or request of the applicant found on record³⁰.

³⁰ Audit substantiated the discrepancy from 84 application forms (OAP-16; FAWDW-37; and FADC-31) in the test-checked districts.

Moreover, the data in respect of changed records (bank account numbers) was not being maintained/retained. Thus, the possibility of fraud and embezzlement of Government money could not be ruled out.

During exit conference, the Director, DSSCWD stated (July 2021) that instructions had been issued to DSSOs to keep the record of changes made in the database. The Director, DGRPG admitted that the software overwrote the older values with the new values in the master database. It was added that after implementation of PFMS in the State, all the necessary modifications would be stored in the portal/system. The replies were not acceptable as due to non-retention/non-availability of the changed records (i.e. old bank account numbers), genuineness of payments made during the period 2017-2021 (up to July 2020) to the beneficiaries whose record had been updated/changed, could not be verified in audit.

3.12 Non-verification of eligibility criteria for disbursement of financial assistance

The provisions of Punjab OAP Rules, 1996 and FAWDW in Punjab Rules, 1996 and subsequent amendments thereto *inter alia* provide that the beneficiaries are eligible for financial assistance³¹ under the respective schemes if they are residing in the State of Punjab for the last three years. The rules further provide that to continue to draw pension/financial assistance, the beneficiary should have a good character otherwise sanctioning authority has right to stop or suspend the pension/financial assistance.

Test-check of records in six test-checked districts revealed that:

- Self-declaration/confirmation regarding stay of beneficiaries in the State of Punjab for the last three years was neither obtained from the beneficiaries nor any verification report from district/block was found attached with the application form.
- No mechanism existed to verify the character of the beneficiaries receiving pension/financial assistance.

Thus, non-verification of the eligibility criteria under the rules *ibid* by the authorities concerned could lead to payment of financial assistance to ineligible beneficiaries.

During exit conference, the Director, DSSWCD stated (July 2021) that necessary columns would be added in the pension application form as per rules.

3.13 Identification of deceased beneficiaries

The DBT Mission, GoI recommended that database of beneficiaries being maintained by the respective departments under DBT schemes needs to be

³¹ ₹ 500/- per month up to June 2017 and ₹ 750/- per month from July 2017 onwards.

dynamic and linked to death registrations. The SOP Modules for DBT also envisaged DBT framework as a multi-stakeholder architecture which capitalises on the competencies of various departments including Registrar General of India to deliver benefits to beneficiaries in a timely and effective manner for successful implementation of DBT system.

Audit observed in six test-checked districts that no mechanism to identify deceased beneficiaries from the death registrations, Local Bodies, Hospitals, etc. was in place to ensure discontinuance of financial assistance to the deceased. The Department depended only on the information provided by Aanganwadi workers, Sarpanches of Gram Panchayats, banks in which financial assistance of beneficiaries was being transferred, etc.

During exit conference, the Director, DSSWCD stated (July 2021) that the integration of social security portal with Birth and Death Registrar was under process in consultation with DGRPG.

3.14 Other points

3.14.1 Review/updation of beneficiaries' data

Standard Operating Procedure for DBT payments provides that steps involved in beneficiary's identification and enrolment are to be carried out in respective DBT Scheme software. It further provides for the Ministry/Department to evolve their own process to ensure outreach and communication for timely updating of beneficiary records including financial address (bank account/Aadhaar). Further, respective rules of three selected schemes provide that all the cases in which the beneficiaries remained out of State for more than one year would not be eligible to draw financial assistance.

The DSSWCD asked (September 2017) all the Deputy Commissioners of the State to form a three-member Committee comprising Aanganwadi worker (from CDPO office), ASHA worker (in coordination with Civil Surgeon) and Patwari (in coordination with District Revenue Officer) which would identify the eligible beneficiaries to whom pension was not being sanctioned and ineligible beneficiaries who were irregularly drawing financial assistance so that the financial assistance could be provided to only needy and authentic beneficiaries. The Committee would prepare a quarterly report of identified eligible beneficiaries and weed out ineligible beneficiaries and send it to the DSSO of the district through BDPO of the concerned block. The list of beneficiaries would be updated every quarter by deleting ineligible beneficiaries and updating eligible beneficiaries.

Examination of records revealed that no quarterly report of identified eligible/ineligible beneficiaries including beneficiaries who remained out of State for more than one year was being maintained/available with the respective

DSSOs of the six test-checked districts. Regarding formation of requisite Committee in test-checked districts, the DSSOs Ludhiana, Rupnagar and SBS Nagar stated (January-March 2021) that no such Committee for the purpose had been formed at block level. The DSSOs, SAS Nagar and Patiala stated (November 2020 and February 2021) that records would be verified and intimated to Audit. The DSSO, Fatehgarh Sahib stated (April 2021) that the respective CDPOs were requested to form the requisite Committee.

During exit conference, the Director, DSSWCD stated (July 2021) that all DSSOs had been instructed to constitute the Committee. It was further stated that action would be taken to stop the financial assistance to the beneficiaries who were out of station for more than one year.

Thus, the fact remains that requisite action required under the provisions *ibid* had not been taken by DSSWCD for review/updation of beneficiaries' data under the social security schemes. Periodic review/updation assumes greater importance in light of the fact that ineligible beneficiaries had been identified during the verification process initiated during June 2017 (as discussed in Paragraph 3.8). Further, Audit also noticed various discrepancies in the beneficiaries' data, to whom payment of undue financial assistance could not be ruled out, as discussed in this Report.

3.14.2 SMS alerts to beneficiaries

As per Standard Operating Procedures for DBT, establishment of feedback loop has to be an integral part of the IT platform. Apart from the feedback given to the beneficiaries through SMS (Short Message Service) alerts regarding transaction by corresponding bank, scheme-wise payment details will be intimated to the beneficiaries by PFMS/Programme Division through SMS.

Audit observed that there was no mechanism to disseminate the information about payment of financial assistance under DBT to the beneficiaries through SMS, apart from the SMS alerts regarding sanction of pension/financial assistance under DBT at initial stage only. It was further noticed that even the initial SMS alert was being sent to only those beneficiaries, whose applications were received through online mode, and this facility was not being provided to the beneficiaries submitting their applications through offline mode. Audit noticed that out of 1,83,591 beneficiaries who were sanctioned financial assistance in six test-checked districts with respect to the three selected schemes under DBT during 2017-2021 (up to July 2020), 1,58,568 beneficiaries (86.37 per cent) in four selected districts³² had submitted their applications through offline mode, to whom SMS alert regarding sanction of financial assistance under DBT schemes was not sent. The applications in Rupnagar and SBS Nagar were being received through online mode. Thus, due to inadequate

³² (i) Fatehgarh Sahib (13,261); (ii) Ludhiana (85,367); (iii) Patiala (50,607); and (iv) SAS Nagar (9,333).

provision of SMS alerts, the beneficiaries would be unable to receive a confirmation of the payment of monthly assistance under the selected schemes. As such, in case of transfer of financial assistance to unauthorised persons, the beneficiaries may not confirm/enquire about the sanction/payment of financial assistance from the department, and the transfer may go undetected.

During exit conference, the Director, DSSWCD stated (July 2021) that respective banks of the beneficiaries might have sent the SMS alert regarding credit of financial assistance in their bank accounts. The reply of the Department was not in line with the provisions *ibid*. The Director further stated that as and when payment through PFMS was made functional, SMS alerts with respect to sanction of payment would be sent to the beneficiaries.

3.14.3 Management of failed transactions

As per Standard Operating Procedures Modules for DBT (Section 7), payment for failed transactions would be re-initiated by the department after carrying out the required modification/rectification.

Audit observed in six test-checked districts that though the information/list of failed transactions was being sent by the respective banks to DSSOs, there existed no system in four test-checked districts *viz.* Patiala, Rupnagar, SBS Nagar and SAS Nagar to re-initiate the failed transactions. During the period 2017-2021 (upto July 2020), an amount of ₹ 20.68 crore on account of failed transactions in respect of four test-checked districts was deposited into treasury, as detailed in **Table 3.11**.

Table 3.11: Amount on account of failed transactions deposited in treasury during 2017-2021 (upto July 2020)

(₹ in crore)					
Name of district	2017-18	2018-19	2019-20	2020-21 (upto July 2020)	Total
Patiala	3.75	3.04	1.63	0.50	8.92
Rupnagar	0.48	1.95	3.50	0.86	6.79
SBS Nagar	0.24	0.22	0.05	0.08	0.59
SAS Nagar	0.01	3.68	0.55	0.14	4.38
Total	4.48	8.89	5.73	1.58	20.68

Source: Departmental data

On this being pointed out in audit, the Director, DSSWCD stated (July 2021) that instructions had been issued to all the DSSOs to regulate the failed transactions so that financial assistance could be provided to the beneficiaries at the earliest. It was added that after implementation of PFMS Portal in the State, the failed transactions would be re-initiated in a timely manner. The fact remains that non-regulation of failed transactions could lead to deprivation of financial assistance to the needy and poor people under the social security schemes.

3.15 Scheme design

As per notification issued (June 2017) by DSSWCD, the financial assistance under the social security schemes would be approved by the concerned DSSO within one month from the date of receipt of application and the financial assistance/pension would be sanctioned/started quarterly. Prior to this, the financial assistance was being sanctioned/started in the same month if the beneficiary applied for the same by 20th of the month, otherwise it was provided from the next month.

With regard to the three selected social security schemes in six test-checked districts, it was noticed that the financial assistance to beneficiaries were sanctioned in the first or second month of each quarter during the period April 2017 to June 2020. However, payment to these beneficiaries was made from the first month of the succeeding quarter from the month in which financial assistance was approved by the DSSOs. Thus, the beneficiaries received the financial benefits after a delay of 1-2 months from the date of sanction.

During exit conference, the Director, DSSWCD stated (July 2021) that beneficiaries were provided financial assistance as per the rules as of now. It was added that the State Government had launched 'Covid Orphan Pension Scheme', in which the assistance was being provided to all the beneficiaries in the succeeding month from the month in which beneficiaries had applied. Same methodology for payment of financial assistance to the beneficiaries under social security schemes would also be implemented after taking decision at State Government level, being a policy matter.

3.16 Conclusions

The process re-engineering for implementation of DBT in the State was deficient as is evident from the following inconsistencies noticed during the performance audit:

- The procedure implemented by the Department was not in consonance with the spirit of the DBT framework whereby transfer of benefits should be done directly to the beneficiaries. The procedure can be termed as benefit transfer, but not as "direct" benefit transfer.
- Despite lapse of more than three years from the decision (March 2017) of the State Government to bring all the social security schemes under DBT, the DSSWCD could reduce only one intermediary level (payment through Gram Panchayat Bank Account) in disbursing the financial assistance under the social security schemes, thus, not adhering to the Standard Operating Procedure of DBT Manual.

- Though Aadhaar numbers of 92 *per cent* of the digitised beneficiaries had been captured in six test-checked districts, system of transfer of financial assistance directly to the Aadhaar linked bank accounts of the beneficiaries by generation of payment files instructions in PFMS/through State treasury account was not ensured.
- After porting the beneficiaries' data in PBMS, neither any review to check the completeness, authenticity and correctness of the legacy data was conducted nor were any instructions passed on to DSSWCD to get the data verified at their level, as Audit noticed cases of duplicate PLA numbers, beneficiaries' age less/more than the prescribed limit, acceptance of gender as 'Male' for the scheme meant for female beneficiaries (FAWDW). Besides, cases of duplicate records of beneficiaries, non-exclusion of ineligible beneficiaries and grant of financial assistance to same beneficiaries in more than one scheme, etc. were also noticed.
- The DSSWCD weeded out 18,583 ineligible beneficiaries under the social security schemes in six test-checked districts. However, out of ₹ 37.09 crore, only ₹ 0.33 crore had been recovered as of July 2021 from them. On the other hand, financial assistance of ₹ 277.96 crore was not provided to the eligible beneficiaries of three selected schemes in six test-checked districts during April 2017 to July 2020. Besides, cases of delayed/advance sanction/payment of financial assistance were also noticed.
- Modification in master database *i.e.* change in bank account numbers of beneficiaries, etc. was being done by DSSOs without any authority or request of applicant on record. Dissemination of information through SMS about payment of financial assistance to beneficiaries and regulation of failed transactions received from the respective banks was also lacking.
- No mechanism existed in DSSWCD for identification of deceased beneficiaries through the Registrar General of India to ensure discontinuance of financial assistance to the deceased. Requisite Committees as initiated by the Department for periodical review/identification of eligible/ineligible beneficiaries had not been formed at block levels, in spite of detecting substantial number of ineligible beneficiaries during a review conducted by the State Government in June 2017.
- The scheme design deficiencies with regard to change in commencement of financial assistance to beneficiaries from the month of sanction to first month of the succeeding quarter, led to delay of 1-2 months in receipt of financial assistance from the date of sanction.

3.17 Recommendations

In the light of the audit findings, the State Government may consider:

- (i) *taking appropriate steps to eliminate the existing intervening layers as per Standard Operating Procedure of DBT Manual, besides adopting the system of transfer of financial assistance directly to the Aadhaar linked bank accounts of the beneficiaries by generation of payment files instructions in PFMS/through State treasury account for making the flow of funds faster, secure and curbing pilferage/duplication in payments;*
- (ii) *carrying out a comprehensive review of the beneficiaries' data including the legacy data already ported in PBMS to ensure its completeness, authenticity and correctness;*
- (iii) *putting in place adequate input and validation controls in PBMS application so as to curb duplicate, unauthentic and invalid data, thereby capturing data in respect of eligible beneficiaries as per provisions of the respective rules of the social security schemes under DBT;*
- (iv) *putting in place mechanism for modification in beneficiaries' database on the basis of authentic records; dissemination of information through SMS about payment of financial assistance to beneficiaries; and regulation of failed transactions received from respective banks;*
- (v) *integration of beneficiaries' data with the death data available with the Registrar General of India for identification of deceased beneficiaries to ensure discontinuance of financial assistance to the deceased, besides, adoption of mechanism at block levels for periodical review/identification of eligible/ineligible beneficiaries so as to ensure payment of financial assistance to bona fide beneficiaries; and*
- (vi) *making strenuous efforts for effecting recovery of inadmissible/excess payment of financial assistance from the ineligible beneficiaries, besides fixing responsibility for inaction by the authorities concerned.*

Chapter-IV

Infrastructure, organisation and management of Direct Benefit Transfer

Chapter-IV

Infrastructure, organisation and management of Direct Benefit Transfer

4.1 State Direct Benefit Transfer Cell

Paragraph 2.1 of Protocol Document on Direct Benefit Transfer (DBT) in States (June 2017) prescribes for constitution of DBT Cell at State level to enable adoption and understanding of the DBT framework. Further, Guidelines for State DBT Cell issued by DBT Mission, GoI provide that DBT Cell in the States is expected to be the one-stop point for coordinating all efforts for bringing and implementing schemes on to DBT. The DBT Cell has been divided into three components namely - (i) Advisory Board; (ii) State DBT Co-ordinator; and (iii) Implementation Support Layer.

The GoP, in order to coordinate the activities of DBT Cell, nominated (July 2017) the Secretary to Government of Punjab, Department of Finance, Directorate of Institutional Finance and Banking as State Nodal Officer of State DBT Cell (State DBT Co-ordinator), the charge of which was transferred (June 2020) to the Additional Secretary-cum-Director, Department of Governance Reforms and Public Grievances (DGRPG), GoP. The activities of State DBT Cell, noticed during the course of audit, are discussed in the succeeding paragraphs.

4.1.1 *Constitution of State Advisory Board*

In accordance with the Guidelines for State DBT Cell, the Government of Punjab, Department of Finance constituted (November 2017) State Advisory Board (SAB) to DBT Cell having 20 members from various departments/organisations under the chairmanship of Chief Secretary to Government of Punjab. As per Guidelines for State DBT Cell, the chief role of SAB was to provide the Cell's executive body, a holistic and well-rounded advisory and consulting inputs. Since this unit witnesses the representation from all stakeholders, its advisory shall ensure that the Cell's operations are not exclusionary and are in sync with the interests of DBT's various enablers. The guidelines further provide that SAB may meet once in a quarter or in any other regular interval, as deemed fit. However, no meeting of SAB was held during 2017-2021 (up to July 2020).

During exit conference, the Director, DGRPG, while apprising about holding of first meeting of SAB in March 2021, stated (July 2021) that meeting would now be held after every six months.

4.1.2 Implementation Support Layer

(i) The Implementation Support Layer consisting of three coordinators of the rank of Director or Officer on Special Duty (OSD), responsible for technical, non-technical, and finance and administration support to the Cell's operations for eliciting cooperation and participation from the grass-root levels required to be constituted, as per Guidelines for State DBT Cell, had not been constituted (December 2020).

During exit conference, the Director, DGRPG stated (July 2021) that Associate Principal Consultant (UID-PMU) had been deputed (June 2020) as Project Manager for end-to-end operations of the State DBT Cell Project which included technical as well as administrative support and Head of the Finance Branch of the Department i.e. Assistant Controller, Finance and Accounts (ACFA) could be assumed as Financial Support for the State DBT Cell as no separate notification was issued in this regard. It was added that file for constitution of Implementation Support Layer in line with the DBT mission framework would be sent to the Chief Secretary, Government of Punjab for consideration.

(ii) Guidelines for State DBT Cell issued by DBT Mission, GoI provide that as a part of implementation support, the State DBT Cell shall provide training and support in capacity building of State officials on DBT. The guidelines further provide for organising exposure visits for the State/district officials in DBT progressive States for familiarising them with model practices, besides, conducting bench-marking studies on Best Practices, running innovations in the State through pilots/experiments and developing roadmap to incorporate those practices in State operations.

Audit observed that during the period from 2017-18 to 2020-21 (up to July 2020):

- Neither any training calendar was prepared nor was any training on DBT provided to State officials by the State DBT Cell.
- No exposure visits for State/district officials in DBT progressive States¹ were arranged by the State DBT Cell for familiarising the officials with model practices being adopted by those states.

¹ Haryana, Uttar Pradesh, Tripura, etc.

- Neither any benchmark studies were conducted on Best Practices for developing roadmap to incorporate those practices in State operations nor was any innovation in the State through pilots/experiments carried out by the State DBT Cell.

The DSSWCD admitted (October 2020) the above audit observations. During exit conference, the Director, DGRPG stated (July 2021) that no record on training, exposure visits and benchmark studies arranged before May 2020 was found. However, since reconstitution (July 2020) of State DBT Cell, regular review meetings were being held with the stakeholder departments for monitoring and compliance purposes. It was added that shortage of manpower and non-provision of separate budget for State DBT cell were major bottlenecks in constitution of Implementation Support Layer in the State DBT cell as per DBT framework.

4.1.3 Robust governance framework

Paragraph 2.4 of the Protocol Document on DBT in States (June 2017) provides for a robust governance framework at the State level to continuously monitor the readiness of schemes and programmes. The Governance framework would operate under State DBT Cell and shall be responsible for (i) DBT applicability assessment of schemes and programmes; (ii) consultations with stakeholders on DBT; (iii) beneficiary digitisation analysis and recommendations; (iv) DBT on-boarding of schemes and programmes; (v) monitoring scheme on-boarding progress; and (vi) providing programme management support.

Audit, however, observed that robust governance framework was lacking at State level to continuously monitor the readiness of schemes and programmes. No workshop, seminar, etc. to operationalise DBT was conducted either by the State DBT Cell or DSSWCD during the period of audit (up to June 2020), in contravention of the provisions *ibid*.

It was further noticed that all 127 schemes (cash transfer: 94; and in-kind transfer/others: 33) across 17 departments/entities were brought on the DBT platform as of July 2020. However, Information Communication Technology (ICT) applications in respect of 42 schemes (cash transfer: 33 including 08 in DSSWCD; and in-kind transfer: 09) had only been developed, leaving behind 85 schemes (cash transfer: 61; and in-kind transfer/others: 24) of twelve departments², for which no timeline had been fixed by the

² (i) Department of Social Justice, Empowerment and Minorities (37); (ii) Department of Animal Husbandry (05); (iii) Department of Defence Services Welfare (10); (iv) Department of Horticulture (01); (v) Punjab Municipal Infrastructure Development Company (01); (vi) Department of Technical Education and Industrial Training (02); (vii) Department of Forests and Wildlife Preservation (01); (viii) Department of Social Security and Women and Child Development (15); (ix) Department of School Education (02); (x) Department of Health and Family Welfare (05); (xi) Department of Agriculture and Farmers' Welfare (04); and (xii) Punjab Skill Development Mission (02).

Department (October 2020), as envisaged in the Guidelines for State DBT Cell issued by DBT Mission (GoI).

During exit conference, the Director, DGRPG stated (July 2021) that the SAB in its first meeting (March 2021) had given in-principle approval for building of an integrated DBT solution for the State within a period of 7-9 months. It was added that non-provision of separate budget for the State DBT cell was a major bottleneck to continuously monitor the readiness of schemes and programmes. Further, testing of DBT schemes in National Informatics Centre (NIC) portal had also been taken-up to bring the schemes on NIC platform.

4.1.4 Non-constitution of departmental DBT Cell/Committee

Paragraph 2.1 of Protocol Document on DBT in States provides that apart from State DBT Cell, individual departments shall also constitute a DBT Cell/Committee within each department, so as to ensure that DBT framework is adopted in implementation of schemes.

The State DBT portal displayed information with regard to 127 schemes (cash transfer: 94; and in-kind transfer/others: 33) across 17 departments/entities under DBT. However, it was observed that no internal DBT Cell/Committee had been constituted in DSSWCD. It was further noticed that the State DBT Cell under DGRPG, also did not have any information regarding constitution of DBT Cell/Committee by the individual departments, which is expected to be the one-stop point for coordinating all efforts for bringing and implementing schemes on to DBT.

During exit conference, the Director, DGRPG stated (July 2021) that internal DBT Cell/Committee had been constituted in 08³ out of 17 Departments/entities and confirmation in this regard from remaining nine Departments/entities had been sought. The Director, DSSWCD assured to take necessary action in this regard. This showed lack of coordination between DGRPG and the implementing departments, as in spite of monthly review meetings being conducted with the implementing departments by DGRPG from July 2020 onwards, the DGRPG was unaware of the establishment of internal DBT Cells/Committees by the respective departments.

4.2 Hosting of State Direct Benefit Transfer Portal

(i) The DGRPG, being the administrative department for State DBT Cell, is hosting the Punjab's DBT Portal (<http://dbt.punjab.gov.in>), which

³ (i) School Education; (ii) Health and Family Welfare; (iii) Defence Services Welfare; (iv) Agriculture and Farmers' Welfare; (v) Technical Education and Industrial Training; (vi) Punjab Municipal Infrastructure Development Company; (vii) Food, Civil Supplies and Consumer Affairs; and (viii) Fisheries.

became operational from August 2017. The Government of India (GoI) issued (January 2009 and February 2019) Guidelines for Indian Government Websites (GIGW). The guidelines recommend policies and guidelines for Indian Government Websites and Portals, at any organisational level and belonging to both Central Government as well as State/UT Governments for making Government websites citizen centric and visitor friendly.

Audit noticed that State DBT Portal was integrated with the DBT Bharat Portal (<https://dbtbharat.gov.in>), which is an aggregator portal for all DBT related schemes. The State DBT Portal displayed information with regard to 127 schemes across 17 departments in the State. However, the following shortcomings were observed in State DBT Portal being maintained by DGRPG:

- Website Quality Certification was not obtained from Standardisation Testing Quality Certification (STQC) - an organisation of Ministry of Electronics and Information Technology (MeitY), GoI, as required under Paragraph 1.4 of GIGW guidelines. During the exit conference, the Director, DGRPG stated that an agency would be engaged to obtain the requisite certification.
- The Web Information Manager and Technical Manager were not appointed to ensure proper flow and quality of content to the site, as per paragraphs 10.1.1 and 10.1.2 of GIGW guidelines. During exit conference, the Director, DGRPG stated (July 2021) that Associate Principal Consultant (UID PMU) had been deputed (June 2020) to look after end-to-end operations of the State DBT Cell which included the responsibility of Web Information Manager and Technical Manager for State DBT Portal, however, separate orders had not been issued in this regard. The reply of the Department was not in line with the guidelines *ibid*.
- No Content Contribution, Moderation and Approval Policy to ensure authenticity of data and responsibility, authorisation and workflow details with regard to content publishing on State DBT Portal was framed, as required under paragraph 5.2 of GIGW guidelines. During the exit conference, the Director, DGRPG assured to notify the policy at the earliest.
- No Website Monitoring Policy was formulated to address and fix the quality and compatibility issues, as per paragraph 10.3 of GIGW guidelines. During the exit conference, the Director, DGRPG stated that Website Monitoring Policy had been formulated in January 2021. Audit, however, observed that no periodicity for monitoring and plan to address and fix the quality and compatibility issues were incorporated in the said policy. The policy formulated by the Department was merely reiteration of the provisions of the guidelines *ibid*.

- No provision for regional language content on State DBT Portal was made, as required under paragraph 5.7 of GIGW guidelines. During the exit conference, the Director, DGRPG assured compliance at the earliest.

(ii) Paragraph 2.2(4) of Protocol Document on DBT in States provides that the State DBT Portal would require to be conceptualised and implemented to aggregate State level information on benefit transfers. Portal also has anonymous access for public to know about DBT and its progress in the State and it should have functionalities for public viz. Home Page, About Us, Scheme, Multimedia, DBT Cell, Documents, Success Story, Contact Us, RTI, FAQ, Feedback and Download.

Examination of State DBT Portal revealed that various information, as detailed in **Table 4.1**, were not made available to public on the Portal.

Table 4.1: Information not available to public on State DBT Portal

Name of the functionality	Information not available to public on Portal
About Us	Provision of guidelines to departments on DBT Standard Operating Procedure (SOP).
Scheme	A list of DBT schemes to be on-boarded.
Multimedia	Images, videos and press articles related to DBT in State.
Documents	Though functionality has been provided but no documents such as circulars, reports, event documents, etc. have been uploaded.
Success Story	State initiatives on DBT success related to control leakages, savings and removal of duplication story in a department or across departments in State.
Download	Section where department can refer for location master which is LGD (Local Government Directory) and State DBT MIS integration approach document as developer toolkit having web service signature or predefined file format for data exchange with State DBT Portal.

Source: Website of State DBT Portal (<http://dbt.punjab.gov.in>)

During exit conference, the Director, DGRPG stated (July 2021) that these sections were kept blank as there was no content available. The reply of the Department was not convincing as despite making 127 schemes across 17 departments/entities functional under DBT, the requisite information was not made available on the State DBT Portal for general public, as per guidelines *ibid*.

4.3 Non-provision of real time capturing of beneficiary data

The Standard Operating Procedure (SOP) for DBT Bharat Portal (States/UTs) and SOP Modules for Direct Benefit Transfer issued by GoI provides for creation and maintenance of real time MIS Portal.

Audit noticed that no mechanism existed for real time capturing of beneficiaries' data on State DBT Portal. During exit conference, the Director,

DGRPG stated (July 2021) that the data on State DBT Portal was being depicted as per the monthly progress input by the respective departments. It was added that the current State DBT Portal, based on the standard DBT Portal framework provided by the DBT Mission did not have any provision for real time capturing of data. The reply of the Department was not in line with the SOP *ibid*. In the absence of real time capturing of data, current position of DBT schemes, beneficiaries covered, financial assistance disbursed, etc. would not be available on DBT Portal, which may hamper prompt and efficient decision making and monitoring.

4.4 Mismatch of data in Social Security Schemes

Paragraph 1.2 of SOP on DBT Bharat Portal for States/UTs issued by DBT Mission, GoI provides that since the data provided on DBT Portal is available in public domain, State DBT Cell Coordinators are to validate and confirm before entering any details on the Portal. It further provides that the ownership of all State specific information will lie with the States. Further, GoI reiterated (May 2017) that State DBT Nodal Officer would nominate Departmental/Section level officers who would be responsible for the entry of the monthly data of each Centrally Sponsored Scheme and would direct them to register themselves in the DBT MIS Portal. However, responsibility of correctness of data would be with the State DBT Nodal Officer only.

Audit observed that there was a variation ranging between ₹ 34.00 crore and ₹ 4,555.58 crore in respect of the amount of cash transferred to the beneficiaries in three selected scheme *viz.* OAP, FAWDW and FADC under DBT during the period 2017-2021 (up to July 2020), uploaded on the DBT Portal and that supplied by DSSWCD, as detailed in **Table 4.2**.

Table 4.2: Variation in amount of cash transferred to the beneficiaries in three selected schemes during the period 2017-2021 (up to July 2020)

(₹ in crore)

Name of the Scheme	Year	Cash transferred as per DBT Portal	Cash transferred as per DSSWCD	Variation in figures
Old Age Pension (OAP)	2017-18	5,242.92	687.34	4,555.58
	2018-19	262.06	1,179.04	916.98
	2019-20	246.30	1,399.26	1,152.96
	2020-21 (up to 07/2020)	822.22	629.93	192.29
Financial Assistance to Widows and Destitute Women (FAWDW)	2017-18	399.88	197.95	201.93
	2018-19	24.97	336.02	311.05
	2019-20	102.02	388.58	286.56
	2020-21 (up to 07/2020)	241.74	172.65	69.09

Name of the Scheme	Year	Cash transferred as per DBT Portal	Cash transferred as per DSSWCD	Variation in figures
Financial Assistance to Dependent Children (FADC)	2017-18	206.81	68.66	138.15
	2018-19	8.58	114.51	105.93
	2019-20	23.05	132.13	109.08
	2020-21 (up to 07/2020)	92.07	58.07	34.00

Source: Departmental information

During exit conference, the Director, DSSWCD stated (July 2021) that reconciliation with the DSSOs at district level would be done to sort out the variation in figures and correct figures would be depicted on the State DBT Portal. Whereas, the Director (DGRPG) stated that there was no possibility to check the correctness of the data at the level of State DBT Cell, as the data pertaining to the implementation of the schemes was submitted by the departments concerned after due diligence. It was added that the departments had been directed to upload correct data on the web portal.

The facts remained that due to lack of monitoring at DGRPG level and coordination between State DBT Cell and DSSWCD, the data in respect of amount of cash transferred to the beneficiaries under the selected social security schemes uploaded on the public domain could not be considered as authentic, thereby not adhering to the provisions *ibid*.

4.5 Disaster Recovery and Business Continuity Plan

Paragraph 8.3.4 of GIGW guidelines provides that there could be circumstances wherein due to some natural calamity, the entire data centre where the website is being hosted gets destroyed or ceases to exist. A well planned contingency mechanism has to be in place for such eventualities wherein it should be ensured that the Hosting Service Provider has a ‘Disaster Recovery Centre’ (DRC) set up at a geographically remote location and the website is switched over to the DRC with minimum delay and restored on the Web.

Audit observed that though PBMS had been hosted on Bharat Sanchar Nigam Limited (BSNL) cloud hired by the DSSWCD, the DGRPG did not have any Disaster Recovery and Business Continuity Plan (DRBCP) for State DBT Portal. This was being maintained locally at State Data Centre (SDC) in Directorate office of DGRPG.

During exit conference, the Director, DGRPG stated (July 2021) that negotiations with firms were being made to set up Disaster Recovery Centre as per the GIGW guidelines.

4.6 Password Policy

The purpose of a password policy is to establish a standard for creation of strong passwords, the protection of those passwords, and the frequency of change of the passwords. All user-level passwords should be changed periodically. Password should be enforced to be of a certain minimum length and comprising of mix of alphabets, numbers and special characters.

Audit observed that no password policy defining the structure and length of password, periodicity for changing passwords, etc. had been framed. In the absence of this, it was not mandatory for DSSOs/users of the application to have a password with a combination of upper/lower case-numeric-special characters. The password was also not being changed by the DSSOs of the selected districts and the users of the application on regular basis resulting in inadequate access controls.

During exit conference, the Director, DGRPG stated (July 2021) that currently there was no formal password policy with respect to Social Security Pension Beneficiary Management System, but password related rules such as length (06-12 characters), combination of numerals and alphabets, restriction on use of last 3 passwords while changing password and mandatory password change for every new user on its first login had been implemented. It was admitted that no password expiry rules had been framed so far. It was added that formal password policy would be prepared and circulated to the concerned departments. The Director, DSSWCD stated that the efforts would be made to implement the password policy. It was further intimated (February 2022) that a Cyber Security Consultant had been appointed in June 2021.

4.7 Conclusions

There was scope of improvement in infrastructure, organisation and management of DBT as could be seen from the following inconsistencies noticed during the performance audit:

- The State Advisory Board (SAB) had been constituted (November 2017) in the State of Punjab. However, no meeting of SAB to provide the Cell's executive body, a holistic and well-rounded advisory and consulting inputs, was held during the audit period.
- Implementation Support Layer consisting of three coordinators of the rank of Director or Officer on Special Duty (OSD), responsible for technical, non-technical, and finance and administration support to Cell's operations for eliciting cooperation and participation from the grass-root levels had not been constituted in line with the Guidelines for State DBT Cell. Neither any training calendar was prepared nor was any training on DBT

provided to State officials by the State DBT Cell. No exposure visits for State/district officials in DBT progressive States were arranged by the State DBT Cell for familiarising the officials with model practices being adopted by those States. Neither any benchmark studies were conducted on Best Practices for developing roadmap to incorporate those practices in State operations nor was any innovation in the State through pilots/experiments carried out by the State DBT Cell.

- Robust governance framework was lacking at State level to continuously monitor the readiness of schemes and programmes. No workshop, seminar, etc. to operationalise DBT was conducted either by the State DBT Cell or DSSWCD. Besides, the departmental DBT Cell/Committee to ensure adoption of DBT framework in implementation of schemes, as per Protocol Document on DBT in States, was not constituted in DSSWCD.
- The State DBT Portal was integrated with DBT Bharat Portal (<https://dbtbharat.gov.in>) and information related to all 127 identified schemes across 17 departments in the State was displayed on the Portal. However, Website Quality Certification was not obtained from Standardisation Testing Quality Certification; Web Information Manager and Technical Manager were not appointed in line with the GIGW guidelines to ensure proper flow and quality of content to the site; Content Contribution, Moderation and Approval Policy to ensure authenticity of data and responsibility, authorisation and workflow details with regard to content publishing on State DBT Portal was not framed; provision for regional language content on State DBT Portal was not made; and various important information with regard to Portal functionalities *viz.* About Us, Scheme, Multimedia, Documents, Success Story, Download, etc. were not made available on State DBT Portal. There was a mismatch in the amount of cash transferred to the beneficiaries in three selected schemes under DBT during the period 2017-2021 (up to July 2020), uploaded on the DBT Portal and that supplied by DSSWCD.
- The DSSWCD did not have any Disaster Recovery and Business Continuity Plan for State DBT Portal and Password Policy both for State DBT Portal and PBMS application.


4.8 Recommendations

In the light of the audit findings, the State Government may consider:

- (i) *conducting periodical meetings of SAB for providing DBT Cell, a holistic and well-rounded advisory and consulting inputs;*


- (ii) *strengthening governance framework including constitution of internal DBT Cell/Committee in each department, in line with the Guidelines for State DBT Cell to ensure adoption of DBT framework in implementation of schemes;*
- (iii) *hosting of State DBT Portal in accordance with the Guidelines for Indian Government Websites and Standard Operating Procedure and User Manual on State DBT Portal, besides, depicting authentic data on State DBT Portal with regard to benefits transferred to the beneficiaries in respective schemes under DBT; and*
- (iv) *putting in place Disaster Recovery and Business Continuity Plan and Password Policy to ensure safety and smooth functioning of State DBT Portal and PBMS application.*

Chandigarh
The 18 April 2022


(PUNAM PANDEY)
Principal Accountant General (Audit), Punjab

Countersigned

New Delhi
The 26 April 2022


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

Appendices

Appendix 1.1

(Referred to in paragraph 1.3; page 4)

Department-wise details of total number of schemes, beneficiaries covered and expenditure incurred under DBT (cash transfer) during 2017-2021 (up to July 2020)

(₹ in crore)

Sr. No.	Name of department/entity	2017-18			2018-19			2019-20			2020-21 (up to 07/2020)			Total expenditure
		No. of schemes	No. of beneficiaries	Expenditure	No. of schemes	No. of beneficiaries	Expenditure	No. of schemes	No. of beneficiaries	Expenditure	No. of schemes	No. of beneficiaries	Expenditure	
1.	Department of Social Security and Women and Child Development	13	21,00,281	6,053.70	13	23,75,598	486.78	13	26,90,956	588.43	18	27,25,384	1,545.52	8,674.43
2.	Department of Rural Development and Panchayats	2	10,35,173	0.00	3	12,08,038	456.63	3	14,19,994	664.62	3	14,89,666	474.99	1,596.24
3.	Department of School Education	1	0	0.00	3	45,102	0.00	3	14,214	9.04	2	0	0.00	9.04
4.	Department of Social Justice, Empowerment and Minorities	25	13,77,476	0.00	28	30,290	91.81	25	7,13,856	243.06	28	199	0.25	335.12
5.	Department of Health and Family Welfare	2	11,988	19.81	2	11,937	107.29	4	66,980	879.14	6	68,652	198.01	1,204.25

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Sr. No.	Name of department/entity	2017-18			2018-19			2019-20			2020-21 (up to 07/2020)			Total expenditure
		No. of schemes	No. of beneficiaries	Expenditure	No. of schemes	No. of beneficiaries	Expenditure	No. of schemes	No. of beneficiaries	Expenditure	No. of schemes	No. of beneficiaries	Expenditure	
6.	Department of Animal Husbandry, Dairy Development and Fisheries	4	0	0.00	4	74	1.07	5	3,490	0.50	5	3,731	0.00	1.57
7.	Department of Defence Services Welfare	4	1,744	12.32	10	3,292	28.88	10	3,904	20.81	10	3,426	21.14	83.15
8.	Department of Labour	--	--	--	7	6,424	25.86	15	39,141	23.71	16	11,632	13.40	62.97
9.	Department of Agriculture and Farmers' Welfare	--	--	--	1	8,14,551	1,293.26	1	6,07,286	1,110.14	2	6,07,768	1.01	2,404.41
10.	Department of Horticulture	--	--	--	--	--	--	1	0	0.00	1	287	0.55	0.55
11.	Punjab Municipal Infrastructure Development Company	--	--	--	--	--	--	1	81,783	26.43	1	7,394	4.86	31.29
12.	Department of Technical Education and Industrial Training	--	--	--	--	--	--	--	--	--	1	282	1.16	1.16
13.	Punjab State Urban Livelihood Mission	--	--	--	--	--	--	--	--	--	1	4,340	28.61	28.61
Total		51	45,26,662	6,085.83	71	44,95,306	2,491.58	81	56,41,604	3,565.88	94	49,22,761	2,289.50	14,432.79

Source: Departmental data

Appendix 2.1

(Referred to in paragraph 2.1; page 7)

Details of schemes under DBT (cash transfer) being implemented by Department of Social Security and Women and Child Development during 2017-2021 (up to July 2020)

(₹ in crore)

Sr. No.	Name of scheme	2017-18		2018-19		2019-20		2020-21 (Upto July 2020)		Total fund transfer	Percentage of total expenditure
		No. of beneficiaries	Expenditure	No. of beneficiaries	Expenditure	No. of beneficiaries	Expenditure	No. of beneficiaries	Expenditure		
1.	Indira Gandhi National Old Age Pension Scheme	1,56,858	0	1,56,858	0	1,56,858	0	1,03,953	26.66	26.66	0.31
2.	Indira Gandhi National Widow Pension Scheme	16,647	0	16,647	0	16,647	0	16,757	5.36	5.36	0.07
3.	Indira Gandhi National Disability Pension Scheme	4,934	0	4,934	0	5,320	0	5,460	1.29	1.29	0.01
4.	Old Age Pension Scheme	11,98,311	5,242.92	14,51,396	262.06	16,81,304	246.30	17,07,291	822.22	6,573.50	75.78
5.	Financial Assistance to Widows and Destitute Women	3,41,482	399.88	4,04,468	24.97	4,58,775	102.02	4,69,271	241.74	768.61	8.86
6.	Financial Assistance to Dependent Children	1,48,206	206.81	94,529	8.58	1,05,285	23.05	1,05,375	92.07	330.51	3.81
7.	Finance Assistance to Disabled Persons	1,43,861	168.28	1,76,580	11.26	1,99,439	28.46	2,02,238	121.56	329.56	3.80
8.	ICDS- Training	3,153	1.03	3,690	10.71	543	0.76	20	0.17	12.67	0.15
9.	Pradhan Mantri Matru Vandana Yojana	34,667	5.95	13,718	60.18	12,420	40.37	9,605	11.88	118.38	1.36

Performance Audit Report on Direct Benefit Transfer (Cash Transfer)

Sr. No.	Name of scheme	2017-18		2018-19		2019-20		2020-21 (Upto July 2020)		Total fund transfer	Percentage of total expenditure
		No. of beneficiaries	Expenditure	No. of beneficiaries	Expenditure	No. of beneficiaries	Expenditure	No. of beneficiaries	Expenditure		
10.	Protection and Empowerment of Women-Swadhar Greh- Salary to Staff	13	0	14	0	14	0	2	0	0	0.00
11.	Integrated Child Protection Scheme (ICPS)-Salary to staff	419	0.57	382	3.71	332	4.17	269	4.02	12.47	0.14
12.	National Creche Scheme - Honorarium to Workers	416	0	416	0.57	350	0.62	350	1.09	2.28	0.03
13.	Umbrella ICDS - Aanganwadi Services (Honorarium to AWW and AWH)	51,314	28.26	51,966	104.74	53,669	142.68	53,353	156.04	431.72	4.98
14.	Protection and Empowerment of Women - National Mission for Empowerment of Women	--	--	--	--	--	--	3	0.08	0.08	0.00
15.	Child Protection Services - Facilities to Beneficiaries (Sponsorship)	--	--	--	--	--	--	325	0.15	0.15	0.00
16.	National Family Benefit Scheme	--	--	--	--	--	--	592	1.87	1.87	0.02
17.	One Stop Centre - Payment of Salary of Staff	--	--	--	--	--	--	220	0	0	0.00
18.	Aanganwadi Services - Honorarium to AWW and AWH	--	--	--	--	--	--	50,300	59.32	59.32	0.68
Total		21,00,281	6,053.70	23,75,598	486.78	26,90,956	588.43	27,25,384	1,545.52	8,674.43	100.00

Source: Departmental data

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