

EXECUTIVE SUMMARY

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Introduction

The Direct Benefit Transfer (DBT) Scheme is a Government of India (GoI) initiative aimed at providing various subsidies, benefits and financial assistance directly to eligible beneficiaries through their Bank Accounts. The primary objective of the DBT Scheme is to enhance the efficiency and effectiveness of Government welfare programmes by reducing leakages, eliminating intermediaries and ensuring that the intended beneficiaries receive the benefits directly.

The GoI launched (August 1995) the National Social Assistance Programme (NSAP) as a fully-funded Centrally Sponsored Scheme that seeks to provide financial support to the aged persons, widows, disabled persons and bereaved families on death of primary breadwinner, belonging to Below Poverty Line Households.

In the State of Gujarat, the Social Justice and Empowerment Department (SJED) oversees the implementation of three components of the NSAP namely, IGNOAPS¹, IGNDPS² and NFBS³, through the DBT mode. Additionally, the Women and Child Development Department (W&CDD) is responsible for the implementation of the fourth component of the NSAP namely, IGNWPS⁴.

The implementation of DBT began in the State for IGNOAPS and IGNDPS in September 2017 and NFBS in May 2018, whereas the implementation of DBT in IGNWPS started in March 2020. Between 2017 and 2021, the State Government catered to an average of approximately 9,96,492 beneficiaries and incurred an expenditure of ₹ 2,398.80 crore on implementation of all the four components of the NSAP.

Audit Framework

A Performance Audit of “Implementation of National Social Assistance Programme through Direct Benefit Transfer Scheme” for the period 2017-18 to 2020-21 was conducted to assess whether:

- (i) The NSAP had been appropriately planned to cover all the entitled beneficiaries;
- (ii) The implementation of NSAP *via* DBT was both timely and proficient; and
- (iii) Effective control mechanism and IT systems were in place to ensure accurate and prompt delivery of benefits.

¹ Indira Gandhi National Old Age Pension Scheme.

² Indira Gandhi National Disability Pension Scheme.

³ National Family Benefit Scheme.

⁴ Indira Gandhi National Widow Pension Scheme.

The Performance Audit involved a thorough review of the documents concerning the implementation of all the four components of NSAP (IGNOAPS, IGNWPS, IGNDPS and NFBS) through DBT mode. The audit involved scrutiny of data retrieved from NSAP Portal of GoI, data dump of NSAP restricted to these four components, and examination of records of the State DBT Cell, the Director, Social Defence (SJED) and the Commissioner, Women and Child Development Department (W&CDD).

At the field level, Audit selected nine Offices out of 33 Social Defence Offices. Besides, records of *Mamlatdar* offices in 18 selected talukas (two talukas from each selected district) and 36 Gram Panchayats (GPs)/Wards (two GPs/Wards from each selected taluka) were also selected on the basis of Simple Random Sampling without Replacement (SRSWOR) method.

The Performance Audit Report is structured into four Chapters as under:

Chapter – I: Introduction

Chapter – II: Coverage under NSAP

Chapter – III: Implementation of NSAP through DBT

Chapter – IV: Control Mechanism and Information Technology System

Audit Findings and Recommendations

Chapter – II: Coverage under NSAP

This Chapter assesses the adequacy of the coverage of the eligible beneficiaries under NSAP. Audit observed that the State Government did not maintain any database for eligible beneficiaries of NSAP. As a result, NSAP implementation in the State primarily relied on a demand-driven approach, where benefits were solely accessible to those beneficiaries who were aware of the programme and actively applied for assistance.

Within two specific districts (Bharuch and Dang), 774 impoverished and widowed beneficiaries of the IGNWPS were excluded from the NFBS, resulting in a loss of ₹ 1.55 crore in benefits between 2017 and 2020.

Despite identifying 1,072 beneficiaries as discontinued due to factors such as death or moving above the poverty line, these beneficiaries continued to receive pension payments. A total of ₹ 32.60 lakh was disbursed to these discontinued beneficiaries during 2017-21.

The Chapter contains one recommendation, as under:

Recommendation 1: The State Government may establish a centralized and comprehensive database of eligible beneficiaries for NSAP in the State to ensure that deserving beneficiaries are not excluded from the programme. Additionally, awareness campaigns should be conducted to inform potential beneficiaries

about the availability and eligibility criteria of NSAP Schemes, encouraging greater participation and coverage.

Chapter – III: Implementation of NSAP through DBT

This Chapter assesses the quality of implementation of NSAP through the DBT Scheme. The assessment revealed significant delay in the distribution of pension payments to 3,820 beneficiaries across the three components of the NSAP (IGNOAPS, IGNWPS and IGNDPS), ranging from one to 38 months beyond the scheduled effective date. This delay collectively resulted in a financial loss amounting to ₹ 1.81 crore for these 3,820 beneficiaries.

The failure of Implementing Agencies to take effective follow-up action on failed transactions led to the suspension of pension payments totalling ₹ 1.57 crore for 4,978 beneficiaries, ranging from one month to over 24 months between 2017 and 2021. Beneficiaries were shifted to different components, even when the original component was more beneficial, causing a collective pension loss of ₹ 25.04 lakh for 380 beneficiaries throughout 2017-2021. Conversely, in cases where migration could have been beneficial and necessary, no migration occurred, resulting in a financial loss of ₹ 150 to ₹ 500 per month per beneficiary to a total of 270 beneficiaries during 2017-21.

Against the NSAP Guidelines, the State Government failed to provide a matching grant of ₹ 20,000 for the NFBS, resulting in 27,801 registered beneficiaries in the State being deprived of a total benefit of ₹ 55.60 crore during 2017-21. The GoI did not allocate any grant to the State Government for the IGNWPS from 2017 to 2020 due to various non-compliance issues. As a consequence, the State Government not only missed out on receiving the rightful funds from the GoI but also incurred an additional financial burden of ₹ 179.30 crore during the period 2017-21.

Except National Food Security Act, the Implementing Agencies did not share NSAP beneficiary data with the Implementing Agencies of other Schemes for convergence purposes. None of the 36 selected Gram Panchayats/Wards conducted Social Audits of NSAP during the period 2017-21.

This Chapter contains four recommendations, as under:

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

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

Recommendation 4: The State Government may reassess the applications of beneficiaries who were previously denied benefits under the Scheme due to

unjustified rejections. Additionally, responsibility may be fixed for the officials responsible for the erroneous rejections.

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

Chapter – IV: Control Mechanism and Information Technology System

This Chapter examines the sufficiency of the control mechanism and Information Technology (IT) systems in guaranteeing the accurate, efficient and secure distribution of benefits. Despite an overall effective control mechanism and well-implemented IT systems, the audit examination identified several persisting deficiencies.

The analysis for the period 2017-21 revealed a number of duplicate Pension Accounts across three Pension components of NSAP (IGNDPS, IGNOAPS and IGNWPS) within the State as well as in nine selected districts. Notably, the online claim form for assistance under the NFBS did not include a dedicated section to input the age of the deceased individual, even though the age of the deceased was a vital criterion for determining eligibility.

None of the 27 designated Implementing Agencies maintained any documentation or reports regarding the annual verification of beneficiaries' eligibility status. Furthermore, no Life Certificates from beneficiaries were found to have been uploaded onto the NSAP portal during the same period.

This Chapter contains one recommendation, as under:

Recommendation 6: In order to ensure enhanced accuracy, transparency, and efficiency in the disbursement of financial assistance to the intended beneficiaries, the State Government may strengthen the DBT framework (i) through comprehensive digitization of all the aspects of the NSAP, (ii) initiate a thorough data cleaning process to rectify any discrepancies or errors in beneficiary information and (iii) implement a system for periodic review and update of beneficiaries' details.