Executive Summary

National Social Assistance Programme (NSAP) was launched by the Government of India (GoI) to provide social security to the destitute, population living below the poverty line and vulnerable groups such as widows and disabled persons. Of the five sub schemes under the NSAP framework, three are pension schemes (i) Indira Gandhi National Old Age Pension Scheme, (ii) Indira Gandhi National Widow Pension Scheme, and (iii) Indira Gandhi National Disability Pension Scheme. The State of Kerala has implemented five social security pension schemes comprising the three pension schemes of NSAP and two other state sponsored pension schemes - Pension for Unmarried Women and Agriculture Labour Pension. These schemes are implemented by the State Government through Gram Panchayats (GPs)/ Municipalities. By the end of the year 2014-15, 27.64 lakh beneficiaries have been brought under these schemes.

Performance audit of the five Social Security Pension Schemes was conducted covering the five year period from 2010-11 to 2014-15 to assess the (i) extent of both exclusion of eligible population from and wrongful inclusion of ineligible population into the schemes and factors contributing to such exclusion and inclusion (ii) utilization of scheme funds and disbursement of benefits to eligible beneficiaries regularly and timely.

Performance Audit disclosed that large number of marginal groups and vulnerable sections of the society in dire need of social security pensions continued to be excluded from the social security pension schemes and large number of ineligible beneficiaries were wrongfully included. Based on the audit process carried out it can be concluded that 15 *per cent* of eligible population may have been excluded from the various social security schemes. Similarly, 12 *per cent* of the beneficiary population may comprise ineligible population wrongfully included under the social security pension schemes.

(Paragraphs 3.1 and 3.2)

The scheme guidelines formulated by the State Government addresses a range of population wider than that envisaged under NSAP. The scheme guidelines, however, exclude specific sections of vulnerable and destitute population constituting the lowest strata of society. Further, the scheme design is inherently complex with the five schemes having same subjective and common eligibility criteria rendering it difficult for the applicants to opt for one amongst them.

(Paragraph 3.3.1)

The processes of income certification, verification and approval by the local bodies are not transparent and are prone to weaknesses generally aiding wrongful inclusion of ineligible population thereby undermining the efficiency and effectiveness of the schemes.

(Paragraph 3.3.2)

Divergent practices by local bodies for sanctioning pensions coupled with lack of clarity in procedures were not only leading to delays but also causing monetary loss to potential beneficiaries. Established procedures for maintaining process documentation, grievance redressal, monitoring and oversight have not been institutionalized, which is compromising on accountability.

(Paragraph 3.3.3)

The social security pension schemes were not serving as income support schemes to beneficiaries for monthly sustenance as they were being disbursed by local bodies in three or four irregular instalments annually. The mechanism of the State Government of releasing lumpsum amounts to local bodies at irregular intervals was defeating the very purpose of assistance.

(Paragraph 4.2)

The disbursement instructions imposed by State Government while releasing funds to local bodies was leading to a situation of allowing funds to lapse even though payments of social security pensions were in arrears.

(Paragraph 4.2)

Disbursement monitoring mechanism was absent leading to disbursement of multiple pension payments or double payments to beneficiaries. Local bodies were unable to identify beneficiaries, verify their eligibility status and ensure that pensions are being disbursed to the correct beneficiaries.

(Paragraph 4.3)

The initiatives of linking beneficiary accounts with Aadhaar numbers to identify beneficiaries and Direct Benefit Transfer to ensure payments to targeted beneficiaries, though not complete, were bringing in discernible benefits to the State Government. However, procedural issues needed to be sorted out and technology leveraged further so that the benefits are harnessed by beneficiaries also.

(Paragraph 4.3)