Executive Summary

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Purpose of this Audit

Direct Benefit Transfer (DBT) launched in January 2013 by Government of India (GoI) is a major initiative to re-engineer the process of delivery in various welfare schemes. It is intended to provide simpler and faster flow of funds/information, accurate targeting of beneficiaries and prevention of duplications and frauds.

Government of Telangana (GoT) as a part of its social safety net strategy introduced (November 2014) 'Aasara Pensions' scheme, to ensure secure life with dignity for the poor households and vulnerable sections of the State by sanctioning pension to old aged persons, widows, disabled persons, incapacitated weavers, toddy tappers and persons with HIV-AIDS. The scheme was later extended to provide monthly financial assistance to beedi workers (March 2015), single women (April 2017) and pension to filaria patients (April 2018). GoI funds received on account of pensions under National Social Assistance Programme (NSAP) are dovetailed with Aasara Pensions scheme. The Aasara Pensions scheme is implemented by Society for Elimination of Rural Poverty (SERP), a registered body under Panchayat Raj and Rural Development (PR&RD) Department. GoT is implementing Aasara Pensions scheme as a DBT scheme in the State.

The Performance Audit of Direct Benefit Transfer Scheme 'Aasara Pensions in Telangana' was conducted to assess whether Implementation of 'Aasara' scheme (through Information Technology application) during the period 2018-19 to 2020-21 has achieved the intended objectives of providing social security in a transparent and effective manner.

The findings of this audit are presented in this Report consisting of four chapters. Chapter I provides an introduction to the scheme and the Audit Framework. Budget and utilisation, Implementation of Aasara Pensions as a DBT Scheme and Controls in Aasara IT Application are discussed in Chapters II to IV.

Principal findings and recommendations of the Performance Audit

The chapter-wise Audit findings that led to Audit conclusions and recommendations are as follows:

Chapter II: Budget and Utilisation

- Utilisation Certificates (UCs) were submitted by the SERP to the GoI and GoT stating that the entire amount of grants-in-aid for pension disbursement was utilised even though unutilised amounts were retained in the bank accounts.

- Pensions to 2.30 lakh (6 *per cent*) beneficiaries per month (on an average) remained undisbursed, during April 2018 to March 2021.

Chapter III - Implementation of Aasara Pensions as a DBT Scheme

- Aasara Pensions scheme guidelines stipulated that the data of households collected during the 'Samagra Kutumba Survey' (SKS) was to be considered as the basis for identifying the poor and vulnerable for granting Aasara Pensions. Cross-check of Aasara beneficiaries and SKS data in Aasara database, however, revealed that 19 *per cent* of households data was not available in SKS data. Sixteen *per cent* of households found to be ineligible as per SKS data were included as beneficiaries of Aasara Pensions indicating ineffective verification and identification processes.

- Aasara IT Application was not implemented as an end-to-end IT based solution for pension application, approval and processing. IT system did not provide for application receipt and for verification of eligibility criteria. These two processes happened offline and had manual intervention.

- Audit noticed irregular/ inappropriate sanction of pensions resulting in payment of ₹535.39 crore under the categories of Disabled (₹71.90 crore), Beedi Workers (₹446.96 crore), Single Women (₹1.70 crore) and to more than one member in a household (₹14.83 crore).

- **Analysis of Rythu Bandhu data (2018 to 2020) of Department of Agriculture with Aasara beneficiary details revealed that the persons owning land more than the eligible limits (as prescribed in the guidelines of Aasara) were given undue benefit of ₹67.41 crore during the audit period.**

- Analysis of Rythu Bima data (August 2018 to February 2020) of Department of Agriculture with Aasara beneficiary details revealed that pension benefit of ₹0.90 crore was irregularly paid against 367 deceased beneficiaries beyond their date of death.

- Analysis of Transport Department data (as of May 2017) with Aasara beneficiary details revealed that undue benefit of ₹51.98 crore was passed on to ineligible beneficiaries having four wheelers. Similarly, analysis of Registration & Stamps Department data with Aasara beneficiary details revealed that benefit of ₹31.42 crore was extended to the persons involved in the registration of assets worth more than ₹10 lakh.

- **The beneficiaries identified as ineligible by the Department were not weeded out resulting in irregular payment of ₹1,175 crore to 2.02 lakh ineligible beneficiaries.**

- Best Fingerprint Detection (BFD) failure occurred to 9 *per cent* beneficiaries in the month of March 2021. Payments were made in these cases through biometric authentication of Panchayat Secretary/Bill Collector. Repeated failure of BFD authentication ranging from 7 to 30 months was noticed for 21,536 beneficiaries (benefit paid: ₹58.33 crore).

- In test checked units, it was observed that register/record for obtaining acknowledgment from the beneficiaries as a physical acquittance for the pension amounts drawn with biometric authentication of GP Secretary/Bill Collector was not maintained/not properly maintained.

- Lack of coordination between two sections of local bodies dealing with registration of deaths and disbursement of pensions, non-integration of registered deaths with beneficiary data captured in Aasara IT Application led to irregular credit of pension amounts to the bank accounts of deceased beneficiaries beyond their date of death, leaving scope for misutilisation. Audit also detected fraudulent pension withdrawal after beneficiaries' death using biometric authentication of the Panchayat Secretary.

- Audit conducted beneficiary survey of 480 beneficiaries and found that 32 (7 *per cent*) were ineligible for the pension benefit as per their own statement. Of this, Government confirmed the ineligibility of 15 beneficiaries.

Chapter IV - Evaluation of Controls in Aasara IT Application

Assessment of IT controls associated with development and implementation of Aasara software revealed that -

- Password policy management through Aasara IT Application is inadequate.

- Login/logout/IP Address/session details (including time stamps) of officials/staff operating through Aasara IT Application are not maintained.

- Contrary to the guidelines of National Critical Information Infrastructure Protection Centre (NCIIPC) on Proper Backup plan and policy, critical/important information was stored at same location.

- Details of Verification Officer (like name, designation) are not captured.

- Inbuilt business rule did not exist for 'Household income' and the system accepted higher incomes than stipulated in the criteria.

- There were gaps in Processing controls and Output controls in the Aasara IT Application.

Recommendations:

(i) *Effective interfacing mechanism with the databases of other Government departments should be put in place.*

(ii) *Government should ensure that surveys are conducted regularly for inclusion and exclusion of beneficiaries with due verification of eligibility conditions.*

(iii) *Penal provisions should also be enforced to prevent claiming of Aasara benefit by ineligible persons.*

(iv) *While dovetailing Central assistance with State scheme, adequate care should be taken to adopt the GoI norms under NSAP.*

(v) *Adequate monitoring of the Scheme at Apex level and District level should be ensured.*

(vi) *Aasara IT Application should be upgraded and strengthened to render an end-to-end solution for effective service delivery and to counter manual intervention and the possibility of preferential sanctions.*