Chapter 7	Conclusion

Aadhaar, the unique ID programme for India was conceived as a voluntary identity system for the residents of the country and UIDAI was formed to pilot the project with mandate to develop appropriate strategies and plans. Till March 2021, UIDAI had generated more than 129 Crore Aadhaar cards since the issue of the first Aadhaar in September 2010. The project uses a complex state-of-the-art technology for its operations and runs on one of the largest biometric databases in the world. The technology is based on biometrics to establish unique identity of the resident applicant. Authentication of the biometric identity of the resident, using Aadhaar helps the government to position it and utilise it as a major tool in its efforts to plug leakages in the delivery of government services to beneficiaries. Voluntary use of Aadhar identity also enables other Agencies such as banks and telecom operators to verify the identity of the applicants for delivery of services to them.

The Performance Audit of UIDAI of the selected Enrolment and Authentication system revealed certain deficiencies in their functioning and delivery of services and several areas where there is scope for improvement in the functioning of the Authority.

It was seen that UIDAI had generated Aadhaar numbers with incomplete information/ documents of the holder, non-establishment of residence status of applicants with proper documents, non-review/ matching of documents of the resident with the Aadhar database and acceptance of poor-quality biometrics resulting in multiple/ duplicate Aadhar numbers to the same individual. Aadhaar numbers with poor quality biometrics induces authentication errors. UIDAI takes no responsibility for it and transfers the onus of updating the biometrics to the resident and also charges fees for it. Issue of Bal Aadhar to minor children below five years was largely focused towards expanding the Aadhaar footprint, without establishing uniqueness of identity of the children. Costs to the Government for issue of these Bal Aadhar numbers were at best avoidable

The control mechanism instituted by UIDAI to ensure that all the authentication ecosystem partners adhere to the prescribed standards in the maintenance of their IT infrastructure, needed strengthening as it was seen that Information System Audit of the operations of a large percentage of REs and ASAs was never done despite UIDAI regulations prescribing annual IS audits. Moreover, UIDAI had not ensured that the client applications used by its authentication ecosystem partners were not capable of storing the personal information of the residents, which put the privacy of residents at risk. The Authority had not ensured security and safety of data in Aadhaar vaults. They had not independently conducted any verification of compliance to the process involved.

UIDAI's compliance to its own Regulations were found wanting due to belated levy of fees for authentication services, which deprived the government of its due revenues upto March 2019, though the Aadhaar database was used extensively by Banks and Mobile operators for authentication of identity of the applicants. The fees chargeable were determined thereafter.

There were flaws in the management of various contracts entered into by UIDAI. The decision to waive off penalties for biometric solution providers was not in the interest of the Authority giving undue advantage to the solution providers, sending out an incorrect message of acceptance of poor quality of biometrics captured by them.

The logistics arrangements with the Department of Posts were not effective for ensuring actual delivery of Aadhaar letters to the correct addressee pointing to the need for fine-tuning the last mile management of enrolment process for improving the efficiency of the Aadhaar delivery mechanism.

The grievance redressal system at the UIDAI Hqrs and Regional Offices was ineffective and was plagued with delays in redressal of grievances.

Observations emanating out of the Performance Audit show that UIDAI was successful in issuing a large majority of residents with an identity document, based on unique identity established through biometrics. This has undoubtedly helped Government as well as private Agencies in establishing identity of the residents before delivery of services.

The issue of Aadhar to residents is an ongoing project and the UIDAI would do well to proactively accept its role and responsibility bestowed upon them by the Government by various statutory enactments and reduce its continued dependence on outsourced Agencies and instead partner with State Governments for the enrolment process.

The audit observations and Recommendations could assist the UIDAI Management to identify areas that require fine-tuning, improvements in its functions, reviewing the existing systems for ensuring compliance to its own regulations and securing the information in the Aadhar database maintained by them.

New Delhi   **(MANISH KUMAR)**
Dated: 03 January 2022   Director General of Audit
                                                                 Finance & Communication

Countersigned

New Delhi   **(GIRISH CHANDRA MURMU)**
Dated: 31 January 2022   Comptroller and Auditor General of India