

Chapter-II

Audit Approach

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The social security pension schemes envisioned under the NSAP framework and supplemented by the schemes of the State Government have varied eligibility criteria and scale of assistance. Further identification of beneficiaries, processing of applications, and disbursement of pension in a time bound manner have inherent design and implementation challenges. The annual allocation for social security pension schemes is increasing over the years. Considering the criticality of achieving intended outcomes and relative impact of pension schemes, which aim to provide financial support to alleviate economic deprivation, performance audit of Direct Benefit Transfer (DBT) of social security pension schemes being implemented in the State was conducted with a view to assess outcomes of the schemes and process of benefit transfer to the beneficiaries.

2.1 Audit objectives

Performance audit of Status of Direct Benefit Transfer of Social Security Pension Schemes in Himachal Pradesh was carried out to assess whether:

- benefits under Social Security Pension Schemes have been disbursed to eligible beneficiaries in a transparent and timely manner,
- implementation of Social Security Pension schemes was in accordance with DBT guidelines with particular reference to -
 - (a) fulfilment of pre-requisites for DBT;
 - (b) transfer of funds to beneficiaries in accordance with DBT guidelines/ notifications; and
 - (c) design and process flow of e-Kalyan software.

2.2 Audit criteria

Audit findings were benchmarked against the criteria sourced from the following:

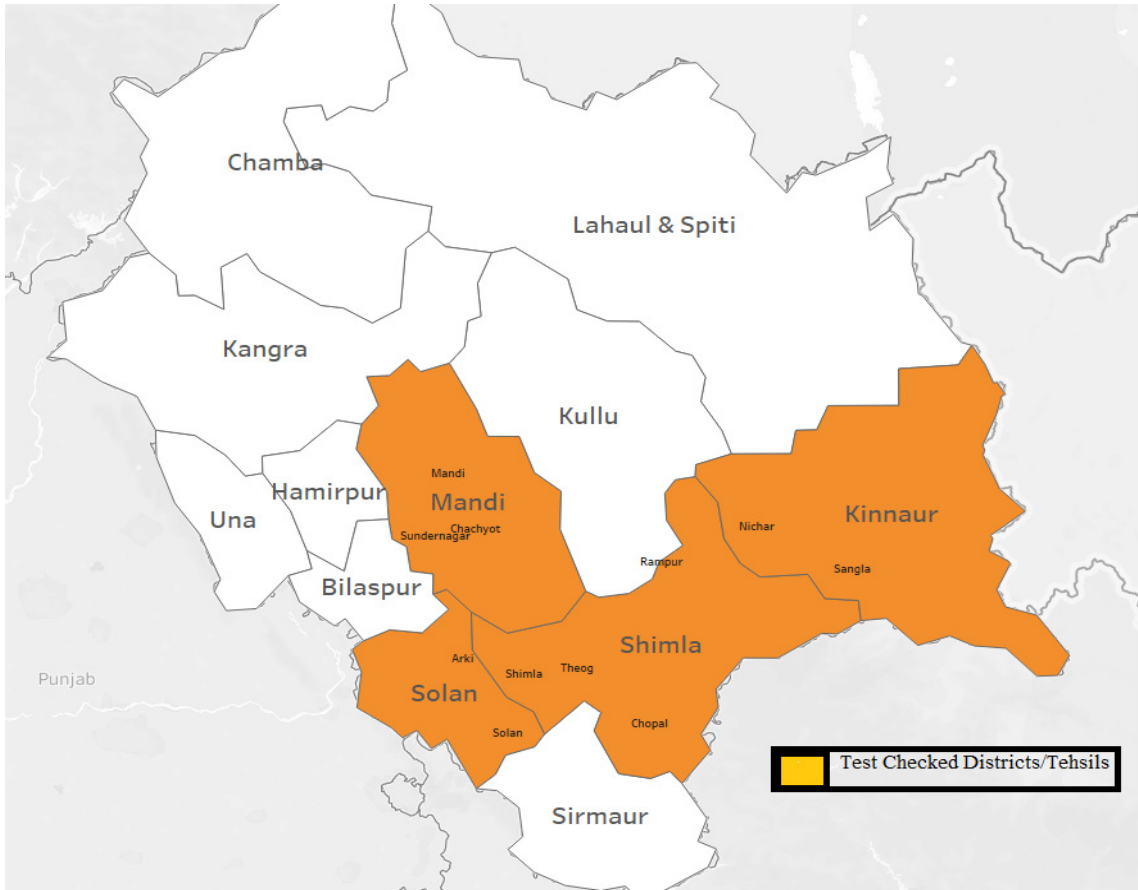
- National Social Security Assistance Programme, 2014 (revised);
- Himachal Pradesh Social Security Pension Rules, 2010;
- Himachal Pradesh Financial Rules, 2009;
- Standard Operating Procedure for direct benefit transfer; and
- Instructions issued by GoI and State Government from time to time.

2.3 Scope and Methodology of Audit

To assess efficiency and adequacy in identification, implementation and disbursement of social security pension under DBT system, the records of previous four years (2017-18 to 2020-21) in respect of six¹ (Central schemes: all three and State schemes: three) Social Security Pension schemes were selected based upon highest expenditure incurred during 2017-21 for detailed scrutiny during October 2020 and March 2021. Records of the

¹ IGNOAPS, IGNWPS, IGNDPS, Old Age Pension (OAP), Widow Pension, and Disability Relief Allowance (DRA)

Director (ESOMSA), four² (33 per cent) out of 12 DWOs, and 11 TWOs³ out of 31 under selected DWOs were test-checked in Audit. A total of 59 gram panchayats (**Appendix-3**) falling under 11 TWOs were selected randomly for test check of record related to social security pension schemes and for beneficiary survey. A total of 595 beneficiaries⁴ were surveyed for assessment of end point delivery of social security pension. Pictorial depiction of selected districts and tehsils is shown below:



Analysis of data dump of client-server-based e-Kalyan software (Data of active beneficiaries since adoption including legacy data) provided by the Department was also carried out in respect of all 12 districts of the State.

In addition to this, analysis of four test checked districts⁵ was done in the web-based e-Kalyan software (October 2020 - March 2021) by running queries to assess selection of beneficiaries and disbursement of pension as per eligibility. Record in the State DBT Cell was also scrutinized to assess disbursement of pension as per DBT protocol.

An Entry Conference was held on 10 December 2020 with the Additional Chief Secretary (Social Justice and Empowerment) and Director (ESOMSA) wherein audit objectives, criteria, methodology, scope, and sample for the performance audit were discussed. An

² Kinnaur, Mandi, Shimla and Solan; selected on the basis of judgmental sampling (in the proximity of Shimla district due to spread of COVID pandemic)

³ Kinnaur: Nichar at Bhabanagar & Sangla; Mandi: Chachyot, Mandi Sadar & Sundarnagar; Shimla: Chopal, Rampur, Theog & Shimla - Rural; and Solan: Arki & Solan selected through random sampling in IDEA (Interactive Data Extraction and Analysis - software for data analysis and sampling)

⁴ Kinnaur: 108, Mandi: 212, Shimla: 147 and Solan: 128

⁵ Kinnaur, Mandi, Shimla, and Solan

Exit Conference with the Additional Chief Secretary (Social Justice and Empowerment) was held on 13 April 2022, wherein audit findings and recommendations were discussed. Views and replies of the Department wherever appropriate, have been incorporated in the report.

2.4 Acknowledgement

The office of the Principal Accountant General (Audit), Himachal Pradesh, acknowledges the co-operation and assistance extended by the departmental functionaries / authorities and beneficiaries at gram panchayat level during Audit.

2.5 Organization of audit findings

The audit findings and recommendations are contained in seven chapters:

- **Chapter-III** deals with findings related to **Coverage and Financial Management**.
- **Chapter-IV** contains findings in respect of **Compliance with Direct Benefit Transfer framework**.
- **Chapter-V** and **Chapter-VI** contain findings related to **Process of Social Security Pension Schemes' Implementation and Analysis of IT application**.
- Findings related to setting up of **Organization and management of Direct Benefit Transfer** have been discussed in **Chapter-VII**.
- Issues related to **Human Resource Management and Monitoring** are given in **Chapter-VIII**.
- **Chapter-IX** contains **Audit Conclusion**.

