

**Chapter-V**  
**Process of Social Security Pension**  
**Schemes' Implementation**



## **Chapter-V**

### **Process of Social Security Pension Schemes' Implementation**

Audit analyzed data dump of the client server e-Kalyan software in respect of all 12 districts of Himachal Pradesh. Queries were run on the integrated web-based application of the e-Kalyan software (October 2020) to check for persisting irregularities in respect of four selected districts. Audit also scrutinized records related to manual processing of applications, and records related to social security pension schemes in 59 selected GPs. Audit noticed shortcomings in processing of applications, irregularities in selection of beneficiaries, cases of duplicate pension, etc., as detailed in succeeding paragraphs.

#### **5.1 Uniqueness of beneficiaries**

Pension rules permit only single social security pension to a beneficiary. Persons receiving pension / allowance from other department or organization are not eligible for social security pension. Uniqueness of beneficiaries is required to be ascertained in order to ensure weeding out of duplicate beneficiaries. Further, Standard Operating Procedure for DBT payments provides that registration of beneficiaries in PFMS is to be done after successful validation of at least one of the following:

1. Bank account / postal account validation.
2. Aadhar number on National Payment Corporation of India (NPCI) Aadhar mapper.

Audit findings in this respect are detailed below:

##### **5.1.1 Use of Aadhar for identification**

As per GoI circular (September 2016) the State Governments can mandate use of Aadhar authentication for the beneficiaries under section 7 of the Aadhar Act 2016 in those schemes which are funded by the Consolidated fund of the State. In order to do so the State Governments are required to identify and notify such schemes under section 7 of the Aadhar Act before seeking permission from authentication division of the UIDAI<sup>1</sup>. The notification shall also list alternate documents and verification methodologies to confirm the identity of the beneficiary applicant to whom Aadhaar has not been assigned for delivery of benefits, subsidies or services, till such time Aadhaar is assigned.

Section C of Chapter-4 of the SOP Modules for DBT stipulates that for the purpose of seeding Aadhar details of the beneficiaries, one-time consent for use of their Aadhar numbers may be obtained. Integrity of data captured and veracity of bank accounts/ IFSC codes, Aadhar etc. need to be ensured. Further, as per section 8(2) of the Aadhar Act, 2016 consent of an individual before collecting his identity information for the purpose of authentication must be secured.

Audit noticed that:

- The State Government had not notified the social security pension schemes under section 7 of the Aadhar Act 2016, for use of Aadhar for identification of beneficiaries.

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<sup>1</sup> Unique Identification Authority of India

- Aadhar numbers were obtained at the time of application from the applicants in the State for verification purpose only and were stored in the client server e-Kalyan software without consent of the beneficiaries. Data dump analysis showed that Aadhar numbers of 5.01 lakh active beneficiaries were stored in the e-Kalyan software without encryption and in unmasked format, in violation of UIDAI guidelines, which entails the risk of security of data being compromised.
- Out of total 2.07 lakh<sup>2</sup> beneficiaries in four test-checked districts, Aadhar number in case of 1.92 lakh<sup>3</sup> beneficiaries had been obtained at the time of application and stored in client server e-Kalyan. Further, data entry of Aadhar number on the client server e-Kalyan system had been checked for accuracy (with hard copy of Aadhar) in case of only 0.73 lakh<sup>4</sup> beneficiaries by the Department. Further validation of Aadhar numbers through UIDAI web services was not done.
- Though Aadhar of beneficiaries were stored, the same was not used for identification and weeding of duplicate entries. This had resulted in cases of duplicate pension payments as detailed in Para 5.4.1 (i).
- Analysis of data dump in respect of client server-based software (for all 12 districts of the State) revealed that -
  - 4251 Aadhar numbers<sup>5</sup> had been used multiple times (two to five times) in 9078 cases<sup>6</sup> (out of total 5.01 lakh active beneficiaries with Aadhar). The newly implemented (October 2020) web-based e-Kalyan software did not have the field for Aadhar number.
  - Aadhar is 12 digit unique number. In 5061 cases (out of 5.01 lakh active beneficiaries with Aadhar) Aadhar number<sup>7</sup> had not been entered correctly in the database (less than 12 digits or left blank).

This indicated lack of validation checks in the software and failure of the Department in ascertaining uniqueness of beneficiaries, which could lead to duplicate beneficiaries as also noticed during Audit {Para 5.4.1 (i)}.

*The DWO, Shimla while accepting the facts stated that in the absence of any directions about obtaining consent of the beneficiaries in the rules, the same had not been obtained and de-duplication checks had been exercised by the departmental authorities by way of downloading the list of pensioners before disbursement of pension in each quarter. The reply was not acceptable as not obtaining of consent from the beneficiaries was in violation of the SOP and manual de-duplication exercise proved insufficient as cases of duplicate beneficiaries were noticed as detailed in Para 5.4.1 (i).*

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<sup>2</sup> Kinnaur: 6169; Mandi: 104296; Shimla: 62492 and Solan: 33962

<sup>3</sup> Kinnaur: 5361; Mandi: 96901; Shimla: 56973 and Solan: 32684

<sup>4</sup> Kinnaur: 5361, Mandi: 86, Shimla: 56973 and Solan: 10747

<sup>5</sup> Bilaspur: 411; Chamba: 381; Hamirpur: 209; Kangra: 748; Kinnaur: 34; Kullu: 316; L&S: 37; Mandi: 813; Shimla: 517; Sirmaur: 314; Solan: 57; and Una: 414

<sup>6</sup> Bilaspur: 838; Chamba: 780; Hamirpur: 427; Kangra: 1643; Kinnaur: 69; Kullu: 640; L&S: 74; Mandi: 1710; Shimla: 1087; Sirmaur: 644; Solan: 116; and Una: 1050

<sup>7</sup> Bilaspur: 73; Chamba: 404; Hamirpur: 76; Kangra: 1438; Kinnaur: 05; Kullu: 41; L&S: 03; Mandi: 365; Shimla: 2320; Sirmaur: 36; Solan: 26; and Una: 274

In the exit conference, the Department stated that use of Aadhar for identification of beneficiaries in Social Security Pension schemes had now been notified under section 7 of Aadhaar Act and Aadhar seeding of all the beneficiaries would be done in e-kalyan. Further, the current e-Kalyan version did not have the functionality of feeding Aadhar number, this functionality would be added and necessary further action would be taken. Also, it was stated that demographic authentication of all beneficiaries would be done with the help of UIDAI to weed out ineligible beneficiaries.

### **5.1.2 Use of other fields and validation controls for unique identification**

Inbuilt controls to identify and prevent duplicate entries should be there in the system itself. Analysis of other fields available in the e-Kalyan revealed the followings:

**Personal Ledger Account number:** Depending upon enhancement of target or vacation of a slot in a scheme, the slot having a Personal Ledger account Number, is issued to a new applicant from the waiting list. PLA number (slot number) to a beneficiary is allotted against the slot available under a particular pension scheme.

Analysis of data dump revealed that:

- PLA number could not be used to ascertain uniqueness of a beneficiary; rather it only uniquely identifies pension slot.
- Analysis of temporarily suppression cases available in the data dump showed that there were 4403 cases<sup>8</sup> (out of 2.24 lakh cases suppressed) of duplicate pensioners who were reported by the field functionaries to be occupying more than one slot / PLA number. In these cases, double pension was allotted to these beneficiaries.

**Unique ID:** A unique ID is allotted to the applicants of social security pension schemes and it is unique for every applicant. Analysis of unique ID revealed that:

- Unique ID was being generated (system generated) in the e-Kalyan software at the time of data entry for each application which cannot be repeated for other applications.
- The unique ID was not helpful in detecting duplicate applicants/ beneficiaries as a new unique ID can be allotted to an applicant, even if details of beneficiary existed in the system and they were entered again (in cases where multiple application were received from the same person).

Thus, due to lack of validation controls in the e-Kalyan software unique ID could not be used to weed out duplicate beneficiaries.

**Detection of duplicate data:** Inbuilt checks (in the form of pop up or suggestions / notification) to detect duplicate data entry against name and other details of beneficiary had not been provided to avoid duplicate sanction of pension in the client server version of the e-Kalyan. This irregularity is persisting in the web-based e-Kalyan software.

Thus, functionalities to check / detect duplicate entry of applicants at the time of data entry were not provided in the e-Kalyan software.

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<sup>8</sup> Bilaspur: 561; Chamba: 222; Hamirpur: 64; Kangra: 1760; Kinnaur: 23; Kullu: 242; L&S: 10; Mandi: 480; Shimla: 608; Sirmaur: 227; Solan: 03; and Una: 203

Above analysis showed that sufficient validation checks / controls were not available in the e-Kalyan software.

In the exit conference, the Department stated that possibility to link PLA with Aadhar number will be explored and necessary validation checks would be enabled to stop this in future.

## **5.2 Scrutiny and processing of applications**

Applications received from the gram panchayats / municipalities are scrutinized and verified by the departmental functionaries (TWO/DWO) and after completion/ verification the beneficiary details are entered in the e-Kalyan software for further processing.

### **5.2.1 Scrutiny of applications**

Para 8 (7) of the HPSSP Rules 2010 provides that the concerned TWOs after verification of correctness of particulars furnished by the applicant will forward application to DWOs concerned alongwith their verification report and other prescribed documents such as copy of *pariwar* register, BPL list, GP resolution, eligibility certificate (death/ disability/ divorce/ *ekal nari* / income), etc. The DWOs shall re-verify eligibility of applicant and return incomplete applications to TWOs concerned.

- i. Audit scrutinized 1175 application forms (selected randomly) received by the four selected DWOs pertaining to 2017-21. In 204 cases<sup>9</sup> (17 per cent), incomplete application forms without obtaining requisite documents (copy of *pariwar* register / GP resolution / ration card/ death certificate of husband / disability certificate) were processed by the DWOs which indicates that these applications were processed without basic record.

*DWO Mandi stated that format for availing benefits includes all essential information required as per schemes. Other test checked DWOs admitted the facts and stated that cases would be looked into. The fact however remains that departmental authorities were not in position to verify the applications in the absence of basic record indicating that scrutiny and verification of applications was not being done as per rules / guidelines*

- ii. **Variation in age of beneficiaries** - Panchayat records pertaining to 9196 beneficiaries of six selected schemes in 59 test-checked GPs were compared with details entered in e-Kalyan and it was observed that –
  - There were cases of variation in age of 776 beneficiaries<sup>10</sup> (cases with difference of more than one year were considered).
    - Of these cases, 294 were with variation<sup>11</sup> where age in the e-Kalyan software was shown less, as compared with original record at the GP level.

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<sup>9</sup> Kinnaur: 40 / 240; Mandi: 39 / 469; Shimla: 43 / 200; and Solan: 82 / 266

<sup>10</sup> Kinnaur: 135; Mandi: 343; Shimla: 159; and Solan: 139

<sup>11</sup> Kinnaur: 38; Mandi: 153; Shimla: 52; and Solan: 51

- Remaining 482 cases were with variation<sup>12</sup> where age in the e-Kalyan software was shown more, as compared with original record at the GP level.

Variation in age / data of beneficiaries in the database of e-Kalyan and as per record at GP level is indicative of lack of scrutiny of application forms and lack of verification by the departmental functionaries.

### iii. Discrepancies in data fed in the e-Kalyan software

Audit compared information provided in 173 applications forms (selected randomly<sup>13</sup>) with the data entered in the e-Kalyan software. Discrepancies were noticed in 129 (75 per cent) cases as detailed below:

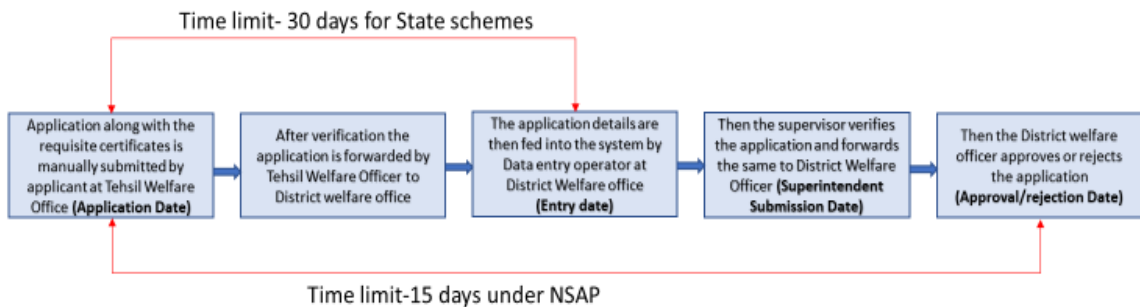
- In 22 cases account number furnished in application form by the beneficiary was not matching with data fed in e-Kalyan software.
- In 19 cases variation in date of birth was noticed as per information supplied in application form and as per data entered in e-Kalyan.
- In 88 cases information regarding number of children of the applicant as per application form was incorrectly entered in the e-Kalyan software.

This was indicative of wrong data entry in the e-kalyan software and thus data may not be reliable.

In the exit conference, the Department stated that they would depute officials who will be tasked with uploading the documents attached with application forms and the possibility of providing interface to beneficiaries for filling the form online would be explored.

## 5.2.2 Processing and approval of applications

Para 8(4) of HPSSP Rules 2010 stipulates that it is responsibility of the TWOs concerned to verify the application of the beneficiaries approved by gram sabha within one month and send the same alongwith verification report to the DWO. Further, Para 8(6) stipulates that the concerned TWOs would prepare a category wise (for Old age, widow/single nari, disabled, etc.) register of applications received serially as per date of receipt. Information to the beneficiary and the GP concerned is to be conveyed in the form of sanction order regarding approval / sanction of pension. The GPs concerned are required to display list of beneficiaries publicly. Verification process is illustrated below:



<sup>12</sup> Kinnaur: 97; Mandi: 190; Shimla: 107; and Solan: 88

<sup>13</sup> Due to maintenance of record in haphazard manner in the field offices of the Department

Scrutiny of manual record of the selected TWOs / DWOs and analysis of data dump for the entire State showed that:

- Processing by TWOs –
  - Register containing category-wise information of applicants is not being maintained in the format provided under the rules. Date of receipt of application, name, and date of birth of applicant, name of GPs/ MCs, resolution number/ date, date of application forwarding to the DWO and date of informing GPs of approval of pension had not been recorded for a large proportion of applications in the test-checked TWOs. In these cases, Audit could not ascertain time taken for verification of applications by the TWOs concerned.
  - In six out of 11 TWOs, Audit randomly test-checked details of receipt of 837 applications received during April 2014 and June 2020 from the dispatch register where details of receipt and dispatch of application to DWOs after TWOs verification was available and noticed that there was delay (beyond one month) ranging between 34 days and more than one year in processing of 126 applications<sup>14</sup> (15 per cent).
  - Analysis of data dump showed that 161397 cases<sup>15</sup> out of 371723 under State pension schemes and 38726 cases<sup>16</sup> out of 83343 under NSAP schemes had not been verified (gap between application date and entry date on e-Kalyan) within stipulated period of one month and two weeks respectively.
- Processing / Approval by DWO –
  - No timeframe for approval of pension cases by the DWOs after receipt from the TWOs had been prescribed in the rules.
  - Time taken for approval of cases after receipt of applications by the DWOs was found more than one month (gap between entry date and approval date) in 33532 cases<sup>17</sup> out of 83343 under NSAP schemes and 146075 cases<sup>18</sup> out of 371723 under State schemes as per data dump.
  - It was further noticed that none of the test checked DWOs were conveying approval/ rejection to the beneficiaries in any form to the beneficiary or GP concerned. In the absence of any communication from the Department, the beneficiaries were not aware about the status of their application and GPs were not able to display the list of approved beneficiaries publicly.

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<sup>14</sup> Nichar at Bhabanagar: 39 / 280 and Sundernagar: 87 / 557

<sup>15</sup> Bilaspur: 3897; Chamba: 6409; Hamirpur: 9950; Kangra: 20679; Kinnaur: 2596; Kullu: 21683; L&S: 911; Mandi: 23945; Shimla: 28800; Sirmaur: 10595; Solan: 17131; and Una: 14801

<sup>16</sup> Bilaspur: 1159; Chamba: 5222; Hamirpur: 4232; Kangra: 4165; Kinnaur: 320; Kullu: 1628; L&S: 170; Mandi: 2629; Shimla: 9657; Sirmaur: 2582; Solan: 3213; and Una: 3749

<sup>17</sup> Bilaspur: 2250; Chamba: 4007; Hamirpur: 1428; Kangra: 11578; Kinnaur: 106; Kullu: 644; L&S: 13; Mandi: 3502; Shimla: 3654; Sirmaur: 1049; Solan: 2495; and Una: 2806

<sup>18</sup> Bilaspur: 18476; Chamba: 8226; Hamirpur: 3857; Kangra: 39109; Kinnaur: 1568; Kullu: 9734; L&S: 155; Mandi: 26703; Shimla: 12301; Sirmaur: 9941; Solan: 6156; and Una: 9849



This indicated non-adherence to rules by the departmental authorities resulting in delay in approval of social security pension to the intended beneficiaries. There was lack of transparency in communication about beneficiary application status.

*The concerned DWOs attributed delay in processing of applications to shortage of staff in clerical cadre while test-checked Panchayat Secretaries confirmed that intimation regarding rejection or approval of application to a beneficiary was not being shared by the Department.*

In the exit conference, the Department stated that the matter will be looked into and the department has also initiated Social Audit at the Panchayat levels.

### **5.3 Selection of beneficiaries**

The beneficiaries are identified by the GPs / municipalities in gram / ward sabha meetings and applications of the prospective beneficiaries are sent to the Department for further processing. The TWOs are required to verify the age from record (copy of *pariwar* register, etc.) of GP or urban local body.

Audit test-checked record related to beneficiaries of social security pension schemes viz. *pariwar* register, death register, etc. in 59 GPs of 11 test-checked TWOs and compared the basic record at GP level with that entered in the e-Kalyan software. In addition, analysis of data dump was carried out and queries were run on web-based e-Kalyan to ascertain selection of beneficiaries as per eligibility criterion. It was observed that validation controls in respect of various scheme related guidelines were not present in the e-Kalyan software. Audit findings in this regard are detailed in succeeding paragraphs.

#### **5.3.1 Old age pension and IGNOAP schemes**

**Selection of underage beneficiaries:** As per Himachal Pradesh Social Security Pension Rules, 2010 and NSAP guidelines, 2014 assistance under old age pension and IGNOAPS schemes is admissible to persons aged 60 years and above.

Analysis of data revealed that:

- 210 beneficiaries<sup>19</sup> out of total 0.98 lakh active beneficiaries under IGNOAP as of December 2020 were below the age of 60 years.
- 365 beneficiaries<sup>20</sup> out of total 2.63 lakh active beneficiaries under old age pension scheme as of December 2020 were below the age of 60 years.

Running queries on web-based e-Kalyan in respect of four test-checked districts revealed that–

- 117 (Mandi: 88 and Shimla: 29) beneficiaries under IGNOAPS in two test checked districts were below 60 years in violation of scheme guidelines, as of March 2021.
- Out of 90,467 beneficiaries, 298 beneficiaries (Mandi: 283 and Shimla: 15) under old age pension schemes in two test checked districts were below 60 years, in contravention of Himachal Pradesh Social Security Pension Rules, 2010, as of March 2021.

<sup>19</sup> Bilaspur: 02; Chamba: 08; Hamirpur: 16; Kangra: 37; Kullu: 14; Mandi: 92; Shimla: 30; Sirmaur: 09; and Una: 02

<sup>20</sup> Bilaspur: 06; Chamba: 02; Hamirpur: 22; Kangra: 15; Kullu: 07; Mandi: 289; Shimla: 15; Sirmaur: 02; Solan: 01; and Una: 06

Above indicated that even the web-based software was not designed to eliminate the existing irregularities and ineligible beneficiaries continued to get pension in violation of scheme guidelines / rules.

In this regard, manual examination of records of 7996 beneficiaries pertaining to IGNOAP and old age pension schemes in 59 selected GPs showed that six out of aforementioned beneficiaries<sup>21</sup> in selected GPs, were below 60 years as per basic record though it was shown more than 60 in e-Kalyan. This indicated deficiency in manual scrutiny of applications.

In addition to the above, manual examination further revealed that 57 other beneficiaries were below 60 years as per basic record at GP level as of March 2021; however, in the e-Kalyan software, their age was shown as above 60 years. This indicated either manual error at the time of data entry or deliberate wrong entry into the e-Kalyan software to give benefit to ineligible applicants. Thus, there is no integrity of data and selection of beneficiaries based on this data may lead to irregular sanction of pension.

It was noticed that pension to above mentioned 63 beneficiaries was being paid for periods ranging between six months to 11 years. An excess payment of ₹ 55.21 lakh<sup>22</sup> had been paid to these beneficiaries upto March 2021.

In Mandi district, during field audit it was observed that an 18 year old beneficiary was selected under old age pension in 2009 due to incorrect entry of his date of birth (1930 instead of 1991). The beneficiary himself requested for suppression of pension in November 2020, which was effected in January 2021 which indicated lack of scrutiny and monitoring on the part of the department. Pension of ₹ 1.08 lakh was disbursed to the beneficiary till December 2020.

*TWOs concerned stated that due to shortage of staff and non-availability of automatic verification of panchayat record, these cases may have happened, however, corrective action in this regard would be taken. Further earnest efforts to detect such cases were being made. Details regarding date of birth were entered as per data supplied by the GPs concerned in the absence of copy of pariwar register. Replies are not acceptable as the onus of completion of all codal formalities and its verification rests with the departmental authorities. The DWOs / TWOs had not checked the eligibility of applicants as per panchayat record, resulting in selection of ineligible beneficiaries.*

In the exit conference, the Department stated that it could be due to wrong entry of data of age at the time of approval, which will be rectified subsequently.

### **5.3.2 Widow / divorced / single pension and IGNWP schemes**

***IGNWPS to underage beneficiaries:*** NSAP guidelines provide for social security pension under IGNWPS to beneficiaries above 40 years.

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<sup>21</sup> Only six beneficiaries were overlapping with data dump analysis. This is due to reducing sample size as audit had checked record in 59 GPs only as compared to whole State. Further audit had also observed data variation as per e-Kalyan and GP record as also discussed in Para 5.2.1 (ii)

<sup>22</sup> Kinnaur: ₹ 3.32 lakh (06); Mandi: ₹ 19.10 lakh (21); Shimla: ₹ 30.51 lakh (30); and Solan: ₹ 2.28 lakh (06)

Scrutiny of data dump revealed seven cases in Mandi district (out of 23294 active beneficiaries in the State) of selection of underage beneficiaries under IGNWPS. These seven beneficiaries were also captured under IGNWPS in web-based e-Kalyan software, which indicated that benefits were still being given to ineligible beneficiaries as on date of Audit.

**Widow pension to male beneficiaries:** As per para 4(3) of Himachal Pradesh Social Security Pension Rules, 2010, widow pension is admissible only to female beneficiaries.

Scrutiny of data dump revealed eight cases (Mandi: 06 & Shimla: 02) out of 92252 active beneficiaries in the State where male beneficiaries under widow pension scheme were selected. Out of these, four beneficiaries were also captured under IGNWPS in web-based e-Kalyan software, in four-test checked districts which indicated that benefits were still being given to ineligible beneficiaries as on date of Audit.

**Ineligible *ekal nari* beneficiaries:** As per Himachal Pradesh Social Security Pension Rules, 2010 under *ekal nari* (single women) category, the female beneficiary should be above the age of 45 years.

Analysis of data dump revealed 48 cases<sup>23</sup> (out of 1489 active *ekal naris* in the State) in nine districts where *ekal naris* below the age of 45 years were selected.

Of these 48 beneficiaries, 30 (Mandi: 21, Shimla: 08 and Solan: 01) in test checked districts were also captured as *ekal nari* in web-based e-Kalyan software which indicated that benefits were still being given to ineligible beneficiaries as on date of Audit. An amount of ₹ 19.83 lakh (Mandi: ₹ 15.55 lakh, Shimla: ₹ 3.94 lakh and Solan: ₹ 0.34 lakh) had been paid to these beneficiaries between April 2009 and March 2021.

Physical record (applications) of above-mentioned cases was sought (January 2022) from the departmental authorities concerned for scrutiny with data fed into the system, however, the same had not been supplied as of April 2022.

In the exit conference, the Department assured that suitable steps would be taken for recovery of the amount paid to ineligible beneficiaries.

### **5.3.3 Disability relief allowance and IGNDP schemes**

**Disability relief allowance:** As per para 4(2) of Himachal Pradesh Social Security Pension Rules, 2010 Disability Relief Allowance (DRA) is admissible to persons with 40 *per cent* and above disability.

- Analysis of data dump revealed selection of 21 beneficiaries (Chamba: 12; Kangra: 01; Mandi: 05; and Una: 03) out of 60379 active beneficiaries under DRA in the State where disability percentage captured was below 40 *per cent*, which was against scheme guidelines.
  - Five out of the aforementioned beneficiaries in Mandi district were also captured under Disability Relief Allowance scheme with disability below 40 *per cent* in web-based e-Kalyan software which indicated that benefits were still being given to ineligible beneficiaries as on date of Audit.

<sup>23</sup> Bilaspur: 01; Hamirpur: 01; Kangra: 17; Kullu: 02; Mandi: 21; Shimla: 02; Sirmaur: 01; Solan: 02; and Una: 01

**IGNDPS:** NSAP guidelines provide for social security allowance under IGNDPS to beneficiaries above 18 years and disability above 80 per cent.

- Analysis of data dump revealed five cases (Kangra: 02 and Mandi: 03) out of 1018 active beneficiaries under IGNDPS in the State with disability below 80 per cent.
  - Four out of the aforementioned beneficiaries in Mandi district were also captured under IGNDPS with disability below 80 per cent in web-based e-Kalyan software which indicated that benefits were still being given to ineligible beneficiaries.
- Data dump analysis revealed selection of one beneficiary in Mandi district out of 1018 active beneficiaries in the State below the age of 18 years.
  - The beneficiary was also captured under IGNDPS with age below 18 years in web-based e-Kalyan software which indicated that benefits were still being given to above mentioned ineligible beneficiary.

Above cases of ineligible selection of beneficiaries in contravention of guidelines and rules are indicative of lack of scrutiny by the departmental authorities and non-designing of e-Kalyan software as per guidelines / rules. Further, even the web-based e-Kalyan software failed in detection of ineligible beneficiaries due to lack of validation checks indicating lapses in user testing before the web-based software was made operational.

*While admitting the facts the DWOs concerned stated that feeding in the software is done only for three categories viz. old age, widow / single / divorced and disabled at the time of entry. Thereafter sanction of pension under particular scheme is automatic. Replies are indicative of the fact that design of the e-Kalyan software is not in consonance with guidelines / rules.*

In the exit conference, the Department assured that the amount already paid to ineligible persons would be recovered.

#### **5.3.4 Inadequate validation controls in respect of Scheme guidelines**

It was observed that the validation controls viz. eligibility age of beneficiary, selection of only BPL persons in NSAP schemes were not present as discussed in succeeding paragraphs: .

**(A) Selection of Non-BPLs under NSAP scheme:** When the applicants are moved in the e-Kalyan software from waiting list to the active pensioner list, the software automatically allots them under either the NSAP or State scheme of the respective category, depending on where the slot is vacant. However, during such allotment, the e-Kalyan system does not validate whether the applicants meet the eligibility criteria for the respective scheme.

Below Poverty Line beneficiaries are to be selected under NSAP schemes. Analysis of data dump revealed selection of 28,419 non-BPL beneficiaries<sup>24</sup> out of 1.22 lakh active beneficiaries under NSAP schemes, in violation of guidelines. In the four test checked districts 9575 beneficiaries<sup>25</sup> (30 per cent) out of 32298 under IGNOAPS (in web based e-Kalyan) did not belong to BPL category.

<sup>24</sup> Bilaspur: 1795; Chamba: 1011; Hamirpur: 1925; Kangra: 8959; Kinnaur: 166; Kullu: 1493; L&S: 44; Mandi: 2932; Shimla: 5940; Sirmaur: 1345; Solan: 912; and Una: 1897

<sup>25</sup> Kinnaur: 149, Mandi: 2854, Shimla: 5683; and Solan: 889

This indicated that the e-Kalyan software had not been designed to ensure categorization of applicants as per eligibility and lack of scrutiny on the part of departmental authorities.

*Concerned TWOs stated that selection of ineligible beneficiaries was due to negligence on the part of the GPs concerned. Selection under NSAP or State schemes was done in the e-Kalyan automatically based upon data entered by the departmental authorities in three categories (old age, widow and disabled) only. The replies are indicative of lack of monitoring and co-ordination by the departmental authorities and non-designing of the e-Kalyan software as per prevailing rules.*

**(B) Inclusion of ineligible beneficiaries:** As per State Government notification (April 2014), for availing benefits of the social security pension schemes, family income of the beneficiary (except for 70 years and above or with disability 70 *per cent* and above) should not be more than ₹ 35000 per annum from all sources (excluding income under MGNREGA<sup>26</sup>).

Analysis of data dump revealed 1286 cases<sup>27</sup> in nine out of 12 districts where family income of the beneficiary (less than 70 years and less than 70 *per cent* disability) was more than ₹ 35000 per annum. This indicated sanction of pension to ineligible beneficiaries.

#### **5.4 Disbursement of Pension**

Pension is credited into postal/ bank accounts of the beneficiaries. MoU with the postal authority had been entered into (June 2017) by the Department for:

- Smooth disbursal of pension in the accounts of the beneficiaries,
- Doorstep delivery of pension to above 80 years and above 70 *per cent* disabled beneficiaries,
- Intimation of beneficiaries becoming ineligible due to death / remarriage, etc.,
- Service charges at the rate of 1.5 *per cent* of the pension disbursed is paid to the postal authority.

No such arrangement had been made with the banking system.

An amount of ₹ 1894.29 crore had been disbursed to the postal department and ₹ 423.04 crore through banks during January 2018 to March 2021. Audit findings relating to disbursement of pension are detailed below:

##### **5.4.1 (i) Duplicate disbursement of pension of ₹ 47.24 lakh**

In the absence of Aadhar linking and other validation checks, Audit analyzed bank / postal account numbers in web-based e-Kalyan with a view to detect duplicate beneficiaries. Analysis revealed 248 cases (Mandi: 178, Shimla: 56 and Solan: 14) of duplicate bank / postal account numbers linked with 124 beneficiaries out of 206115 beneficiaries of selected pension schemes in the four test-checked districts.

<sup>26</sup> Mahatma Gandhi National. Rural Employment Guarantee Act, 2005

<sup>27</sup> Bilaspur: 40; Chamba: 39; Hamirpur: 24; Kinnaur: 84; Kullu: 35; Mandi: 120; Shimla: 07; Sirmaur: 934; and Solan: 03

Detailed analysis of these 248 cases revealed the following<sup>28</sup>:

- 118 cases (Mandi: 84, Shimla: 24 and Solan: 10) were found duplicate with same / similar name and details; in which pension was being disbursed in 59 savings accounts (same account number in two cases each). An amount of ₹ 14.59 lakh (Mandi: ₹ 13.31 lakh, Shimla: ₹ 0.90 lakh and Solan: ₹ 0.38 lakh) had been paid in addition to eligible amount to these beneficiaries during overlapping<sup>29</sup> period in which double pension was credited into their accounts (July 2016 to March 2021).
- 130 cases (Mandi: 94, Shimla: 32 and Solan: 04) were found with different details but same savings account numbers. Pension was being disbursed in 65 savings accounts (same account number in two cases each). Thus, double benefit to one person was paid and no benefit to the other were given. An amount of ₹ 32.65 lakh (Mandi: ₹ 27.63 lakh, Shimla: ₹ 4.82 lakh and Solan: ₹ 0.20 lakh) had been paid in excess to these beneficiaries during overlapping period in which double pension was credited into their accounts (July 2009 to March 2021).

Above cases of duplicate bank / post office savings account numbers were indicative of lack of scrutiny of applications by the departmental authorities, lack of validation checks/ automatic checks in the e-Kalyan software, and lack of co-ordination between the Department with the postal authorities and gram panchayats concerned.

Above cases are those where same savings account numbers had been used. In the absence of any unique number for identification of beneficiaries (Para 5.1), chances of duplicate beneficiaries with different savings account numbers cannot be ruled out.

**Above discrepancies could have been avoided had Aadhar number been used for unique identification of beneficiaries.**

*While admitting the facts the DWOs stated that due to lack of validation checks in the e-Kalyan software, shortage of staff and huge number of cases, these cases remained undetected despite scrutiny by the Department. It was further stated that these cases would be scrutinized, and double payment would be recovered and deposited with the actual beneficiaries. Replies are not acceptable as the departmental authorities failed in detecting duplicate payment cases and e-Kalyan software had not been designed to detect and weed out duplicate cases.*

In the exit conference, the Department assured that excess amount paid to the beneficiaries would be recovered.

#### **5.4.1 (ii) Disbursement of pension to multiple beneficiaries in same savings account**

As per para B(a)(i) of the MoU, the postal Department on receipt of beneficiary details from the Department shall open savings bank account in respect of each beneficiary.

In the web-based e-Kalyan it was, however, observed that in 118 cases (Mandi: 88, Shimla: 12 and Solan: 18) pension was disbursed to husband and wife or father and son

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<sup>28</sup> Payment made to the beneficiary added / linked to the account number later had been calculated for overlapping period for calculation of excess payment as per beneficiary details extracted from the web-based e-Kalyan software

<sup>29</sup> If one person is getting pension from 2010 and other is getting from 2015 in the same account, then overlapping period is from 2015 to 2020, for which amount has been calculated only for the person getting lesser benefits during this period

in the same savings account. Pension was being disbursed in 59 savings accounts (same account number in two cases each). Further, postal authorities may not be in position to inform the department about any one out of the two becoming ineligible, as money can continue to be drawn by the other beneficiary. Also, the postal and Departmental authorities failed in fulfilling its commitments towards opening of savings account for each beneficiary as per the *ibid* provisions of the MoU.

#### 5.4.2 Non-delivery of doorstep benefits to eligible beneficiaries

For doorstep delivery to the eligible beneficiaries, the Department of Posts was to provide necessary facilities for making payment at doorsteps. In the test-checked districts, 54430 beneficiaries<sup>30</sup> were eligible for doorstep delivery of pension benefits.

Scrutiny of record of the selected DWOs showed that –

- Details regarding number of beneficiaries to whom pension was delivered at doorstep had not been shared by the postal authorities with the Department, in the absence of which extent of doorstep disbursement could not be ascertained by the Department.
- In the beneficiary survey conducted by Audit, 112 (82 *per cent*) out of 137 beneficiaries eligible for doorstep delivery reported that they were not receiving pension at doorstep.
- Records at the DWO level showed that there were letters of complaint from the beneficiaries regarding non-delivery of pension at doorstep.

The above points indicated that payment of pension at doorstep of the beneficiaries aged 80 years and above and with 70 *per cent* and above disability was not being provided to all the eligible beneficiaries by the postal authorities. It was further observed that the Department had not undertaken any correspondence with the postal authorities to ensure adherence to the provisions of the MoU in this regard.

*The DWOs concerned accepted the facts and stated (May 2021) that postal authorities had been requested time and again for ensuring doorstep delivery to the intended beneficiaries and supply such detail to the Department. However, neither was any record of correspondence observed during audit, nor was the same furnished by the DWOs to substantiate the contention.*

In the exit conference, it was stated that the matter will be looked into and suitable action will be taken.

#### 5.4.3 Usage of money order mode for pension disbursement

Instructions issued (July 2017) by the Directorate provides that the DWOs shall credit pension only in the savings postal/ bank accounts of the beneficiaries. Further, as per MoU with Postal Department, on receipt of beneficiary data, the Post Office shall facilitate beneficiaries to open savings postal account.

Analysis of data dump revealed 17371 transactions<sup>31</sup> through money orders (out of total 41.47 lakh transactions) during 2018-21. Such transactions were maximum in district

<sup>30</sup> Kinnaur: 1803; Mandi: 28965; Shimla: 16464; and Solan: 7198

<sup>31</sup> Bilaspur: 91; Chamba: 3264; Kangra: 7720; Kinnaur: 424; Kullu: 193; L&S: 77; Mandi: 2989; Shimla: 1915; Sirmaur: 526; Solan: 23; and Una: 149

Kangra (7720). Age-wise analysis of transactions through money orders during 2018-20 is given below:

Year	2018	2019	2020
No. of money order transactions	14781	2144	446

Thus, a small percentage (0.4 per cent) was still being undertaken through money orders entailing the risk of human interference in the process of pension disbursement. The decreasing trend of money order transactions is indicative of the improvement in disbursement of pension in savings accounts of the beneficiaries, by the Department.

*DWOs accepted the facts and stated that pension of those beneficiaries whose savings account numbers were not fed in the e-Kalyan software had been sent through money orders.*

#### **5.4.4 Pension disbursement status**

Details in respect of pension amount disbursed under various schemes and pension amount sent for disbursement to the individuals are available in the e-Kalyan. Although, status of pension sent for disbursal to an individual is available under individual query, status of actual disbursement is not available. Provision for entering such details is not available in the web-based e-Kalyan software. This may be attributed to lack of integration of e-Kalyan with the post office / banks module for real time disbursement status.

It was further observed that post office / banks share detail of pensioners to whom amount could not be transferred, and detail of successful transactions is not being shared. In the absence of transaction IDs and acknowledgement of money orders for successful transactions, assurance regarding successful payments was not available with the Department. Department should ensure report in respect of successful transaction also alongwith transaction IDs and such details should be automatically pushed into the e-Kalyan software.

#### **5.5 Confirmation of existing beneficiaries**

As per Para 3.1.2 of the NSAP guidelines, States shall constitute Special Verification Teams<sup>32</sup> to confirm existing beneficiaries. Para 13 of the HPSSP Rules, 2010 stipulates that Gram Sabha would identify and report ineligible beneficiaries to DWOs who would stop the pension temporarily. The status of the beneficiaries would be verified by the TWO concerned within one month and report on the same is to be finalized by DWO.

##### **5.5.1 Delay in verification of ineligible beneficiaries**

Scrutiny of records and analysis of data dump showed that –

- The Department had not constituted any Special Verification Teams to confirm the existing beneficiaries. In the test checked districts, confirmation of existing beneficiaries was being done by the TWOs concerned.
- The data dump contained 2211 cases<sup>33</sup> where pension was temporarily suppressed (out of total suppression of 2.24 lakh cases) with reason “expired” but revoked subsequently (2139 cases revoked within one year and 72 cases revoked after more

<sup>32</sup> Authorised officer of the department, representatives of locally active NGOs, etc.

<sup>33</sup> Bilaspur: 56; Chamba: 260; Hamirpur: 178; Kangra: 100; Kinnaur: 05; Kullu: 49; L&S: 18; Mandi:716; Shimla: 265; Sirmaur: 246; Solan: 31; and Una: 287



than one year). This had resulted in non-receipt of pension by the beneficiaries during the intervening period.

- The data dump also contained 3041 cases<sup>34</sup> (out of total suppression of 2.24 lakh cases) where pension was temporarily suppressed with reason 'under enquiry'. Of these cases:
  - 571 cases were revoked in 11 districts. Out of these, 228 cases were revoked after more than one year.
  - In 2470 cases revocation period / year had not been mentioned which indicated that either these cases were lying pending for verification or entries had not been updated in the software.

The above findings indicated that the TOWs / DOWs were taking inordinately long time for verification of suppression cases, resulting not only in denial of benefits to genuine beneficiaries but also in delay in sanction of benefits to other prospective beneficiaries in the waiting list.

*While confirming the facts the DOWs concerned stated that verification of beneficiaries had been done by the TOWs concerned with the help of GP representatives. The fact however remains that confirmation was not done as per guidelines and there was delay in confirmation of beneficiaries which had resulted in suppression of eligible beneficiaries for prolonged periods.*

### **5.5.2 Disbursement of pension to expired beneficiaries resulting in irregular payment of ₹ 60.73 lakh**

Audit compared the list of active beneficiaries on the e-Kalyan software with the records of death cases in the GPs concerned. Out of 9196 beneficiaries pertaining to selected pension schemes in the 59 test-checked GPs, Audit found 255 cases where the beneficiary had expired since three months to five years. However, payment of pension amount continued to be made into the accounts of these expired beneficiaries - an amount of ₹ 60.73 lakh<sup>35</sup> had been paid to these expired beneficiaries during the period after expiry upto March 2021. This indicated lack of coordination and verification by the departmental authorities.

*TOWs concerned stated that efforts for detection of ineligible beneficiaries had been made by the Department. Further as per MoU postal authorities were required to intimate about ineligibility of the beneficiaries and matter had been taken up with them. The fact however remains that cases of payment to expired beneficiaries' accounts indicated that the verification / confirmation mechanism was not working properly.*

### **5.5.3 Information regarding remarriage, employment, and life certificate**

As per Para 15(3) of HPSSP Rules, 2010 widow/ divorced/ *ekal nari* beneficiaries are to submit certificate regarding non-remarriage from concerned GPs to the Department before 10<sup>th</sup> April of every financial year. Further as per MoU, the postal Department will also provide information regarding remarriage of widow and life certificate of the

<sup>34</sup> Bilaspur: 18; Chamba: 13; Hamirpur: 114; Kangra: 593; Kinnaur: 08; L&S: 48; Mandi: 445; Shimla: 1245; Sirmour: 504; and Una: 53

<sup>35</sup> Kinnaur: ₹ 0.70 lakh (06); Mandi: ₹ 21.78 lakh (86); Shimla: ₹ 32.45 lakh (131); and Solan: ₹ 5.80 lakh (32)

beneficiaries. Further, GPs are also required to send information regarding death of pensioner or beneficiaries becoming ineligible to the TWO concerned promptly as per rules, so that pension could be stopped and substitution may be effected. Postal authorities are also required to send such information to the Department immediately as per MoU.

Scrutiny of records of the four selected DWOs showed the following –

- The required non-remarriage certificate from the concerned widow / divorced / *ekal nari* beneficiaries had not been obtained during 2017-21.
- Life certificate of beneficiaries through postal department was being obtained only in Mandi district, though not regularly. No information from the postal department regarding life certificate of beneficiaries was being received in the other three test-checked districts.
- GPs were also not sending the requisite information regarding expiry / ineligibility of beneficiaries to the departmental authorities. This may be attributed to non-sharing of sanction order or pensioners' list by the Department with the GPs.
- Test check of records of DWO, Solan showed that due to delay in reporting of change in eligibility status by the GPs / postal authorities, there was delay in suppression of benefits to 20 pensioners who were employed or taking pension benefits from other sources and five re-married beneficiaries, ranging between nine months and 13 years from the date of employment or re-marriage. Delay in suppression of these cases had resulted in undue benefit of ₹ 3.62 lakh to the beneficiaries concerned and blocking of pension slot for such period to other persons in waiting list.

*The concerned DWOs confirmed the facts and stated that due to inadequate staff requisite information / certificates could not be obtained. However, report in respect of expired beneficiaries was being obtained from the postal authorities and other information / certificates would be ensured in future. The reply is not acceptable as rules were not complied with to ensure payment of pension to eligible beneficiaries only.*

#### **5.5.4 Inspection of beneficiaries**

As per Para 15(1) of Himachal Pradesh Social Security Pension Rules, 2010, the DWOs and TWOs concerned were required to inspect, the beneficiaries of social security pension schemes periodically about their eligibility. The DWOs and TWOs were to inspect 10 per cent and 25 per cent of the beneficiaries of the district/ tehsil respectively annually.

Test-checked DWOs and TWOs were required to conduct 20692 and 26249 inspections during 2019-20, as per rules *ibid*. Scrutiny however revealed that record related to inspections conducted by the selected DWOs and TWOs had not been maintained. In the absence of any reporting mechanism of inspections by DWO / TWO, audit could not ascertain that inspections had been carried out by the departmental authorities and its outcomes, if inspections were carried out.

*Concerned departmental authorities stated that requisite inspections could not be carried out due to shortage of staff. It was further stated that general verification of the beneficiaries was done during field visit of GPs however record in this regard had not been maintained. Record maintenance in this regard would be ensured in future.*

**Summary–**

- *Social security pension schemes have not been notified under section 7 of the Aadhar Act, 2016 for use of Aadhar number as unique identification and to weed out duplicate beneficiaries.*
- *Functionalities to check / detect duplicate entry were not enabled / provided in the e-Kalyan software.*
- *Instances of incomplete application forms without requisite certificates, and delay in processing of applications and verification of beneficiaries were noticed in test checked DWOs / TWOs.*
- *Analysis of e-Kalyan software revealed irregularities in selection of beneficiaries and duplicate / excess payment of ₹ 47.24 lakh indicating lack of monitoring by the departmental authorities.*
- *Cross verification of pensioners' record in e-Kalyan software with basic record at panchayat level in 59 GPs revealed cases of variation in age of 776 beneficiaries, selection of 63 underage beneficiaries under IGNOAP and old age pension schemes resulting in irregular payment of ₹ 55.21 lakh and disbursement of pension to 255 expired beneficiaries resulting in overpayment of ₹ 60.73 lakh.*
- *There were deficiencies in payment of pension through department of posts such as non-delivery of doorsteps benefits to eligible beneficiaries, non-obtaining of required certificates, and usage of money order mode for payment of pension.*
- *There was lack of co-ordination between the Department, postal authorities and GPs resulting in non-sharing of information about beneficiaries rendering ineligible under various Social Security Pension Schemes.*

**Recommendations - The State Government may consider:**

- *Use of unique identification (like Aadhar number or bank/ postal account number) linked to beneficiary to weed out duplicate cases.*
- *Fixing accountability of the functionaries responsible for incorrect/overpayment of benefits and recover the amount paid to the ineligible beneficiaries.*
- *Involvement of Common Service Centres in application process of social security pension schemes.*
- *Processing and verification of pension applications in a time bound manner.*
- *Robust mechanism to verify eligibility of beneficiaries as per records at panchayat level to avoid payment of benefits to ineligible beneficiaries.*
- *The deficiencies observed during audit may be reviewed and necessary controls be put in place to ensure seamless delivery of benefits to eligible beneficiaries.*
- *Implementation of provisions of the MoU with the postal department about delivery of doorsteps benefits, undertaking field level enrolments, etc., scrupulously.*
- *Regular co-ordination of the Department with the postal and GP authorities for smooth implementation of the scheme.*

