Chapter-VII
Organisation and management of Direct Benefit Transfer

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The State Government has designated Himachal Pradesh Information Technology (IT) Department as State Nodal Agency for organization and management of DBT process in the State. Audit findings in this regard are given in succeeding paragraphs:

7.1   State DBT Cell

As per DBT guidelines, a State Direct Benefit Transfer Cell is to be constituted as a one-stop point for coordinating and implementing various schemes. The Direct Benefit Transfer Cell is to have Advisory Board[1], State Direct Benefit Transfer Coordinator[2] and Implementation Support Layer[3]. The Advisory board is required to meet quarterly or other regular intervals and shall provide holistic, advisory, and strategic inputs for delivering benefits in a more effective way. The Direct Benefit Transfer Coordinator shall coordinate and liaison with various departments to work towards DBT across schemes. Implementation support layer of the DBT cell was to develop an IT based system utility to provide a coherent centralized workflow engine for field functionaries, officials and beneficiaries; and enable report generation, dynamic update of data and daily tracking of progress.

Scrutiny of record showed that State DBT Cell was constituted in August 2018. It was however, noticed that no meeting of the Advisory Board had been conducted since its constitution in August 2018 till September 2021. Functions related to consolidation and uploading of various reports related to status of transfer of benefits after obtaining the same manually was being carried out by the DBT Cell. Consequently, functions of the DBT Cell as mentioned above were not being undertaken as envisaged.

In the absence of any meeting of the Advisory Board, holistic, advisory, and strategic inputs for benefits delivery was not ascertained, and State DBT Coordinator and Implementation Support Layer did not carried out envisaged activities. Further, due to lack of monitoring by the DBT Cell as envisaged, e-Kalyan software had also not been integrated with the DBT portal and progress of pension benefits being paid to the beneficiaries through a standalone mode could not be monitored effectively.

The Director (IT) stated that meeting of Advisory board has now been convened on 19 October 2021 and decisions taken inter alia include notification of all identified schemes under Section 7 of the Aadhar Act, end to end digitization of identified schemes, reporting of all DBT transactions through State DBT portal and PFMS integration for cash-based schemes. This is in line with the findings highlighted in the Report.

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[1]   Comprising of representatives from various enablers and stakeholders of Direct Benefit Transfer as well as from multi-lateral agencies like World Bank, Asian Development Bank etc.

[2]   Principal Secretary (Planning/IT/Finance) or equivalent level officer can be nominated as Coordinator who shall act as nodal officer for DBT related matters of the State

[3]   Consists of three coordinators of Director or Officers on Special Duty (OSD) rank personnel responsible for technical, non-technical and finance & admin support to operations of the Cell

7.2 Departmental DBT Cell / Committee

Paragraph 2.1 of Protocol Documents on DBT in States provides that apart from State DBT Cell, individual departments shall also constitute a DBT Cell/ Committee within each department, to ensure that DBT framework is adopted in implementation of schemes.

Audit noticed that information regarding constitution of DBT Cell/ Committees by the individual departments was not available with the State DBT Cell, which is expected to be the one-stop point for coordinating all efforts for bringing and implementing schemes on to DBT. Departmental DBT Cell/ Committee had not been established by the Directorate of ESOMSA. Thus, adoption of DBT framework in implementation of schemes was not ensured.

The Director (IT) stated that no action has been taken by the State DBT cell for setting up of DBT cell/ Committees by the individual departments as no protocol document was received in this regard. The reply is not justified as every department was to constitute departmental DBT Cell/ Committee to work towards implementation of DBT in identified schemes.

7.3 Robust Governance Framework

Paragraph 2.4 of the Protocol Document on DBT in States (June 2017) provides for a robust governance framework at the State level to continuously monitor the readiness of schemes and programmes. The Governance framework would operate under State DBT Cell and shall be responsible for (i) DBT applicability assessment of schemes and programmes; (ii) consultations with stakeholders on DBT; (iii) beneficiary digitisation analysis and recommendations; (iv) DBT on-boarding of schemes and programmes; (v) monitoring scheme on-boarding progress; and (vi) providing programme management support.

Audit noticed that robust governance framework to continuously monitor the readiness of schemes and programmes was lacking at State level. Except two review meetings of the status of implementation of DBT, two workshops and one meeting on Aadhaar based DBT through PFMS, no other workshop, seminar, meeting, etc., (on beneficiary digitization analysis, providing programme management support, etc) to operationalize DBT was conducted either by the State DBT Cell or the Department during 2017-21. Implementation of outcomes of above meetings/ workshop held was also not supplied to audit.

The Director (IT) stated that above-mentioned workshops/ meetings were conducted during 2017-19 to train officials of departments to implement DBT through PFMS. However, progress of implementation of DBT by various departments is not available.

7.4 Training and support to State officials on DBT

Guidelines for State DBT Cell issued by DBT Mission, GoI stipulate that as a part of implementation support, the State DBT Cell shall provide training and support in capacity building of State officials on DBT. The guidelines further provide for organising exposure visits for the State/district officials in DBT progressive States for familiarising them with model practices, besides, conducting bench-marking studies on best practices, running innovations in the State through pilots/ experiments and developing roadmap to incorporate those practices in State operations. Audit noticed that:

- Neither any training calendar was prepared nor was any training on DBT provided to State officials by the State DBT Cell.

- No exposure visits for State/district officials in DBT progressive States were arranged by the State DBT Cell for familiarising the officials with model practices being adopted by those States.

- Neither any benchmark studies were conducted on best practices for developing roadmap to incorporate those practices in State operations nor was any innovation in the State through pilots/experiments carried out by the State DBT Cell.

In the absence of proper training/ exposure visits/ benchmark studies, proper monitoring and control over DBT operations could not ensured in the State.

The Director (IT) stated that no external visit was arranged as no proposal came up during above period. It was further stated that officials of the State DBT cell visited various departments to provide support in implementation/ reporting of DBT. The reply is not acceptable as no supporting document in support of above claim has been provided to Audit.

7.5   State DBT Portal

Paragraph 2.2(4) of Protocol Document on DBT in States provides that the State DBT Portal is to be conceptualised and implemented to aggregate State level information on benefit transfers. Further, Para 3.2 of Protocol Document on DBT in states also provides that State DBT Portal shall have role-based access where different kind of roles are defined to access portal based on different privileges. Portal also has anonymous access for public to know about DBT and its progress in the State and it should have functionalities for public *viz.* Home Page, About Us, Schemes, Multimedia, DBT Cell, Documents, Success Story, Contact Us, Right to Information (RTI), Frequently Asked Questions (FAQs), Feedback and Download.

Scrutiny of State DBT Portal showed that above mentioned functionalities are either not available or provided partially to public on the Portal as detailed in **Appendix-6**. Non-availability of required functionalities on State DBT portal deprived the public of necessary information on benefit transfers.

The Director (IT) stated that technical team is in the process of updating the State DBT portal as per Standard Operating Procedure for State DBT portal.

7.6   Other deficiencies in the State DBT Portal

The Information Technology Department being the administrative department for State DBT Cell, is hosting the HP DBT Portal *(http://dbtportal.hp.gov.in)*, which became operational from August 2017. The GoI issued (January 2009 and February 2018) Guidelines for Indian Government Websites (GIGW). The guidelines recommend policies and guidelines for Indian Government Websites and Portals, at any organizational level and belonging to both Central Government as well as State/UT Governments for making Government websites citizen centric and visitor friendly.

Audit noticed that State DBT Portal had been integrated with DBT Bharat Portal (https://dbtbharat.gov.in). However, the following inconsistencies in maintenance of State DBT Portal by the IT Department were noticed:

(i) Website Quality Certification was not obtained from Standardisation Testing Quality Certification (STQC) - an organization of Ministry of Electronics and Information Technology (MeitY), GoI, as required under Paragraph 1.4 of GIGW.

(ii) Neither Web Information Manager nor was Technical Manager had been appointed to ensure proper flow and quality of content to the site, as per Paragraphs 10.1.1 and 10.1.2 of GIGW.

(iii) No Content Contribution, Moderation and Approval Policy to ensure authenticity of data and responsibility, authorization and workflow details with regard to content publishing on State DBT Portal was framed, as required under Paragraph 5.2 of GIGW.

(iv) No Website Monitoring Policy was formulated to address and fix the quality and compatibility issues, as per Paragraph 10.3 of GIGW.

(v) No provision for regional (Hindi) language content on State DBT portal was made, as required under Paragraph 5.7 of GIGW.

The Director (IT) stated that technical team is in the process of updating the State DBT portal as per Guidelines for Indian Government Websites.

7.7 Identification and onboarding of schemes on State DBT Portal

GoI instructed (March 2018) the States for identification and onboarding of schemes implemented by the States on State DBT portal and reporting monthly progress of beneficiaries' data digitization, authenticated Aadhar seeding, data validation, funds transfer through DBT mode and savings on account of removal of duplicate and fake/ non-existent beneficiaries, etc., to the concerned Departments.

Scrutiny of records showed that as of June 2021 out of 162 schemes identified by the State Government for DBT, only 62 schemes (39 p*er cent*) including six selected social security pension schemes were onboarded on State DBT portal during 2017-18 with respect to funds transferred to beneficiaries and reporting monthly progress under respective scheme. No further action as per *ibid* instructions has been taken in respect of above schemes even after lapse of more than three years.

The Director (IT) stated (June 2021) that the concerned departments are implementing DBT schemes at their own level. The reply should be seen in light of fact that 61 per cent schemes have not been onboarded on State DBT portal which reflects poor monitoring of DBT processes in the State by the State Nodal (IT) Department.

7.8 Disaster Recovery and Business Continuity Plan

Paragraph 8.3.4 of GIGW provides that there could be circumstances wherein due to some natural calamity, the entire data center where the website is being hosted gets destroyed or ceases to exist. A well-planned contingency mechanism has to be in place for such eventualities wherein it should be ensured that the Hosting Service Provider has a

'Disaster Recovery Centre (DRC)' set up at a geographically remote location and the website is switched over to the DRC with minimum delay and restored on the web.

Audit noticed that the State did not have any Disaster Recovery and Business Continuity Plan (DRBCP) for e-Kalyan software and State DBT Portal being maintained locally at National Informatics Centre (NIC) and Directorate office of Information Technology respectively. Thus, recovery of data with minimum delay in case of any eventuality was not ensured.

While accepting the facts, the Director (ESOMSA) stated that no back-up and recovery plan for data has been implemented. The Director (IT) stated that Disaster Recovery Centre for State DBT Portal is located in Delhi. The reply is not acceptable as e-Kalyan software has not been integrated with the State/ Bharat DBT portal and back-up/ recovery plan for its data has not been ensured.

7.9 Management Information System

The Standard Operating Procedure (SOP) for DBT Bharat Portal (States/ UTs) and SOP Modules for DBT issued by GoI provides for creation and maintenance of real time MIS portal.

Audit noticed that no mechanism existed for real time capturing of beneficiaries' data and benefits transferred on State DBT portal. This information is collected manually by the DBT Cell from various departments and uploaded on DBT Portal, however, any subsequent modification in number of beneficiaries covered/ benefits transferred is not updated on State DBT portal.

While admitting the facts, the Director (IT) stated that to capture real time data of beneficiaries, the end-to-end digitisation of state schemes is under progress.

7.10 Variation in figures available on DBT Portal and supplied by the Department

Paragraph 1.2 of SOP on "DBT Bharat Portal" for States/UTs issued by DBT Mission, GoI provides that since the data provided on DBT Portal is available in public domain, State DBT Cell Coordinators are to validate and confirm before entering any details on the Portal. The ownership of all State specific information will be of States. State DBT Nodal Officer is to nominate Departmental officers who would be responsible for the entry and correctness of monthly data of each scheme.

Audit noticed variation in amount transferred to beneficiaries supplied by the Department and that uploaded on the DBT portal ranging between ₹ 0.56 crore to ₹ 106.31 crore for the period 2019-20 and 2020-21 under selected schemes (figures of 2017-18 and 2018-19 are not available on DBT portal) as detailed in **Table-7.1**:

Table-7.1: Detail showing variation in data as per State DBT portal and as per data supplied by the Department

(₹ in crore)

Name of the Scheme	Year	Amount transferred as per DBT Portal	Amount transferred as per Department	Variation in figures
Old Age Pension	2019-20	384.50	435.71	51.21
	2020-21	444.15	546.63	102.48
Pension scheme for Widow	2019-20	103.08	141.08	38.00
	2020-21	124.68	144.18	19.50
Disabled Relief Allowance	2019-20	76.05	71.68	4.37
	2020-21	89.21	88.40	0.81
IGNOAPS	2019-20	155.12	48.81	106.31
	2020-21	148.49	63.45	85.04
IGWPS	2019-20	28.31	11.84	16.47
	2020-21	31.93	14.52	17.41
IGDPS	2019-20	1.83	1.09	0.74
	2020-21	1.90	1.34	0.56

Source: Figures supplied by the Department and available on DBT portal.

Variation in data supplied by the Department and reflected on the portal indicates that data is not being validated before entry on the portal.

The Director (IT) stated that DBT reports as received from concerned departments are uploaded on State DBT Portal. The reply is not acceptable as correctness of data of each scheme is to be ensured by departmental and State DBT Nodal officers.

7.11 Adoption of Public Financial Management System

Ministry of Finance, GoI decided on mandatory use of Public Financial Management System (PFMS) for payment, accounting and reporting under DBT and directed (December 2014) to ensure that no payments under DBT schemes were to be processed unless the electronic files for such payments were received through PFMS from 1 April 2015 onwards. Further, part D of SOP modules for DBT stipulates that the registration of beneficiary in PFMS is to be done after successful validation of bank / postal account and validation of Aadhar number. In case of payment to Aadhar linked bank accounts, the Aadhar numbers (after initial level format checking in PFMS) are sent to National Payments Corporation of India (NPCI) for verification. After validation, both banks and NPCI have to share the validation response with PFMS. On receipt of bank confirmation, the checker will approve the beneficiary on PFMS. Amount is credited in the validated account of the beneficiary after approval and payment status response files are shared with PFMS. Individual acknowledgements for both successful and unsuccessful transaction are received on PFMS and feedback is shared with the beneficiaries through SMS alerts.

In this context audit observed that:

i. For transferring benefits under five State social security pension schemes, neither PFMS nor *Himkosh* (Integrated Financial Management Information System - a Receipts Accounting System of State Government) had been adopted as of March 2021. Under these five schemes, benefits are thus being transferred with manual intervention at various stages leading to deficiencies in the pension disbursement process as discussed in Chapter-5.

ii. In respect of social security pension schemes under NSAP, disbursement is being made through PFMS from October 2020 only i.e. after more than five years from the scheduled date. However, audit observed the following deviations:

- List of beneficiaries is extracted from the e-Kalyan and converted manually in format compatible (as per template) with PFMS and then uploaded on PFMS. There is no automatic pushing of files from e-Kalyan to PFMS. Thus, risk of tampering of beneficiary list cannot be ruled out. This may be attributed to non-integration of e-Kalyan with PFMS.

- Validation of Aadhar numbers of the beneficiaries is not being done. Only savings accounts of the beneficiaries are validated and successful validated beneficiaries are approved on PFMS. Name of the beneficiary registered under scheme and as per bank / PO are displayed on PFMS for verification before initiating the payment. However, this validation of name is to be done manually in the absence of flagging of difference in name using any fuzzy logic. After checking and rectifying any error noticed, payment is initiated by the DWO, however chances of omission errors cannot be ruled out.

- Individual acknowledgment in respect of payments (successful as well as unsuccessful) are received on the PFMS. It was further noticed that in successful transactions there is no acknowledgment push of transactions back to e-Kalyan from PFMS. In case of failed transactions, reasons for failure are manually fed in the e-Kalyan, in the absence of integration of e-Kalyan with PFMS.

- Mechanism for feedback to beneficiaries through SMS or any other mode regarding payment of pension was not in place. Thus, feedback mechanism was not activated.

- Further, due to non-integration of PFMS with the NSAP portal through Aadhar Payment Bridge system, NSAP portal is showing zero transaction through DBT in the State.

From the above, it is clear that PFMS had not been adopted for State schemes, though adopted for NSAP schemes from October 2020 onwards after a period of more than five years from the scheduled PFMS adoption date. However, payment through PFMS for NSAP schemes involved lacunas viz. manual intervention, absence of automatic push of electronic files due to non-integration of e-Kalyan with PFMS, absence of feedback mechanism etc. as detailed above.

Even for the NSAP scheme payments, although the DBT Module of PFMS serves as the automated funds transfer platform, there is no automated pushing of files/ funds transfer orders from e-Kalyan to PFMS, and no pushing back of beneficiary-wise acknowledgment/ failure data files from PFMS back to e-Kalyan. Audit recommends that this payment process also needs to be automated without manual intervention through PFMS or any other automated funds transfer platform.

The Director (IT) stated (June 2021) that State DBT cell is in regular coordination with all concerned departments and had requested them to use PFMS portal in DBT schemes.

The reply should be seen in the light of fact that PFMS is not being used for transferring benefits under social security pension schemes of the State Government and validation of Aadhar numbers of the beneficiaries was not done in respect of NSAP schemes. Further State DBT Cell had also not coordinated as envisaged with the departments for implementing the same.

In the exit conference, the Department assured to look into the matter and take suitable action accordingly.

Summary-

- *DBT Cell was not discharging its duties of co-ordinating with departments and implementing DBT in various schemes. Meetings of Advisory Board to guide and monitor various departments in adopting DBT had not been conducted.*

- *DBT Cell had not provided training and support in capacity building on DBT to State officials.*

- *The Department did not have any disaster recovery and business continuity plan.*

- *There was variation in data on benefit transfer under social security pension schemes supplied by the Department and reflected on the State DBT portal.*

- *PFMS had been introduced in the NSAP schemes after delay of more than six years and Aadhar validation on NPCI Aadhar mapper had not been done. Further PFMS for State schemes had not been commenced yet.*

- *There is no automatic pushing of files from e-kalyan to PFMS as font of beneficiaries list extracted from the e-Kalyan software is not recognised in the PFMS portal. Validation of beneficiary is done manually in the absence of flagging of difference of name using fuzzy logic.*

- *There is no acknowledgment push of transactions in the e-kalyan from PFMS. For failed transactions, reasons are manually fed in the e-kalyan. Unsuccessful transactions are recorded manually in the e-kalyan.*

- *Due to non-integration of PFMS with the NSAP portal through Aadhar Payment Bridge system, NSAP portal is showing zero transaction through DBT in the State.*

- *The procedure implemented by the Department is not in consonance with the DBT framework, which should involve transfer of benefits directly to the beneficiaries.*

- *The procedure can be termed as benefit transfer, but not as "direct" benefit transfer, since funds are not transferred directly to the beneficiaries but funds are transferred into the bank account of the DWO and then cheques are issued for further transfer to the beneficiary bank accounts.*

Recommendations – The State Government may consider:

- *Ensuring functioning of State DBT Cell in guiding and monitoring of DBT implementation in various departments.*

- *Providing training and support on DBT to State officials for capacity building.*

- *Integration of social security pension schemes with the State DBT portal.*

- *Preparing disaster recovery and business continuity plan and maintenance of real time MIS portal.*

- *Reconciliation of data on benefit transfer in order to depict true picture.*

- *Using PFMS alongwith validation of Aadhar and postal/ bank account numbers mandatorily for transfer of benefits as per DBT guidelines for all schemes and identification of difference in names should be automatic using fuzzy logic, so that manual intervention may be reduced.*