Highlights

Highlights	Direct Benefit Transfer of Social Security Pension Schemes in Government of Kerala
Why CAG did this Audit Direct Benefit Transfer (DBT) is an enterprise by the Government of India to confirm timely and appropriate benefits directly to the beneficiaries. It symbolises a remarkable change in the model for delivering benefits by removing intermediary levels, leakages and pilferages. Government of Kerala implemented DBT in the State for various Schemes including Social Security Pension (SSP) Schemes. Given that SSPs are being distributed to the most deprived elderly/ widowed/ disabled people in society who have no other income and involves the highest expenditure among the DBT Schemes in the State, this Performance Audit attempted to examine whether (i) The DBT programme of the State has been effective in providing timely and appropriate pensionary benefits directly to the beneficiaries; and (ii) The Sevana Pension software (web based application for the execution of Social Security pensionary benefits) has been effective in bringing accuracy, transparency and effectiveness to the process of Direct Benefit Transfer. **What CAG recommends** 1. The entire system of DBT may strictly adhere to norms already in place, right from the stage of entry of pension applications in the system to the final disbursement stage, to bring in greater effectiveness; 2. Sevana Pension software may be revamped to automate all activities from receipt of application to the payment and acknowledgment of SSPs, and to enable the User Department to operate it independently from the Developer. The Government/ Department has generally accepted the recommendations.	**What CAG found** During the period from 2017-18 to 2020-21, the Government had paid ₹29,622.67 crore as Social Security Pensions (SSPs) to 47.97 lakh beneficiaries in the State. There were laxities in the application stage, its verification and approval at the Local Self Government Institutions (LSGIs). Two different pensions (except disability pension) were irregularly approved to single beneficiaries and pensions were often approved without production of mandatory certificates due to absence of input controls in the Scheme Management Software (Sevana Pension) and proper monitoring by the Secretaries of LSGIs. Discrepancies in beneficiary addition were also noticed, indicative of lack of control in the system. A joint beneficiary survey disclosed 20 *per cent* ineligible beneficiaries among the sample. The chief fund raiser and co-ordinator of SSP Schemes, viz. Kerala Social Security Pension Limited (KSSPL), is not maintaining the accounts properly and has not done the reconciliation of accounts during the entire audit period. KSSPL's activities in fund raising and utilisation has not been transparent. SSPs were disbursed in batches of months and not monthly, which defeated the very purpose of timely disbursement of SSP. Eligible beneficiaries were denied pension due to erroneous bill processing. The payments in cash through Primary Agricultural Credit Societies (PACS) in Direct to Home mode did not qualify as Direct Benefit Transfer, as it was not done directly to beneficiaries and did not minimise intermediary levels. There were instances of irregular payment of widow pension and disbursement of same pension more than once to a beneficiary. Substantial amount of funds were transferred to PACS on account of deceased beneficiaries who were already reported as deceased, resulting in unnecessary liability of interest and pointing towards possible fraud. Government Servants and Service Pensioners were irregularly granted SSPs. Moreover, even after their suspension from the list, pension was paid to ineligible beneficiaries which indicates poor verification and monitoring mechanism in the Department concerned. Performance Audit Supervisors were not deployed in any of the LSGIs and the State DBT Cell was not performing as prescribed in the guidelines. There was lack of planning of the automation process as evident in the absence of system design documents and lack of documentation. There were control lapses in the Sevana Pension software, from beneficiary addition to disbursement of SSPs. The integrity and consistency of the data also could not be guaranteed. Information Kerala Mission (IKM), the developer of Sevana Pension software, continued to run it even after its implementation rather than the User Department. The software could not generate any of the vital reports. Even IKM was generating the reports through the backend by Stored Procedures, which required frequent modifications as well. The User Department was not able to monitor either the user activities at LSGIs or the activities performed by IKM. Further, there was no effective mechanism for ensuring the receipt of the SSPs by the intended recipient.