

Executive Summary

Article 41 of the Constitution of India directs the State to provide public assistance to its citizens in case of unemployment, old age, sickness, disablement and in other cases of undeserved want within the limit of its economic capacity and development. Government of India launched the National Social Assistance programme (NSAP) to provide social security to the destitute, population living below the poverty line (BPL) and vulnerable groups in 1995.

At present NSAP includes five sub-schemes, of which, three are pension schemes:-

- (i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS),
- (ii) Indira Gandhi National Widow Pension Scheme (IGNWPS), and,
- (iii) Indira Gandhi National Disability Pension Scheme (IGNDPS).

The other two sub-schemes are not pension schemes, *viz.*

- (iv) National Family Benefit Scheme (NFBS) - a one-time assistance to the bereaved family in the event of death of the breadwinner, and,
- (v) Annapurna scheme - food security to the eligible old age persons who have remained uncovered under IGNOAPS.

All India Performance Audit of NSAP consisted of two phases:

Phase I: Data analysis conducted based on available NSAP data, and,

Phase II: Detailed field audit has been done through audit scrutiny in selected sample units.

All India Performance Audit of NSAP examined implementation of IGNOAPS, IGNWPS, IGNDPS and NFBS in 28 States and eight UTs. The Audit was conducted for the period 2017-18 to 2020-21 covering 179 Districts, 358 Blocks, 699 Gram Panchayats and 8,461 beneficiaries.

The Performance Audit of NSAP examined whether:

1. the Scheme was planned efficiently to cover all the eligible and to exclude ineligible beneficiaries;
2. overall financial Management of the Scheme ensured timely availability and release of funds to the implementing agency for disbursement to the beneficiaries;

3. the Scheme was implemented effectively in a timely manner; and,
4. effective control mechanisms and robust IT systems existed for monitoring the Scheme.

The Ministry of Rural Development (MoRD) released funds under NSAP to all States/Union Territories (UTs). NSAP is being implemented in both rural as well as urban areas by respective State Governments and UT Administrations. During 2017-21, Government of India allocated ₹ 34,432 crore for NSAP. Further, States and UTs also allocated ₹ 1,09,573 crore as additional assistance for pension and for coverage of additional beneficiaries. NSAP reached out to 2.83 crore beneficiaries annually through central allocations and additional 1.82 crore beneficiaries through States/UTs funds on an average per year during 2017-21.

NSAP aims to provide basic financial support to old age, widow and severely disabled persons from BPL list as well as to BPL families in case of death of primary breadwinner. The beneficiaries were to be selected from the BPL list till the Socio-Economic Caste Census (SECC) was finalised; however, the beneficiaries are being selected from BPL list even after finalisation of SECC data even though these BPL lists are not being regularly updated.

The Government of India is allocating NSAP funds as per cap fixed by MoRD asking the States/UTs to cover additional beneficiaries from their own resources. The Scheme aims universal coverage through proactive identification; however, NSAP is being implemented in demand-driven mode as the benefits were provided to only those beneficiaries who applied for it.

Due to non-verification of existing beneficiaries as well as due to lack of data cleaning, verification and authentication, cases of ineligible beneficiaries drawing benefits were noticed in many States/UTs. Further, in many States/UTs, pension was not being paid on monthly basis. The Scheme is not fully DBT compliant as pension is being paid in cash in some States. There were cases of over-payment, short-payment and multiple pension payments noticed in many States/UTs.

The monitoring, social-audit and grievance redressal mechanism were not effective in terms of deficiencies being noticed during the implementation of the Scheme.

Key Audit Findings

An overview of Scheme performance

The total central expenditure for NSAP was ₹ 34,432 crore during 2017-21 whereas total States/UTs expenditure on Centrally Sponsored Scheme of NSAP was ₹ 1,09,573 crore during the same period.

(Paragraphs 3.1 and 3.2, Page nos. 10 & 12)

NSAP was either not fully implemented or being partially implemented in some of the States/UTs. In particular, NFBS was not being implemented in many States/UTs. NSAP was to be implemented in all urban and rural areas throughout the country, but it was either not being implemented or partially implemented by some of the States/UTs, leading to deprivation of NSAP benefits to the eligible beneficiaries in those areas.

(Paragraph 3.7, Page no. 26)

Planning

In the absence of proactive identification and non-maintenance of database of eligible beneficiaries as intended, the Scheme was being implemented in a demand-driven mode where benefits were provided to only those beneficiaries who applied for pensions/benefits under NSAP themselves. The eligible beneficiaries who were unaware/lack resources to apply for the benefits were left out of ambit of NSAP. Further, some States could not even cover beneficiaries equal to the cap fixed by the Ministry.

(Paragraphs 4.1 and 4.2, Page nos. 27 & 28)

Non-constitution of special verification teams and non-conduct of annual verification indicated ineffective checks at the ground level for weeding out ineligible beneficiaries.

(Paragraph 4.4, Page no. 33)

Absence of prescribed procedure for proactive identification of beneficiaries coupled with lack of IEC activities resulted in delayed/non-coverage of eligible beneficiaries from the ambit of NSAP and non-achievement of universal coverage of beneficiaries.

(Paragraph 4.5, Page no. 34)

Financial Management

Delay in submission of proposal by States for 2nd instalment impacted the release of funds by the Ministry which in turn affected the frequency of distribution of pension. Further, there were delays in release of funds by States/UTs to implementing departments even though the funds were to be released to implementing departments within three days.

(Paragraphs 5.1 and 5.2, Page nos. 36 & 37)

Funds of ₹ 2.83 crore earmarked for IEC activities under NSAP were diverted for campaigning of other schemes. Further, total funds of ₹ 57.45 crore were diverted in six States/UTs for other schemes/purposes.

(Paragraphs 5.5.1 and 5.5.2, Page nos. 41 & 42)

Funds amounting to ₹ 18.78 crore were lying idle for a period ranging from one to five years in eight States/UTs. Idling of funds at State/District level shows lack of financial monitoring on part of the States/UTs which manifested in irregular payment of pension to the beneficiaries.

(Paragraph 5.6, Page no. 42)

Funds amounting to ₹ 5.98 crore were incurred on inadmissible items in 10 States/UTs which indicated lack of financial discipline and violation of NSAP Guidelines.

(Paragraph 5.7, Page no. 44)

Programme Implementation

There were delays in identification of potential beneficiaries and sanction of pension to eligible beneficiaries. Non-disbursement of pension from pension effective date resulted in short payment of ₹ 61.71 crore to 92,602 beneficiaries in 11 States/UTs.

(Paragraph 6.1.4, Page no. 51)

Only 11 States/UTs disbursed monthly pensions as envisaged in NSAP guidelines. Four States were making quarterly pension payment whereas two States were making annual pension payment. 17 States/UTs paid did not ensure periodic pension payment and paid pension on ad-hoc basis.

(Paragraph 6.2, Page no. 52)

In 14 States, IGNOAPS pension of ₹ 30.47 crore was paid to 57,394 ineligible persons who were less than 60 years of age.

(Paragraph 6.3.1, Page no. 54)

In 17 States/UTs, IGNOAPS pension of ₹ 26.45 crore was paid to 38,540 ineligible persons who were less than 40 years of age. Further, in six States/UTs, IGNOAPS pension of ₹ 0.57 crore was paid to 414 persons other than widows, including male family-members.

(Paragraphs 6.3.2 and 6.3.3, Page nos. 55 & 56)

In 12 States/UTs, IGNDPS pension of ₹ 4.36 crore was paid to 5,380 ineligible persons who were less than 18 years of age. In 16 States/UTs, IGNDPS pension of ₹ 15.11 crore was paid to 21,322 persons whose disability was either below 80 *per cent* or could not be ascertained.

(Paragraphs 6.3.4 and 6.3.5, Page nos. 57 & 58)

Due to lack of control mechanism in respect of payment of pension at enhanced rate for the beneficiaries above the age of 80 years, cases of overpayment of pension of ₹ 0.63 crore to 2,151 persons in seven States/UTs and short payment of pension of ₹ 42.85 crore to 2,43,286 persons in 15 States/UTs were noticed.

(Paragraphs 6.4 and 6.5, Page nos. 60 & 61)

In 14 States/UTs, due to payment of more than one pension to an individual beneficiary, over payment of pension of ₹ 3.55 crore was made to 2,243 persons.

(Paragraph 6.6, Page no. 62)

In 26 States/UTs, payment of pension of ₹ two crore was made in cases of 2,103 beneficiaries even after the death of said NSAP beneficiaries.

(Paragraph 6.7, Page no. 63)

Monitoring and Evaluation

National Social Assistance Advisory Committee (NSAAC) held only three meetings during 2017-21.

(Paragraph 7.1, Page no. 68)

Due to non-existence of State Level Committee in 30 States/UTs, the monitoring and evaluation was not done as envisaged at State/UT level. Further, no periodic review of implementation of NSAP was conducted by State Nodal Departments in 18 States/UTs.

(Paragraphs 7.2.1 & 7.2.2, Page nos. 70 & 71)

Social audit was not conducted in 25 States/UTs, no remedial action was taken on findings of social audit where it was conducted.

(Paragraph 7.4, Page no. 73)

Institutional grievance redressal mechanism as per NSAP Guidelines was not in existence/functional in 17 States/UTs.

(Paragraph 7.6, Page no. 75)

Recommendations

We recommend that:

- 1. Specific measures for cleaning/weeding out ineligible beneficiaries, stopping of pension after the death of beneficiaries and verification/authentication of beneficiary data may be instituted.*
- 2. The fund allocation and release under NSAP may be done so as to ensure monthly disbursement of pension and timely payment of family benefits to the beneficiaries.*
- 3. The NSAP funds may be utilised for timely payment of pension and family benefit avoiding idling, diversion and inadmissible expenditure of NSAP funds.*
- 4. System-based checks may be instituted to avoid overpayment, short payment, multiple payment and delays in payment of pension.*
- 5. Pension may be paid on monthly basis through bank/post office account integrated with Aadhaar/biometric authentication. A mechanism for reviewing cases of irregular pension payments and fixing of responsibility on such cases may be instituted.*
- 6. Monitoring by various committees, National Level Monitors, periodical evaluation studies and action on the findings thereof may be ensured.*
- 7. Robust social audit and grievance redressal mechanisms may be established for ensuring transparency and accountability.*
- 8. Awareness generation activities and strengthening of IEC, uploading of universe of potential beneficiaries and identification of eligible beneficiaries through annual surveys may be done for proactive identification of eligible beneficiaries in order to ensure universal coverage of beneficiaries.*