

Executive Summary

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Implementation of Direct Benefit Transfer in Scholarship Schemes of Other Backward Bahujan Welfare Department, Government of Maharashtra

Direct Benefit Transfer (DBT) is a major reform initiative of the Government of India to ensure better and timely delivery of benefits from the Government to the people. The Government of Maharashtra (GoM) launched the Maharashtra DBT system in 2018, as an electronic platform for the direct transfer of benefits and subsidies to the beneficiaries. Disbursement of scholarships to students was one of the key schemes to be taken up in the DBT system and the process is online.

An amount of ₹ 7,227.58 crore was disbursed as scholarships by 10 departments of GoM during 2018-19 to 2019-20 through the online DBT system. Since the disbursement of scholarship through the online mode was a pioneering initiative of GoM and in view of the huge amount of disbursements, a Performance Audit of disbursement of scholarship through DBT was taken up.

The Other Backward Bahujan Welfare Department (OBBWD), GoM having the highest expenditure of ₹ 2,751.47 crore (38.07 *per cent*) on scholarships disbursed through DBT was selected to review the implementation of DBT in the scholarship scheme. Two schemes namely, centrally sponsored Post-Matric Scholarship to Other Backward Classes (OBC) students and State-funded Post-Matric Scholarship to *Vimukt Jati* Nomadic Tribes (VJNT) students were taken up for detailed scrutiny in the Performance Audit.

The disbursement of scholarships is through the Maharashtra State DBT and Services (MahaDBT) portal, developed by Maharashtra Information Technology Corporation Limited (MahaIT), a GoM Company.

This Performance Audit covering the period 2018-19 to 2020-21 was conducted to assess whether (i) the business re-engineering process was effective for the implementation of DBT in scholarship schemes, (ii) the mapping of business rules was done effectively to ensure efficient functioning of DBT system and (iii) the general and application controls were adequate.

Audit observed that there was no provision of preparation of system documents. Since, technical documentation of an Information Technology system is necessary to ensure the quality of the system as well as for its future maintenance, ***Government should ensure that the system documents are to be obtained and kept on record, which would aid in future maintenance of the system.***

Security audit plays a vital role in ensuring that web-based applications are secure and free from vulnerabilities that may lead to these being hacked or compromised. Audit revealed that security certification of MahaDBT portal was not carried out though a period of more than one year had elapsed from the last certification in August 2020. **Government should, hence, ensure that security audit of the application is carried out at specified intervals without fail.**

Audit found that business rules were not properly mapped into the online system. This resulted in several instances of applications being processed though vital documents *i.e.*, income certificate and caste certificate were not uploaded by the applicants. Also, applications that were approved later were given precedence during bill generation in violation of business rules. Moreover, improper mapping of business rules led to excess scholarship disbursement of ₹ 53.41 crore to institutions/students during academic year 2018-19 and 2019-20. **Therefore, Government should ensure that the critical business rules are properly mapped and tested rigorously to ensure that the system functions as required. Government should also ensure that program change controls are adequate to prevent incorrect payments.**

Though the entire DBT system was online, submission of bills to treasury for approval and disbursement of funds to the scheme-specific bank account continued in offline mode, exposing the system to risk associated with manual process. **Government may, hence, review the existing manual processes in the DBT system for its re-engineering and integration with MahaDBT system.**

Scholarships approved for disbursements were plagued with significant issues such as non-disbursement of scholarships and time-lag in disbursement of scholarship from bill-generation to final credit to the applicant/college. Audit observed that the scholarship amounts were often disbursed in the years subsequent to the academic year to which the application pertained. The deficiencies warrant that **Government should take appropriate action for reducing the time period in disbursement of scholarships using the DBT system.**

A system of cross-verification of data was found to be absent in the MahaDBT system since it was not integrated with other State Government Systems which would have contributed towards improving the reliability of data. Biometric attendance system was also not integrated with the MahaDBT system. **Government should ensure data integration amongst various Government agencies including biometric attendance of students, for improving the reliability of data in MahaDBT.**