Chapter 4

Individual Observation of Compliance Audit

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FINANCE DEPARTMENT

4.1 *Irregularities in disbursement of pensionary benefits - Inadmissible payment of ₹15.82 crore*

Lack of validation control and absence of appropriate verification process allowed inadmissible disbursement of pensionary benefits of ₹ 15.82 crore in respect of National Social Assistance Programme and State Pension Schemes through Direct Benefit Transfer mechanism.

Direct Benefit Transfer (DBT[86]) as a major reform initiative was launched by the Government of India (GoI) in January 2013 to re-engineer the existing delivery processes using modern Information & Communication Technology (ICT) applications. To implement DBT in Government schemes, the framework for electronic payments was laid down in February 2015. These guidelines were applicable to all Central Sector (CS)/ Centrally Sponsored Schemes (CSS) and other schemes. The Finance Department (FD), Government of West Bengal (GoWB), is the nodal Department for implementing DBT in the State.

National Social Assistance Programme (NSAP) was launched by the GoI to provide social security to destitute elderly population living below the poverty line and vulnerable groups such as widows and disabled persons. There are three pension schemes under NSAP, namely Indira Gandhi National Old Age Pension Scheme, Indira Gandhi National Widow Pension Scheme and Indira Gandhi National Disability Pension Scheme. Under NSAP, scale of assistance ranged between ₹ 400 and ₹ 1,000 per month. The schemes under NSAP were implemented by the Department of Panchayats & Rural Development (P&RD Department) in the State.

Social Pension schemes (State schemes) under the Women & Child Development and Social Welfare (WCD&SW Department) have three components (i) West Bengal Widow Pension Scheme, 2010 (WBWPS), (ii) West Bengal Manabik (erstwhile Disability) Pension Scheme, 2010 (WBMPS) and (iii) West Bengal Old Age Pension Scheme, 2010 (WBOAPS). The rate of pensions during the period of audit was ₹ 750 per month during 2017-18 to 2019-20 and ₹ 1,000 for 2020-21 in respect of Widow and old age pension. The rate of Manabik Pension was ₹ 750 per month during 2017-18 and ₹ 1,000 per month during 2018-19 to 2020-21.

In this backdrop, test check of records (with analysis of data), under the DBT mode, in respect of the schemes namely NSAP and Social Pension Schemes for the period 2017-18 to 2020-21 was undertaken. Apart from coverage of the three

[86] *Rule 87 of General Financial Rules 2017 defines DBT as "Transfer of benefits directly to beneficiaries under various Government Schemes and Programmes using Information and Communication Technology (ICT). Necessary process re-engineering to minimise intermediary levels and to reduce delay in payments to intended beneficiaries with the objective of minimising pilferage and duplication should be done for all Government Schemes and Programme."*

Departments[87], top spending 15 Panchayat Samities and related block offices selected from five randomly selected districts[88] were covered in audit. The analysis of data for NSAP was based on data sourced from a software (SEBA software/ environment) & data furnished by the P&RD Department. For the Social Pension schemes, an online portal, namely Online Social Welfare Pension Processing System (OSWPPS) was in place since around 2010. Thereafter, a new portal namely *Jai Bangla* Portal was launched after April 2020. Audit covered records/ data of FD, P&RD and WCD&SW Departments as well as the IT systems[89]. Data analysis was done using Computer Assisted Audit Techniques (CAATs).

As per the guidelines of these Schemes, any beneficiary in receipt of any of these pensions should not be in receipt of pension from any other scheme. An eligible beneficiary, however, has the option of selecting any of the above-mentioned social pension schemes or the relevant NSAP scheme. For implementing these schemes, *Aadhaar* was not made mandatory in the State and use of any one of the alternative identity proofs like Digital Ration Card, Electors Photo Identity Card (EPIC), Permanent Account Number (PAN), *Swasthya Sathi* Card was allowed.

(I) Audit observations, pertaining to NSAP, which emerged during analysis of data furnished by the P&RD Department are elaborated below:

- ***46 beneficiaries received two pensions in the same bank account:*** Out of 0.91 lakh beneficiary records in 15 sampled auditee entities, 46 unique bank accounts were credited with two NSAP pensions for same persons during the same months, amounting to ₹ 0.21 crore during 2018-21. In these cases, beneficiary names were written with different spellings to get the benefit of two pension schemes. Thus, 46 beneficiaries were disbursed two pensions, with the excess amount being ₹ 0.10 crore during the period 2018-21.

- ***94 beneficiaries used 'one EPIC Number each' for drawing two pensions in different bank accounts:*** During scrutiny of the payment data of sampled 15 auditee entities provided by P&RD Department, instances of drawing of two social pensions in different bank accounts by 94 beneficiaries (in 14 blocks) came to the notice of Audit. These 94 beneficiaries used 'one EPIC Number each' for drawing two pensions in different bank accounts. In each of the cases (for drawing two pensions on the basis of same EPIC), beneficiary's name was either same (or differently spelled), and father's name & address were also same. Thus, 94 beneficiaries were allowed ineligible benefits,

[87] *FD, P&RD and WCD&SW Departments*

[88] ***Purba Bardhaman:*** *Aushgram-II, Khandaghosh and Mongolkote;* ***Paschim Medinipur:*** *Sabang, Ghatal and Daspur-II;* ***Murshidabad:*** *Beldanga-I, Hariharpara and Nabagram;* ***Malda:*** *Habibpur, Gazole and Englishbazar and* ***Hooghly:*** *Polba Dadpur, Arambagh and Dhaniakhali.*

[89] *SEBA software/ OSWPPS/ Jai Bangla Portal*

with the financial involvement being ₹ 0.24 crore during January 2018 to March 2021.

- ***1,191 beneficiaries received both Social Welfare Pension (State scheme) and Pension under NSAP schemes (Central scheme) leading to double benefit of ₹ 2.17 crore:*** During the detailed audit of 15 sampled auditee entities, beneficiary data of Social Welfare Pension disbursed was collected and cross-verified with beneficiary details in respect of NSAP. It was found that 1,191 unique accounts were receiving credit for two pensions, one from NSAP and the other from Social Welfare Pension. During the period (January 2018 to March 2021), these 1,191 beneficiaries received pension of ₹ 2.17 crore from NSAP funds[90], besides the pensionary benefits received on account of Social Welfare Pension. Though the bank account numbers were the same in each case, beneficiary names were written with different spellings, leading to double benefit from two social pension schemes.

- ***₹ 5.87 crore paid as pensionary benefits, during 2018-21, after death of 6,657 beneficiaries:*** NSAP Guidelines 2014, provides for annual physical verification of beneficiaries and correction in the beneficiary list. During analysis of data regarding deceased beneficiaries, it was observed that during 2017-21 in 15 blocks, 6,154 beneficiaries were shown as deceased, without mentioning the date of demise. In the absence of this detail the amount of pension to the pensioners who have already passed away could not be ascertained.

  However, in respect of 6,657 deceased pensioners (in these cases dates of demise were available), data analysis disclosed that there was delay (ranging between three months and two years) in discontinuation of disbursement of benefits on account of these deceased pensioners, which resulted in ineligible payment of ₹ 5.87 crore during 2017-18 to 2020-21 (January 2018 to March 2021).

The P&RD Department conveyed (June 2023) that Aadhaar of beneficiaries was now being captured under NSAP and pension bank accounts of beneficiaries were being made National Payments Corporation of India (NPCI)[91] active, through linking of pension bank accounts with Aadhaar, to shift from National Electronic Funds Transfer

[90] Being lower, pensions disbursed under NSAP have been considered

*[91] **National Payments Corporation of India (NPCI)** was established to provide an improved infrastructure for the entire banking industry to introduce electronic and physical settlement and money transfer systems. As per the prevalent concept, NPCI active accounts refers to NPCI mapped accounts, which allows payments to beneficiaries under different schemes, in respect of those bank accounts, which are linked to Aadhaar. Here, mapping is a process of associating a Bank with Aadhaar number, for Direct Benefit Transfer to the respective Bank who have linked the Aadhaar Number to a specific bank account for receiving Direct Benefits to which customer has given the consent.*

(NEFT) based payment system to Aadhaar Payments Bridge System (APBS[92]) of payment.

On the issue concerning disbursement of benefits to duplicate and dead beneficiaries, the reply was that **a)** double payment to any bank account owing to sharing of the bank account by a beneficiary with another beneficiary did not mean duplicate payment, as such beneficiaries were family members and **b)** between 01 January 2023 and 29 May 2023, ₹ 0.84 crore have been realised from relatives of deceased beneficiaries.

The reply that these were double payments in the form of sharing of bank accounts and not duplicate payments, was untenable as the audit observations were not related to sharing of same bank accounts between different beneficiaries, but these were related to **i)** same beneficiary receiving two pensions in the same/ two different bank accounts and **ii)** same beneficiary receiving both Social Welfare Pension and Pension under NSAP.

Further, in respect of the reply regarding recovery from relatives of deceased beneficiaries, the reply did not enclose any documentary evidence in support of payment to validate its contention.

(II) Audit observations, pertaining to Social Pension Schemes, which emerged during analysis of data furnished by the WCD&SW Department are elaborated below:

- ***Duplication of beneficiaries:***

  - Of 1,55,799 beneficiary records (in test-checked 15 blocks), 1,755 unique beneficiary records were found to be either duplicate or triplicate within the same or across two or more of these social pension schemes, which incorrectly inflated the total number of beneficiaries to 3,626 beneficiaries. As a result, 1,871 beneficiary entries (3,626-1,755) required de-duplication to prevent double/ multiple payments. However, the system failed to de-duplicate these 1,871 entries, leading to an ineligible disbursement of ₹ 7.44 crore during 2017-21 in the test-checked blocks.

    In reply, the WCD&SW Department stated (June 2023) that for fresh applications, all necessary measures like ensuring proper data entry in the *Jai Bangla* Portal, carrying out de-duplication exercise, opening of heads of account for effecting recoveries, undertaking proper age cohort analysis and identification of deceased beneficiaries, have been initiated to ensure qualitative

[92] ***Aadhaar Payments Bridge System*** *is a special payment system run by the NPCI that electronically transfers government benefits and subsidies into the Aadhaar enabled Bank Accounts of the intended recipients using the Aadhaar number as a central key.*

improvement in the process of implementation of the scheme. The reply, however, remained silent regarding steps taken to effect recoveries in respect of inadmissible/ duplicate payments and the reasons for absence of proper validation checks.

All these instances indicated that there were shortcomings in data verification/ validation process. Such lack of validation control and absence of appropriate verification process allowed inadmissible disbursement of pensionary benefits of ₹ 15.82 crore in respect of National Social Assistance Programme and State Pension Schemes through Direct Benefit Transfer mechanism.

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