



CAG Report on National Social Assistance Programme

For Prelims: National Social Assistance Programme (NSAP), [Comptroller and Auditor General of India \(CAG\)](#)

For Mains: Significance of the CAG in ensuring transparency and accountability in government programs, National Social Assistance Programme, Ethical implications of Misuse of funds meant for welfare schemes.

[Source: IE](#)

Why in News?

A recent report on the performance audit of the **National Social Assistance Programme (NSAP) from 2017-18 to 2020-21** by the [Comptroller and Auditor General of India \(CAG\)](#) has revealed several irregularities and lapses in the planning, financial management, implementation and monitoring of the welfare scheme NSAP.

What are the Key Highlights of the Report?

▪ Misuse of Pension Funds for Publicity:

- The [Ministry of Rural Development \(MoRD\)](#) diverted funds allocated for NSAP, which are meant for **disbursing pensions, towards publicity campaigns for other ministry schemes.**
- The allocated funds for NSAP were **intended for pension disbursement and administrative expenses, with 3% set aside for the latter.**
- Instances of diversion of funds were **identified both at the ministry and state/UTs levels.**
- The MoRD initiated a **publicity campaign in 2017 through hoardings to promote various ministry programs.**
 - Rs 39.15 lakh was approved for hoardings, and Rs 2.44 crore was approved for campaigns across multiple states.
- The funds allocated for the campaign were intended to be from the [National Rural Employment Guarantee Scheme](#) but were sourced from **-NSAP schemes.**

▪ Advertisement Discrepancies:

- The CAG found that the **advertisement work orders did not include NSAP schemes but highlighted schemes like [Pradhan Mantri Awaas Yojana - Gramin \(PMAY-G\)](#) and [Deen Dayal Upadhyaya Grameen Kaushalya Yojana \(DDU-GKY\).](#)**

▪ States Implicated in Fund Diversion:

- Six states - **Rajasthan, Chhattisgarh, Jammu & Kashmir, Odisha, Goa, and Bihar** - were found to have diverted funds meant for pension schemes.

▪ Implications and Beneficiary Impact:

- Planned **Information, Education, and Communication (IEC) activities** under NSAP were adversely affected due to fund diversion.
- Funds amounting to **Rs 2.83 crore, initially earmarked for NSAP IEC, were used for promoting other ministry schemes.**

What is the National Social Assistance Programme (NSAP)?

▪ About:

- NSAP was launched on 15th August 1995 as a [Centrally Sponsored Scheme](#).
- NSAP represents a significant step towards the fulfilment of the [Directive Principles](#) in Articles 41 and 42 of the Constitution of India.
- NSAP aims to provide support to **aged persons, widows, disabled persons and bereaved families** on the death of the **primary income producer, belonging to below-poverty-line households**.

▪ Components:

◦ NSAP has Five Sub-Schemes:

- **Indira Gandhi National Old Age Pension Scheme (IGNOAPS):** Under the scheme, BPL persons aged 60 years or above are entitled to a monthly pension of Rs. 200/- up to 79 years of age and Rs.500/- thereafter.
- **Indira Gandhi National Widow Pension Scheme (IGNWPS):** BPL widows aged 40-59 years are entitled to a monthly pension of Rs. 200/-.
- **Indira Gandhi National Disability Pension Scheme (IGNDPS):** BPL persons aged 18-59 years with severe and multiple disabilities are entitled to a **monthly pension of Rs. 200/-**.
- **National Family Benefit Scheme (NFBS):** Under the scheme a BPL household is entitled to a lump sum amount of money on the death of a primary breadwinner aged between 18 and 64 years. The amount of assistance is Rs. 10,000/-.
- **Annapurna:** Under the scheme, **10 kg of food grains per month** are provided free of cost to those senior citizens who, though eligible, have remained uncovered under NOAPS.

▪ Implementation:

- NSAP is implemented by the **Ministry of Rural Development in collaboration with the state/UT governments**.
- NSAP uses [Direct Benefit Transfer \(DBT\) mode to transfer funds](#) to the beneficiaries bank accounts or postal accounts.
- NSAP has a web portal that provides information on guidelines, reports, circulars, grievance redressal, etc.

▪ Impact

- NSAP has helped in **reducing poverty, improving living standards, and enhancing the dignity and empowerment of the beneficiaries**.
- NSAP has also contributed to the achievement of the [Sustainable Development Goals \(SDGs\)](#) related to poverty eradication, social protection and inclusion.
- Approximately **4.65 crore beneficiaries** relied on **old age, widow, disability pensions, and family benefits** annually between 2017-21.

Who is the CAG?

- CAG is an **independent authority under the Constitution of India**.
- He is the **head of the Indian audit & account department and chief Guardian of Public purse**.
- It is the **institution through which the accountability of the government and other public authorities (all those who spend public funds) to Parliament and State Legislatures and through them to the people is ensured**.
- The Comptroller and Auditor-General **shall not be eligible for further office either under the Government of India or under the Government of any State** after he has ceased to hold his office.
- **Article 148 provides for an independent office of the CAG.**
 - Other Provisions Related to CAG include: Articles 149-151 (Duties & Powers, Form of Accounts of the Union and the States and Audit Reports), Article 279 (calculation of net proceeds, etc.) and Third Schedule (Oath or Affirmation) and Sixth Schedule (Administration of Tribal Areas in the States of Assam, Meghalaya, Tripura and Mizoram).

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q1. In India, other than ensuring that public funds are used efficiently and for intended purpose, what is the importance of the office of the Comptroller and Auditor General (CAG)? (2012)

1. CAG exercises exchequer control on behalf of the Parliament when the President of India declares national emergency/financial emergency
2. CAG reports on the execution of projects or programmes by the ministries are discussed by the Public Accounts Committee.
3. Information from CAG reports can be used by investigating agencies to press charges against those who have violated the law while managing public finances.
4. While dealing with the audit and accounting of government companies, CAG has certain judicial powers for prosecuting those who violate the law.

Which of the statements given above is/are correct?

- (a) 1, 3 and 4 only
(b) 2 only
(c) 2 and 3 only
(d) 1, 2, 3 and 4

Ans: (c)

Mains

Q1. “The Comptroller and Auditor General (CAG) has a very vital role to play.” Explain how this is reflected in the method and terms of his appointment as well as the range of powers he can exercise. **(2018)**

Q2. Exercise of CAG’s powers in relation to the accounts of the Union and the States is derived from Article 149 of the Indian Constitution. Discuss whether audit of the Government’s policy implementation could amount to overstepping its own (CAG) jurisdiction. **(2016)**