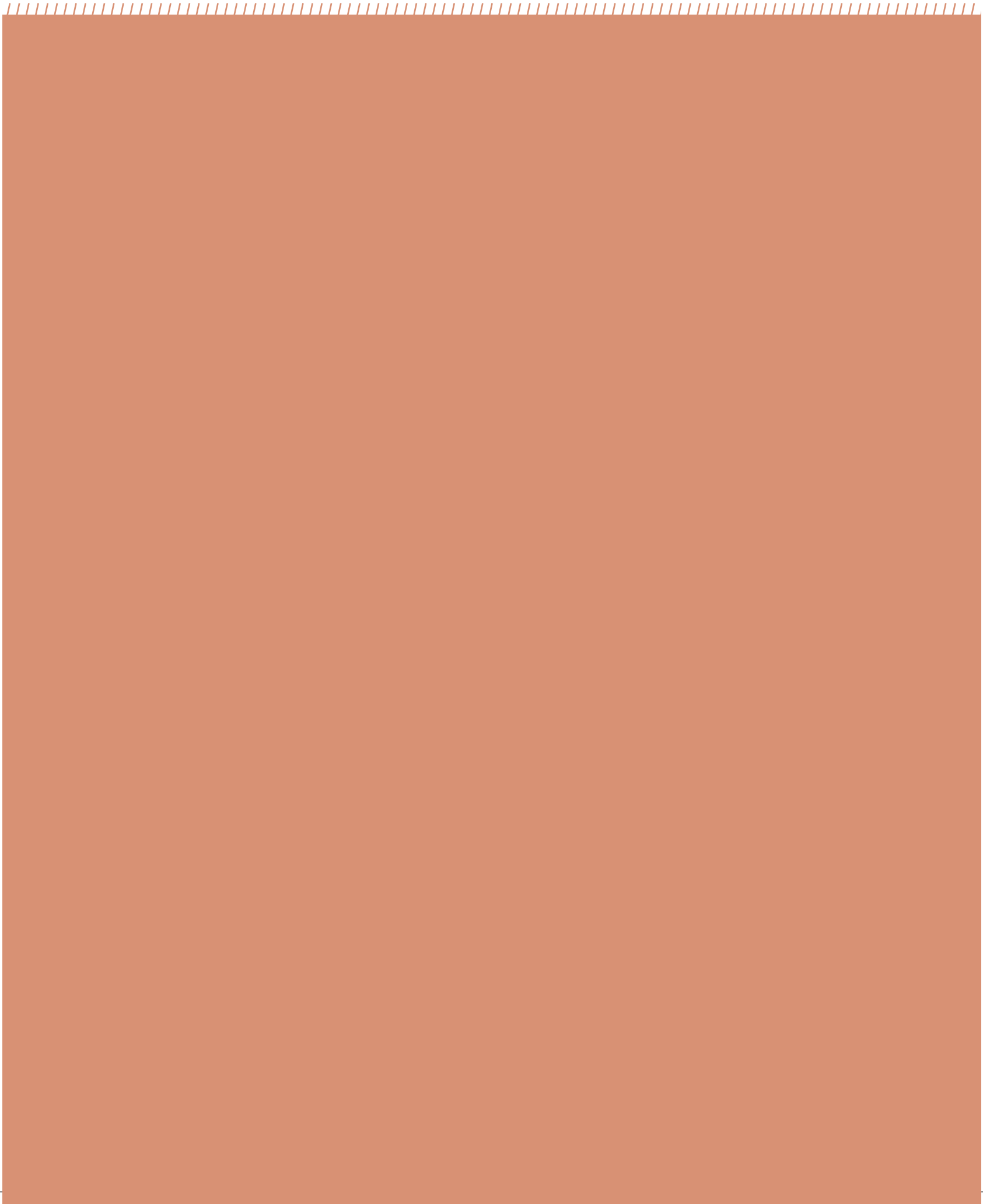




# Department of Administrative Reforms and Public Grievances



Defence Finance



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# Introduction



## 1.1 CONTEXT

The Department of Administrative Reforms and Public Grievances (DARPG) received 11,94,931 (related to Central government) grievances in 2016 across 88 Ministries/Departments through Centralized Public Grievance Redress and Monitoring System (CPGRAMS). This department's role is to facilitate the pursuit of excellence in governance through improvements in government structures and processes, initiatives and dissemination of best practices. Moving towards this goal, the department commissioned a grievance analysis study of top 20 Ministries/Departments receiving large number of citizen grievances. The study involved identification of top grievance categories and recommending systemic reforms. The Parliamentary Standing Committee for Personnel, Public Grievances and Law & Justice recommended conducting similar study for next 20 Ministries/Departments.

## 1.2 OBJECTIVE

The study carried by Quality Council of India, as per the mandate given by DAR&PG, was conducted from August 2016 to March 2017, covering more than 100 grievance categories across 20 Ministries/Departments. A team of consultants was deployed to understand issues in depth from the officials and collect information from more than 70 domain experts. Moreover, this team of consultants conceived the methodology, process and outcome of the study. It is hoped that this study will bring the necessary third party evaluation into picture for guiding the schemes and providing useful lessons for similar evaluations on a larger scale in future.

## 1.3 IDENTIFICATION OF 20 MINISTRIES/DEPARTMENTS

The grievances received on the portal provided the source for data analysis. The top 20 Ministries/Departments were covered in the earlier grievance study. This study identifies next 20 Ministries/Departments, based on the number of grievances received by the particular Ministries/Departments (from 01.04.2012 to 31.03.2016). For the scope of this particular report we will be focusing on the Department of Defence Finance (S.NO 39).

Table 1: List of 20 Grievance Study Ministries

S.No	Ministry/Department	Number of grievances
21	Information and Broadcasting	18,567
22	Financial Services (Insurance Division)	17,840
23	Environment, Forest and Climate Change	17,323
24	Corporate Affairs	17,084
25	Consumer Affairs	16,047
26	Agriculture Cooperation and Farmers Welfare	14,342
27	Electronics & Information Technology	12,729
28	Social Justice and Empowerment	12,637
29	Civil Aviation	12,448
30	Rural Development	11,646
31	Drinking Water and Sanitation	10,723
32	Power	10,392
33	Women and Child Development	9,773
34	Economic Affairs	9,553
35	Commerce	9,509
36	Water Resources, River Development & Ganga Rejuvenation	9,265
37	Food and Public Distribution	8,292
38	Housing and Urban Affairs	7,287
39	<b>Defence Finance</b>	<b>6,604</b>
40	Coal	6,346

## 1.4 INTRODUCTION TO THE DEPARTMENT OF DEFENCE FINANCE

Department of Defence Finance in the Ministry of Defence deals with all matters having a financial implication. This Division is fully integrated with the Ministry. It performs an advisory role.

The Ministry of Defence enjoys enhanced delegated financial powers to facilitate quicker decision making. These powers are exercised with the concurrence of the Department of Defence Finance.

Department of Defence Finance prepares and monitors Defence Services Estimates, Civil Estimates of the Ministry of Defence and the Estimates in respect of Defence Pensions. One of Department's important function, among others is to discharge the responsibility for payments and internal audit of Defence expenditure through the **Controller General of Defence Accounts (CGDA)**.



**11,94,931** grievances  
were received on PG portal in 2016  
across 88 Ministries/Departments

**83%** of the grievances  
were disposed by Ministries/  
Departments in 2016

**Rank 39** of 88 Ministries/  
Departments (based on the number  
of grievances received from 2012-16)

**2,146** complaints were  
received by Department of  
Defence Finance in 2015-16

**77%** of grievances were  
for category- Pension Issues

**10%** of grievances revolved  
around Denial of Disability & Death  
Benefits

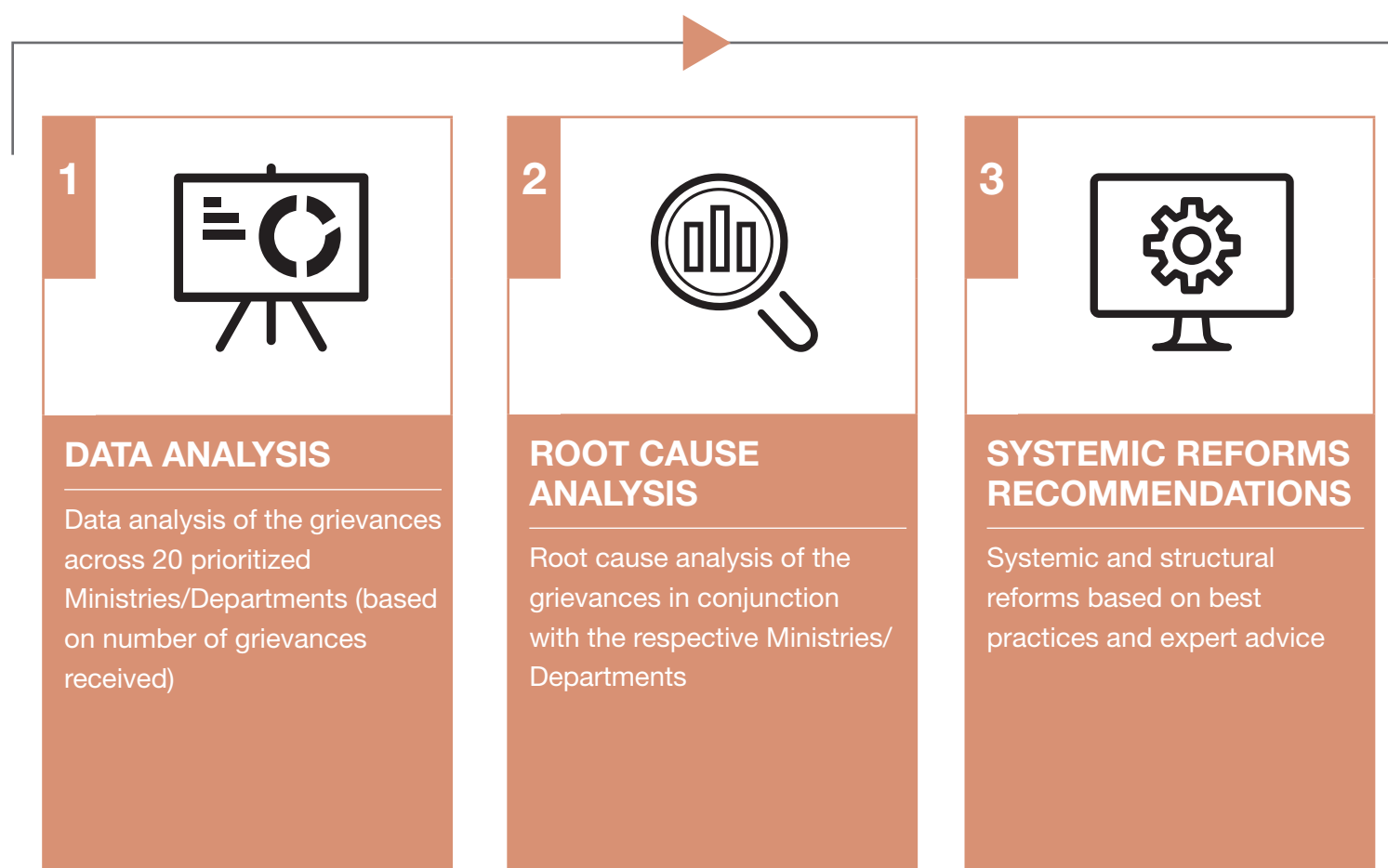
**87%\*** of the grievances  
will be impacted, as and when  
suggested reforms are incorporated.

\*The percentage has been computed after multiplying a) Percentage of grievances under shortlisted divisions with, b) Percentage of addressable grievance categories

# Deep Dive Grievance Analysis



The three point approach for grievance analysis study includes data analysis, root cause analysis, and systemic reforms recommendations for the service issues.



## 2.1 DATA ANALYSIS

### 2.1.1 IDENTIFICATION OF TOP DIVISIONS

The shortlisted divisions were the ones receiving maximum grievances (from 1.4.2015 to 31.3.2016). Controller General Defence Accounts (CGDA) accounted for 100% of grievances received by the Department of Defence Finance.

Table 1: List of 20 Grievance Study Ministries

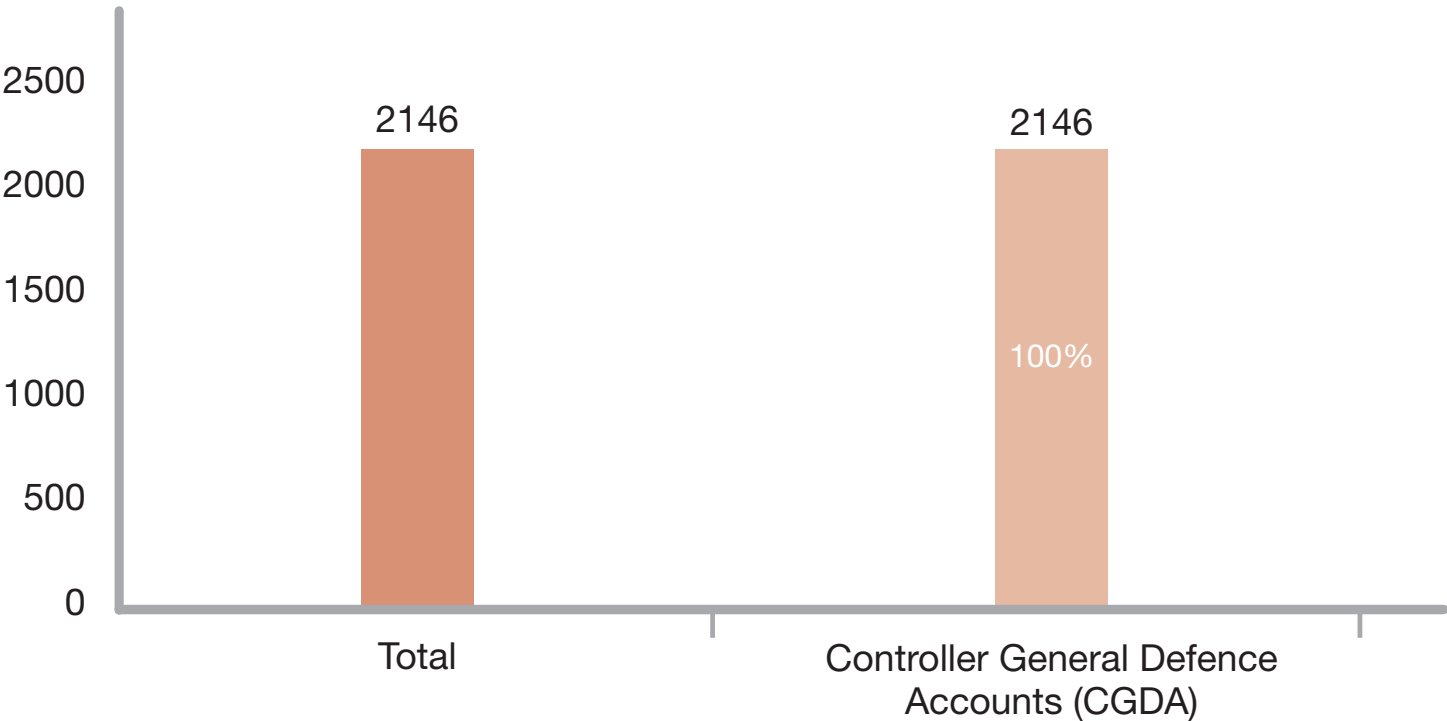


Chart 1: Categorized grievances received by divisions from 1.4.2015 to 31.3.2016

### 2.1.2 IDENTIFICATION OF FOCUS SERVICE

Grievance data in each division was deep dived and 10% of sample was analyzed.

Table 2: Sample size selected for the study

Department of Defence Finance	2146 NUMBER OF GRIEVANCES	250 TOTAL SAMPLE GRIEVANCES ANALYSED
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The next step was grievance-by- grievance analysis for a sample of the grievances received by the Controller General of Defence Accounts (CGDA) .

## AN EXAMPLE OF A GRIEVANCE ANALYZED IS AS FOLLOWS




*“Sir, Respected Madam/Sir, I am approaching you through this mode after losing hope from all other sources. I am widow of a sincere and dedicated govt. employee , whose bad time started with her husband’s sad demise.. Since I have to feed and take care of all five dependent members of family, my husband’s pension is not enough to meet the necessary expenses. My daughter could not get education of her choice due to financial hardship of my family. Despite my best efforts, I am unable to bear bare minimum expenses to live with respect. My application for compassionate appointment of my daughter was turned down by PCA(Fys) Kolkata with a plea that our family is not below the poverty line (Rs 1767.20 per month for a family of 5 members) .Although I do not know much about govt. norms, but many people have come to my knowledge, whose financial conditions were far better than that of us and certainly not below the poverty line as mentioned in my case , got the compassionate appointment in Defence Account department. I request your kindness to re-assess my case through a different board of officers and sympathetically consider the compassionate appointment of my daughter. Your sympathetic action will help a deceased employee’s family from desolation.”*

## ACTION BY DEPARTMENT OF DEFENCE FINANCE

*“Section has intimated that the case had already been re-adjudicated by the competent authority. But, keeping in view the liabilities, size of family, financial condition and all other factors the case was found non-deserving for appointment on compassionate ground*

For the Department of Defence Finance, the top most issues for the Department were pension issues, denial of disability benefits and issues regarding response from PCDA offices, which accounted for 77%, 10% and 9% of the total grievances.

Table 3: Focus service for root cause analysis

S.No	Grievance Causing Issues	Impact*	Details
1	 Pension Issues	77%	<ul style="list-style-type: none"> <li>• Incorrect Revision of Pension</li> <li>• Delay in Pension payment</li> <li>• Non-receipt of Pension</li> </ul>
2	 Denial of disability/ Death Benefits	10%	<ul style="list-style-type: none"> <li>• Family Pension not sanctioned</li> <li>• Disability Pension Not Disbursed</li> <li>• Compassionate Appointment not given</li> </ul>
3	 Issues regarding responses furnished by Principal Controller of Defence Accounts (PCDA) Offices	9%	<ul style="list-style-type: none"> <li>• Principal Controller of Defence Accounts (PCDA) office not giving satisfactory answer</li> </ul>

\*Grievance Sample Analyzed : 250

## 2.2 ROOT CAUSE ANALYSIS (RCA)

With regards to grievance category- issues against PCDA offices, the category was deprioritized for the reform recommendation exercise, as the Department maintains that the concerned staff is taking sufficient steps to handle queries and that the bulk of the calls revolve around grievances, for which the concerned forum is not appropriate.

The root cause of the other addressable focus issues was dug deeper for root cause analysis. For this, the study team spent time with each implementation body within that division to understand core processes, accountability and performance tracking. Domain experts were also consulted to understand root cause for each grievance category. The questions revolved around policy, process and people problems that were leading to lack of quality implementation.

To curb the grievances of Ex-servicemen, particularly the ones relating to pension woes, the Union Budget 2017 announced the establishment a comprehensive web-based interactive Pension Disbursement System. This system will receive pension proposals and make payments centrally. As per the Finance Minister, this will reduce grievances.

Table 4: Root Cause Analysis of grievances related to Defence Finance

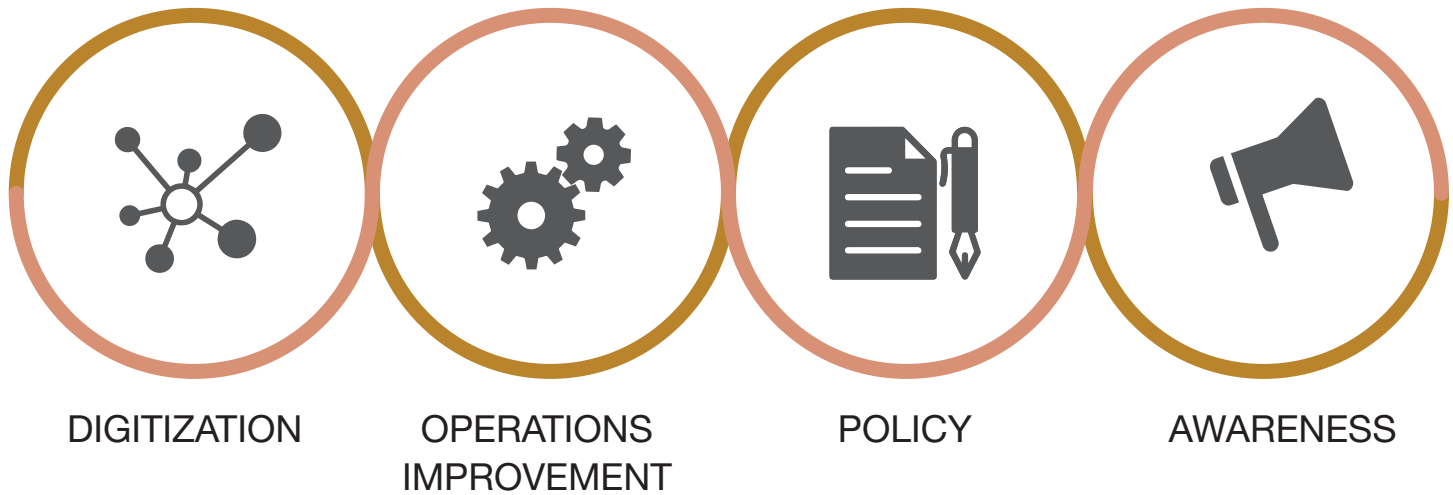
Issue	Sub-Issue	Root Cause
Pension Issues	<ul style="list-style-type: none"> <li>Revision of Pension</li> <li>delay in pension payment</li> <li>Non-receipt of pensions</li> </ul>	<ul style="list-style-type: none"> <li>Faulty interpretation of the metric sheet used during revisions, by the banks</li> <li>Failure to produce live certificate or appear for in person verification</li> </ul>
Denial of Disability / Death Benefits	<ul style="list-style-type: none"> <li>Family Pension not disbursed</li> <li>Disability Pension not disbursed</li> <li>Compassionate appointment not given</li> </ul>	<ul style="list-style-type: none"> <li>Communication gap between pensioners and the department on the intricacies of family, disability allowance &amp; compassionate appointment</li> </ul>

## 2.3 SYSTEMIC REFORMS RECOMMENDATIONS

Based on the key root cause for improper delivery of services, corresponding recommendations were identified and designed. These recommendations were arrived after discussing with the Ministry/Department representatives.

For each issue, the problem was broken into multiple parts to ensure that each aspect of the problem is addressed independently, while ensuring maximum impact. Systemic and structural changes reform recommendations were made, across the following areas.

### AREAS ACROSS WHICH SYSTEMIC REFORMS ARE SUGGESTED



# Systemic Reforms



While the services of the Department of Defence Finance might not seem to concern a regular citizen directly, they have a huge bearing on ex-servicemen who have ensured the welfare of their fellow civilians.

There are areas in terms of Operations, Digitization and Awareness where few reforms can bring a major impact. Five recommendations have been made based on best practices adopted by state governments and other stakeholders.

Table 5: Systemic Reforms for Department of Defence Finance

S. No	Reform Category	Systemic Reforms	Ease of implementation
1	Digitization	Implementing and encouraging the adoption of Jeevan Pramaan among the Ex-Servicemen & other retired staff, through various avenues like the Defence Pension Adalats	High
2	Digitization	Replacing the metric sheet used during revisions with an automatic digital interface to be employed by the disbursing bodies	Low
3	Operations Improvement	Extend the ambit of government grievance portals to include the pension disbursing authorities like banks to allow closure of grievances at their end.	Medium
4	Operations Improvement	Incentivizing the Bank Officials to handle the disbursements carefully, through cash rewards, recognition etc.	Medium
5	Awareness	Clearly stating the rules regarding Family and Disability allowance both at the time of joining service as well as retirement	High





# Case Study On Reforms



As the maximum grievance causing issue relates to the pension disbursement, Bhavishya portal can be looked for inspiration to improve the service delivery

## DEPARTMENT OF PENSION & PENSIONERS' WELFARE USERS IN THE FUTURE, WITH BHAVISHYA



Department of Pension & Pensioners' Welfare (P&PW) has introduced an online Pension Sanction and Payment Tracking System called 'BHAVISHYA'. Actions for timely payment of retirement dues and issue of Pension Payment Order (PPO) start one year before the date of retirement of the employee. There are a number of intervening stages and the system will pinpoint delays at each stage to enable timely interventions. The tracking can be done by the retiring employee as well as the administrative authorities.

In addition, forms required during the process are available in electronic format. The retiring employee can fill the forms online. It facilitates the administrative authorities by processing the claims and passing on the calculated amounts and other details to the Pay and Accounts Offices.

The new system will also capture personal information, service data and contact details like mobile number and e-mail etc. The retiring employees will be kept informed of the progress of pension sanction process through SMS/E-mail.

# Conclusion



This Grievance Analysis Study analysed 250 grievances of Department of Defence Finance, revolving primarily around pension woes. Following key systemic reforms have been recommended, implementation of these will make an impact in reducing grievances.

## KEY RECOMMENDATIONS

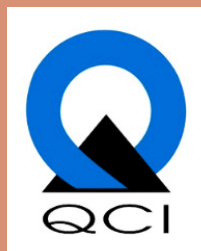
This report evaluates the grievances of Department of Defence Finance and recommends the following priority systemic reforms:

- 01 Incentivizing the Bank Officials to handle the disbursements carefully, through cash rewards and recognition etc.
- 02 Implementing and encouraging the adoption of Jeevan Pramaan among the Ex-Servicemen & other retired staff, through various avenues like the Defence Pension Adalats
- 03 Extend the ambit of government grievance portals to include the pension disbursing authorities like banks to allow closure of grievances at their end

## THE RECOMMENDATIONS ABOVE WERE IN CONSULTATION WITH EXPERTS MENTIONED BELOW

Table 6: List of experts

Department of Defence Finance	Outside Ministry	Quality Council of India
• <b>Veena Prasad</b> – CGDA	• <b>R. H.H. Hmar</b> – DS (Pension Grievances), Dept. of Ex-Servicemen Welfare	• <b>Adil Zainulbhai</b> – Chairman
• <b>Ajay Mishra</b> – Jt. CGDA		• <b>Dr. Ravi P. Singh</b> – Secretary General
• <b>Kavita Garg</b> – Sr. Dy. CGDA		



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