



**Report of the
Comptroller and Auditor General of India
General and Social Sector
for the year ended March 2016**



Government of Odisha
Report No. 1 of the year 2017

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Preface

This Report for the year ended March 2016 has been prepared for submission to the Governor of Odisha under Article 151 of the Constitution of India.

The Report contains significant results of the Performance Audit and Compliance Audit of the Departments of the Government of Odisha under the General and Social Services including Women & Child Development, Housing & Urban Development, Planning & Convergence, Finance, Health & Family Welfare, Home, Law, Labour and Employees' State Insurance, Rural Development and ST & SC Development, Minorities & Backward Classes Welfare Departments.

However, Revenue & Disaster Management, Higher Education, School & Mass Education, Panchayati Raj, Food Supplies & Consumer Welfare, Public Grievances & Pension Administration, Sports & Youth Services, Culture, Information & Public Relation, Parliamentary Affairs, General Administration, Public Enterprises, Electronics & Information Technology and Science & Technology Departments are not covered in this Report on General and Social Services.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2015-16 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2015-16 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Chapter I

Introduction

Chapter I

Introduction

1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) on Government of Odisha relates to matters arising from Performance Audit of selected programmes and activities and Compliance Audit of Government Departments.

The primary purpose of the Report is to bring to the notice of the State Legislature important results of Audit. Auditing standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The audit findings are expected to enable the executive to take corrective action as also to frame policies and directives that will lead to improved financial management of the organisations, thus contributing to better governance.

Compliance Audit refers to examination of the transactions relating to expenditure, receipts, assets and liabilities of the audited entities to ascertain whether the provisions of the Constitution of India, applicable Rules, Laws, Regulations and various orders and instructions issued by the competent authorities are being complied with.

Performance Audit examines the extent to which the objectives of an organisation, programme or scheme have been achieved economically, efficiently and effectively.

Chapter I of this Report provides a synopsis of the significant audit observations, while Chapter II deals with the findings of four Performance Audits and Chapter III deals with Compliance Audit of various departments.

The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2015-16 as well as those which had come to light in earlier years, but could not be dealt with in previous Reports. Matters relating to the period subsequent to 2015-16, have also been included, wherever necessary.

1.2 Audited entity's profile

There were 39 Departments in the State headed at the Secretariat level by Additional Chief Secretaries/Principal Secretaries/Commissioner-cum-Secretaries, assisted by Directors and subordinate officers. Of these, 24 Departments including PSUs/ Autonomous Bodies/ Local Bodies coming under these Departments are under the audit jurisdiction of the Accountant General (General and Social Sector Audit).

The comparative position of expenditure incurred by the Government of Odisha during 2015-16 and in preceding two years is given in Table 1.1.

Table 1.1: Comparative Position of Expenditure incurred by the Government of Odisha during 2013-16

(₹ in crore)

Particulars	2013-14			2014-15			2015-16		
	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total
Revenue Expenditure									
General Service	151.76	13537.65	13689.41	175.33	14353.53	14528.86	96.81	14961.85	15058.66
Social Service	8642.47	10079.08	18721.55	10481.45	10482.69	20964.14	12471.63	12171.53	24643.16
Economic Service	6213.46	6101.13	12314.59	8220.31	6605.07	14825.38	10701.84	7486.28	18188.12
Grant-in-Aid	#	892.20	892.20	0.00	817.37	817.37	0.00	915.76	915.76
Total	15007.69	30610.06	45617.75	18877.09	32258.66	51135.75	23270.28	35535.42	58805.70
Capital Expenditure									
Capital Outlay	7598.59	157.81	7756.40	11056.65	17.98	11074.63	17075.74	14.74	17090.48
Loans & Advances disbursed	#	#	463.55	259.52	98.48	358.00	241.89	94.64	336.53
Repayment of Public Debt	*	*	2293.22	*	*	4111.45	*	*	2881.37
Public account Disbursed	*	*	31256.60	*	*	22511.40	*	*	28766.05
Total	**	**	41769.77	**	**	38055.48	**	**	49074.43
Grand Total	**	**	87387.52	**	**	89191.23	**	**	107880.13

Figures for Plan and Non-Plan were not available in the Finance Accounts

*Public Debt and Public account figures are not segregated as Plan and Non-Plan

** Totalling not made due to non-availability of figures above

(Source: Finance Accounts of the respective years)

1.3 Authority for audit

The authority for audit by the CAG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971. CAG conducts audit of expenditure of the departments of Government of Odisha under Section 13¹ of the CAG's (DPC) Act, 1971. CAG is the sole auditor in respect of 41 Autonomous Bodies², which are audited under Section 20 (1) and 19 (3) of the said Act. Audit of Government companies was also conducted under Section 19(1) of the DPC Act. In addition, CAG conducts audit of 90 other Autonomous Bodies, substantially funded by the State Government. CAG's audit jurisdiction also covers the Urban Local Bodies (ULBs) and Panchayati Raj Institutions (PRIs) as the State Government had entrusted (July 2011) audit of these bodies to CAG and to provide Technical Guidance and Support (TGS) to the Local Fund Audit for audit of ULBs and PRIs. Principles and

¹ Audit of (i) all transactions from the Consolidated Fund of the State, (ii) all transactions relating to Contingency Fund and Public Accounts and (iii) all trading, manufacturing, profit and loss accounts, balance sheets and other subsidiary accounts

² One State Legal Services Authority, 30 District Legal Services Authorities, nine Development Authorities and Odisha Building and Other Construction Workers Welfare Board

methodologies for various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts 2007, issued by the CAG.

1.4 Planning and conduct of audit

The Audit process starts with the risk assessment of the Department/Organisation as a whole and that of each unit based on expenditure incurred, criticality/ complexity of activities, level of delegated financial powers and assessment of internal controls, concerns of stakeholders and the likely impact of such risks. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit are decided. An Annual Audit Plan is formulated to conduct audit on the basis of such risk assessment.

After completion of audit of each unit, Inspection Reports (IRs) containing audit findings are issued to the heads of the entities. The entities are requested to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations pointed out in these Inspection Reports are processed for inclusion in the Audit Reports, which are submitted to the Governor of Odisha under Article 151 of the Constitution of India.

1.5 Significant observations of Performance Audit

This Report contains four Performance Audits. The focus has been on auditing the specific programmes/ schemes and offering suitable recommendations, with the intention to assist the executive in taking corrective action and improving service delivery to the citizens. Significant audit observations are discussed below:

1.5.1 Implementation of Integrated Child Development Services scheme

Performance Audit on Implementation of Integrated Child Development Services (ICDS) scheme covering the period 2011-16 showed that the expenditure was less than the budgetary provision by ₹ 1,239.23 crore. Statement of Expenditure and Utilisation Certificates (UCs) submitted to GoI were based on treasury drawals and not on actual expenditure. In the sampled seven districts, ₹ 102.77 crore remained unutilised with the District Social Welfare Officers as of March 2016. Funds were also not provided for supply of medicine kits and pre-school education (PSE) kits, due to which the Department could not avail Central assistance of ₹ 81.75 crore.

Out of 38.39 lakh children considered eligible, 3.58 lakh (nine *per cent*) in the State were not provided Supplementary Nutrition. Supply of food stuff under the scheme was not managed properly, due to which instances of short/ non-supply of eggs and *rasi ladu* were observed. Quality control mechanism for Take Home Ration was not effective as sample test reports indicated supply of adulterated/ sub-standard/ unsafe *chhatua* to the beneficiaries. Stock management of wheat and rice under Supplementary Nutrition Programme

was deficient. Misappropriation of rice was observed in 12 Anganwadi Centres (AWCs) under Joda (T) Project.

Out of the 82.03 lakh enrolled children, 5.56 lakh children (seven *per cent*) did not attend pre-school education. PSE kits and *Nua Arunima* work books were not supplied regularly. Health check-up was provided to only 30 *per cent* of the eligible children, 56 *per cent* of the pregnant women and 50 *per cent* of the nursing mothers in the State during 2011-16. Only 46 *per cent* of the severely malnourished children were referred to hospitals for treatment.

Out of 71,306 AWCs in the State, only 28,187 (40 *per cent*) AWCs had dedicated ICDS buildings. The pace of construction of ICDS buildings was slow, as only 14,059 (53 *per cent*) out of 26,690 buildings, sanctioned for construction during 2010-16, were completed. Due to non-submission of UCs to GoI for the funds sanctioned during 2013-14 for construction of AWCs, the Department could not avail of Central assistance of ₹ 93.76 crore. The Department had not operationalised 1,281 AWCs even after 18 months of sanction under Anganwadi on Demand scheme. Seventy six *per cent* of AWCs had no toilet facilities. Infrastructure facilities at the AWCs were not adequate even after four decades of implementation of the scheme.

Thirty one *per cent* of the posts in Supervisor cadre and 63 *per cent* in Statistical Assistants cadre were lying vacant as of March 2016. Monitoring and Supervision of implementation of the scheme was also not adequate.

(Paragraph 2.1)

1.5.2 Implementation of Sewerage projects in the State

The Orissa Water Supply and Sewerage Board (OWSSB) was established in 1991 to execute the sewerage projects in the State. Though OWSSB projected to lay 1,567.14 km of sewer lines and sewage treatment plants (STPs) with capacity of 379.20 MLD along with intermediary pumping stations at an estimated cost of ₹ 4,511.48 crore, it could not achieve the same by March 2016. No baseline data about full cycle of sanitation was created for any of the 110 Urban Local Bodies (ULBs) based on Odisha Urban Sanitation Strategy (OUSS), 2011. Sewerage projects were taken up without preparing City Sanitation Plan (CSP) and conforming to provisions of OUSS. As a result, the draft State Plan for implementing OUSS could not be prepared. There were deficiencies in preparation of Detailed Project Reports in respect of Cuttack and Talcher ULBs, resulting in execution of additional work and wasteful expenditure of ₹ 95.17 lakh. Due to slow progress of work, OWSSB could utilise only ₹ 1,336.54 crore out of ₹ 2,264.29 crore, available under different schemes. This also resulted in loss of Central assistance of ₹ 99.83 crore. Due to improper investment of unutilised funds, it had to forego interest amounting to ₹ 2.89 crore.

In respect of the projects at Puri, the work was awarded violating provisions of Orissa Public Works Department Code, on the grounds of urgency. However, the work was completed with a delay of three years and nine months. Despite this, liquidated damage was not levied on the contractor. Improper execution of work led to laying of additional 1.307 km sewer lines. Delay in acquisition of land resulted in time overrun with consequential cost overrun of ₹ 2.44 crore. A 33 MLD capacity Sewage Treatment Plant (STP), constructed

at Cuttack, was kept idle for 10 years as waste water did not flow into it. In Talcher, the construction of the other STP was delayed and the contracts were also rescinded and retendered. However, no penalty was levied on the contractor. In sewerage projects at Bhubaneswar, the contractor had delayed the construction and, therefore, the same was rescinded without levy of penalty. Due to delay in execution of the project, there was cost overrun by ₹ 228.22 crore.

The intended social benefit of ₹ 592.55 crore could not be derived due to delay in execution of the projects in Cuttack and Bhubaneswar cities. Environmental impact due to non-completion of these projects was observed in some of the upstream and downstream stretches of rivers, as the level of pollutants had not decreased in these areas.

(Paragraph 2.2)

1.5.3 Special interventions for development of Left Wing Extremism affected districts of the State

A Performance Audit on ‘Special interventions for development of Left Wing Extremism (LWE) affected districts in the State’ showed that special intervention programmes in the areas of development, security and rights recognition were not implemented properly.

Development: Planning under Integrated Action Plan (IAP)/ Additional Central Assistance (ACA) for LWE districts was deficient due to belated preparation of Annual Action Plans (AAPs), inclusion of inadmissible projects and giving least priority to skill development and livelihood initiatives. Besides, there was a shortfall of ₹ 163.88 crore in allocation to LWE areas in test-checked districts.

Management of funds was deficient due to irregular diversion of funds, non-refund of savings and interest earned by the executing agencies, loss of Central assistance of ₹ 497.43 crore and non-adjustment of advances for years. Programme implementation was marred by delay in execution of works, 64 works left incomplete for one to four years despite spending ₹ 8.89 crore, expenditure of ₹ 6.20 crore on 43 completed projects that remained unused, execution of works of substandard quality (₹ 7.27 crore), *etc.* Inspection and monitoring of implementation of the scheme were inadequate.

Security: Execution of security related works by the Odisha State Police Housing and Welfare Corporation Limited (OSPHWC) was marred due to non-commencement as well as delayed execution of critical infrastructure projects like Special Operation Group hub at Koraput, hub for Central Reserve Police Force at Muniguda and additional fortification works, *etc.* Four security hubs, 20 barracks, staff quarters, approach roads to security camps, *etc.*, sanctioned during 2007-08 to 2011-12, were left incomplete after spending ₹ 14.76 crore for over one to four years, due to cost overrun of ₹ 12.70 crore and non-sanction of revised estimates, despite availability of interest income of ₹ 100.70 crore. At Koraput and Bhamini, security forces were, thus, staying in dilapidated and incomplete buildings for years without basic amenities. Anti-naxal support equipment was neither supplied nor available in the test-checked fortified Police Stations.

Reimbursement of ₹ 81.90 crore under Security Related Expenditure had been disallowed by the Government of India due to hiring of a helicopter without obtaining prior approval, non-completion of infrastructure projects, *etc.* Instances of delay/non-payment of *ex-gratia* to the families of deceased security personnel and civilian victims were also observed. No mechanism was put in place to track the surrenderees to ascertain their integration with mainstream society.

Rights Recognition: Forest Rights Act was not implemented in the State in conformity with the provisions of the Act. Claims of Other Traditional Forest Dwellers were rejected for want of evidence in support of possession of forest land for 75 years. Thirty-five out of 51 test-checked claims were irregularly rejected and the claimants were not intimated about the reasons for rejection, thus, denying them the opportunity to file petition. Even after distribution of titles, records of rights/ revenue records were not corrected. Titles were not distributed even after finalisation. There was mismatch in reporting the progress of distribution of titles as well as implementation of FRA.

(Paragraph 2.3)

1.5.4 Information Technology Audit on Implementation of Integrated Financial Management System

Implementation of iFMS was running behind the schedule, as Government had not enforced the terms of agreement. SRS for 10 modules had not been finalised, even after three years of implementation. Hardware and software were procured in excess of need, rendering them idle. The decision to procure closed source Oracle suite contrary to NeGP guidelines, led to a situation of vendor lock-in. The Government had not exercised oversight over database administration by segregating duties or by putting compensating controls. The security features agreed to in Service Level Agreement (SLA) had not been provided with iFMS. Business Continuity Plan as well as Disaster Recovery Plan had not been prepared and critical financial operations of Government were at risk of disruption in case of disaster. The budgetary controls automated through iFMS could be bypassed. The purpose of reducing delays by using Teachers' Provident Fund module could not be achieved, as those were not relied on by users. Stamp module was incomplete. Cases of double payments through banks and treasuries were observed, indicating deficient controls. There were several issues of data integrity, as absurd time stamps existed in iFMS.

(Paragraph 2.4)

1.6 Significant audit observations of Compliance Audits

1.6.1 Neonatal/ paediatrics care in Government run hospitals

Government did not have a clear vision for enunciating specific perspective and annual plan to address the issue of alarming Neonatal Mortality Rate and Infant Mortality Rate in the State, in spite of substantial expenditure incurred on health sector. Further, the district authorities were also not proactive for effective service delivery in health care to achieve the objectives on neonatal and infant mortality rate. The availability of physical infrastructure and human

resources was not in conformity with the prescribed guidelines. Government run hospitals did not enforce and adhere to the instructions and guidelines relating to neonatal and infant health issues. Monitoring and inspection by the State and District level authorities were absent, as a result of which due importance could not be given to the health component of neonatal and paediatrics care.

(Paragraph 3.1)

1.6.2 Modernisation of Judicial infrastructure in the State

No action was taken by the Home and Law Departments to plan and provide required infrastructure in new courts and fill the infrastructure gaps in existing courts to upgrade the same to the level prescribed by the National Court Management System sub-Committee. Building projects were not completed in time. Estimation and contract management remained deficient, leading to extra expenditure and non-recovery of compensation for delayed execution. Management of 13th FC fund by Odisha State Legal Services Authority (OSLSA) remained deficient, leading to loss of interest, blockage of funds and non-construction of Alternative Dispute Resolution Centre (ADRC) buildings in 11 districts. Adequate quarters for judicial officers were not available, while citizen-centric infrastructure remained absent in existing courts.

(Paragraph 3.2)

1.6.3 Fire services in the State

Though Odisha Fire Service is the first responder in all types of emergencies, a long term plan to progressively increase the number of Fire Stations, based on specific vulnerabilities of areas of State and to match the same with Standing Fire Advisory Council and National Disaster Mitigation Authority norm within a definite timeframe was not prepared. Even after sanction of Fire Stations in each block and provision of funds for building infrastructure, majority of projects remained incomplete or were not even taken up for years together due to non-finalisation of site, selecting unsuitable site, *etc.*, resulting in cost escalations and loss of Central assistance. Besides, lack of promptitude in preparing and approval of revised estimates and preparation of improper estimates also contributed to delays in completion of buildings. Procurement of equipment without completion of civil infrastructure not only rendered the procured equipment idle, but also affected the operational efficiency of fire service. Enforcement of the provisions of Orissa Fire Service Act for fire safety and prevention was lacking, as rules defining the modalities of enforcement and prosecution had not been framed even after 23 years of enactment of the Act.

(Paragraph 3.3)

1.6.4 Idle expenditure on incomplete jail building

Execution of work without taking over possession of land and without resolving environmental issues led to non-completion of the works, thereby rendering the entire expenditure of ₹ 1.08 crore unfruitful, besides blocking of ₹ 3.09 crore.

(Paragraph 3.4)

1.6.5 Idle investment in drinking water project

Non-completion of pre-execution formalities before commencing the drinking water supply project in Vyasaganar Municipality delayed its use for over five years, despite incurring expenditure of ₹ 8.22 crore.

(Paragraph 3.5)

1.6.6 Assessment, collection and utilisation of labour cess

The objective of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 to bring all the labourers to an organised set up had not been achieved, as the Board had not identified all establishments engaged in civil construction. The failure of the Development Authorities to adopt the provisions of the Orissa Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2002 resulted in non-payment of labour cess by the establishments. The outreach of the welfare measures was not commensurate with the amount of cess collected, as only 10.23 *per cent* of available funds were utilised for the purpose. The Board failed to extend timely assistance to the beneficiaries.

(Paragraph 3.6)

1.6.7 Unfruitful expenditure in construction of bridge without approach road

Award of work without ensuring availability of land led to unfruitful expenditure of ₹ 3.46 crore as well as depriving connectivity to the people, even after completion of bridge.

(Paragraph 3.7)

1.6.8 Loss of interest due to imprudent fund management

Non-adherence to the instruction of the Finance Department to keep unutilised funds in flexi accounts by District Social Welfare Officer of Mayurbhanj, Odisha State Water and Sanitation Mission and the Cuttack Development Authority, resulted in loss of interest of ₹ 3.65 crore during 2011-16.

(Paragraph 3.8)

1.6.9 Follow-up Audit on 'Micro Projects for development of Particularly Vulnerable Tribal Groups' (PTG)

Performance Audit was conducted in the year 2009 on Micro Project for development of Particularly Vulnerable Tribal Groups. Audit highlighted the deficiencies in implementation of various schemes for development of PTGs in the Performance Audit. Though the Government had accepted all the recommendations, none of the recommendations have been fully implemented, even after lapse of seven years.

A Follow-up Audit of the Performance Audit was conducted. Audit observed that shortage of manpower still persisted, which affected implementation of various projects. Supervision and monitoring was not adequate to address the bottlenecks in implementation of projects. Targeted numbers of projects under

Income Generation Scheme were not completed. Facilities like provision of road connectivity, drinking water, electricity, *etc.*, were not created adequately. Besides, there were deficiencies in addressing malnutrition, healthcare services, education, *etc.*

(Paragraph 3.9)

1.7 Recommendations

This Report contains specific recommendations on a number of issues involving preparation of deficient plans, deficient funds management, non-observance of the prescribed internal procedure and systems, inadequate oversight upon implementation of schemes, *etc.*, compliance with which would help in promoting good governance and better oversight on implementation of departmental programmes and objectives at large.

Chapter II

Performance Audit

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Chapter II

Performance Audit

This chapter contains the findings of Performance Audit on Implementation of Integrated Child Development Services scheme, Implementation of Sewerage projects in the State, Special interventions for development of Left Wing Extremism affected districts of the State and Information Technology Audit on Implementation of Integrated Financial Management System.

Women and Child Development Department

2.1 Implementation of Integrated Child Development Services Scheme

EXECUTIVE SUMMARY

Performance Audit on Implementation of Integrated Child Development Services (ICDS) scheme covering the period 2011-16 showed that the expenditure was less than the budgetary provision by ₹1,239.23 crore. Statement of Expenditure and Utilisation Certificates (UCs) submitted to GoI were based on treasury drawals and not on actual expenditure. In the sampled seven districts, ₹102.77 crore remained unutilised with the District Social Welfare Officers as of March 2016. Funds were also not provided for supply of medicine kits and pre-school education (PSE) kits due to which the Department could not avail Central assistance of ₹81.75 crore.

Out of 38.39 lakh children considered eligible, 3.58 lakh (nine per cent) in the State were not provided Supplementary Nutrition. Supply of food stuff under the scheme was not managed properly, due to which instances of short/ non-supply of eggs and rasi ladu were observed. Quality control mechanism for Take Home Ration was not effective as sample test reports indicated supply of adulterated/ sub-standard/ unsafe chhatua to the beneficiaries. Stock management of wheat and rice under Supplementary Nutrition Programme was deficient. Misappropriation of rice was observed in 12 Anganwadi Centres (AWCs) under Joda (T) Project.

Out of the 82.03 lakh enrolled children, 5.56 lakh children (seven per cent) did not attend pre-school education. PSE kits and Nua Arunima work books were not supplied regularly. Health check-up was provided to only 30 per cent of the eligible children, 56 per cent of the pregnant women and 50 per cent of the nursing mothers in the State during 2011-16. Only 46 per cent of the severely malnourished children were referred to hospitals for treatment.

Out of 71,306 AWCs in the State, only 28,187 (40 per cent) AWCs had dedicated ICDS buildings. The pace of construction of ICDS buildings was slow as only 14,059 (53 per cent) out of 26,690 buildings, sanctioned for construction during 2010-16 were completed. Due to non-submission of UCs to GoI for the funds sanctioned during 2013-14 for construction of AWCs,

the Department could not avail of Central assistance of ₹93.76 crore. The Department had not operationalised 1,281 AWCs even after 18 months of sanction under Anganwadi on Demand scheme. Seventy six per cent of AWCs had no toilet facilities. Infrastructure facilities at the AWCs were not adequate even after four decades of implementation of the scheme.

Thirty one per cent of the posts in Supervisor cadre and 63 per cent in Statistical Assistants cadre were lying vacant as of March 2016. Monitoring and Supervision of implementation of the scheme was also not adequate.

2.1.1 Introduction

Integrated Child Development Services (ICDS) Scheme was launched as a centrally sponsored scheme on 2 October 1975 by the Ministry of Women and Child Development, Government of India (GoI). The scheme is being implemented in the State since inception. The target groups of the scheme are children up to six years, pregnant women and lactating mothers. The objective of the scheme is to reduce incidence of mortality, morbidity¹, malnutrition and school drop-outs, improve nutritional and health status of children and enhance capacity of mothers to look after normal health and nutritional needs of their children.

The interventions under the scheme are made through a package of six services, *viz.*, supplementary nutrition, pre-school education, health check-up, referral services, immunisation, health and nutrition education. Three out of the above six services, namely, supplementary nutrition, pre-school education, health and nutrition education are delivered in an integrated manner by the Anganwadi Centres (AWCs) at the village level. The other three services, *viz.*, immunisation, health check-up and referral services are delivered through public health system. As of March 2016, there were 71,306 AWCs functioning under 338 ICDS Projects in the State.

2.1.1.1 Organisational set up

The Women and Child Development (W&CD) Department is responsible for implementation of ICDS Scheme in the State. The Department is headed by the Commissioner-*cum*-Secretary who is assisted by a Director (ICDS). At the district level, the District Social Welfare Officer (DSWO) is responsible for coordination, monitoring and supervision of implementation of the scheme. At Block/ Urban Local Body level, each ICDS Project functions under a Child Development Project Officer (CDPO). Each project is divided into sectors consisting of Anganwadi Centres (AWCs) at village/ habitat level functioning under Supervisors. The ICDS package of services is delivered to the beneficiaries through AWCs by engaging Anganwadi Workers (AWW) and Anganwadi Helpers (AWH) on honorarium basis.

2.1.2 Audit objectives

Performance Audit of ICDS scheme aimed to assess whether:

- funds allocated under the scheme were utilised economically, efficiently and effectively to achieve the scheme objectives;

¹ Injuries, acute/ chronic illness

- delivery of services under supplementary nutrition, health check-up, referral services, immunisation, pre-school education, nutrition and health education of the scheme were effective;
- availability of infrastructure facilities, deployment and training of manpower were adequate and effective for smooth delivery of quality services under ICDS; and
- monitoring of the programme was adequate and effective in securing timely and corrective measures for achieving the scheme objectives.

2.1.3 Scope and Methodology of Audit

Audit objectives, scope, methodology and criteria of the Performance Audit were discussed with the Department in an Entry Conference held on 29 March 2016. Audit was conducted during April-August 2016 covering the period 2011-16 through test-check of records of W&CD Department, eight DSWOs², 22 CDPOs and 110 AWCs. Eight out of 30 DSWOs were selected through Stratified Random Sampling Without Replacement method. From sampled DSWOs, 20 *per cent* of ICDS Projects and from each sampled ICDS Project, five AWCs were selected through Simple Random Sampling method. In the presence of and at the request of Audit, departmental officials conducted physical inspection of assets at AWCs. Photographs were taken, wherever considered necessary. Interviews of AWWs of sampled AWCs and 10 beneficiaries each from sampled AWC were conducted through an administered questionnaire to ascertain the satisfaction level of beneficiaries, availability of physical infrastructure and quality of services. The draft report was discussed with the Commissioner-*cum*-Secretary in an Exit Conference held on 28 October 2016. The views of the Department have been incorporated appropriately in the report, wherever required.

2.1.4 Audit criteria

The implementation of various components of ICDS scheme was evaluated with reference to the following criteria:

- Scheme guidelines and other instructions issued by GoI;
- Orissa General Financial Rules (OGFR)/ Orissa Treasury Code (OTC) and Orissa Budget Manual ;
- Instructions issued by GoO; and
- Monitoring mechanism instituted by GoI and GoO.

2.1.5 Acknowledgement

We acknowledge the cooperation and assistance rendered to Audit by the Women and Child Development Department during the conduct of the Performance Audit.

The Audit findings are discussed in the succeeding paragraphs.

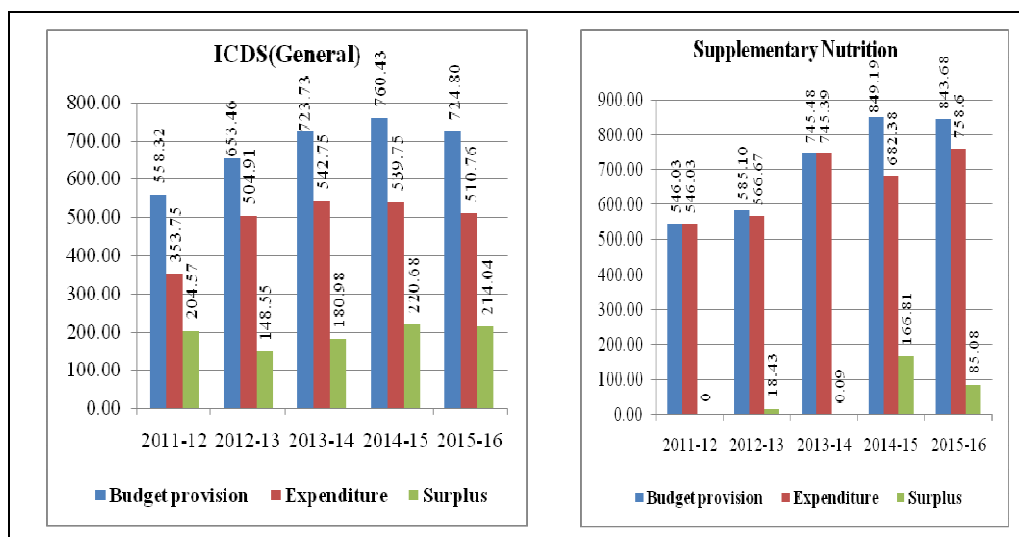
² Bargarh, Cuttack, Dhenkanal, Kandhamal, Keonjhar, Mayurbhanj, Nabarangapur and Puri

Audit findings

2.1.6 Financial outlay and expenditure

GoI provides funds to the State under two components viz., ICDS (General) and Supplementary Nutrition Programme (SNP). GoI and the State Government shared funds for ICDS (General) in the ratio of 90:10 during 2009-15, which was revised to 60:40 in 2015-16. However, sharing of funds for SNP was continued at 50:50. GoI releases grants in four or more instalments in a year based on the approved norms, Statement of Expenditure (SOEs) and Utilisation Certificates (UCs) furnished by the State Government. During 2011-16, the total budget provision and expenditure of the State Government for the ICDS Scheme were ₹ 6,990.22³ crore and ₹ 5,750.99⁴ crore, respectively. The year-wise allotments and utilisations of funds for the period 2011-16 are plotted in the following chart.

Chart 2.1.1: Funds allotted and utilisation (₹ in crore)



(Source: Compiled by Audit from the records of the Department)

Audit observed that expenditure was less than the budgetary provision by ₹ 1,239.23 crore. The year-wise percentage of utilisation in ICDS (General) varied between 63 and 77 during 2011-16. In case of SNP, the same was between 80 and 90 per cent during 2014-16. The reasons for short utilisation of funds were improper estimates of beneficiaries, non-filling up of posts, non-consideration of unspent balances of previous years lying with field functionaries, etc.

The Department attributed (October 2016) lower expenditure to inadequate receipt of Central assistance, less number of beneficiaries actually covered than the target and vacancies in the post of ICDS functionaries. The reply was not tenable as short utilisation was mainly due to preparation of improper estimate of beneficiaries and non-filling up of the posts by the Department.

³ ICDS (General): ₹ 3,420.74 crore and SNP: ₹ 3,569.48 crore
⁴ ICDS (General): ₹ 2,451.92 crore and SNP: ₹ 3,299.07 crore

2.1.6.1 Preparation of budget without considering unspent funds

Rule 46 of the Orissa Budget Manual provides that budget of the State should be based on the departmental estimates which may be neither inflated nor under-pitched, but as accurate as possible.

Audit observed that the Department made budget provision based on the number of AWCs and the number of beneficiaries multiplied by prescribed cost norms. However, unspent balances lying with the DSWOs/ CDPOs were not considered. As a result, in seven out of eight sampled districts, ₹ 102.77 crore⁵ was lying with the DSWOs as of March 2016. This was also indicative of improper monitoring of the utilisation of funds by the DSWOs/ CDPOs.

The Department stated (October 2016) that steps were being taken for utilisation of funds lying with the DSWOs/ CDPOs, after reconciliation of accounts.

2.1.6.2 Inflated Statement of Expenditure/ Utilisation Certificates

As per GoI instruction, the State Government is required to submit quarterly SOE and UC against grants received from GoI.

Audit observed that the Department had submitted UCs for ₹ 3,649 crore⁶ during 2011-16 on the basis of treasury drawals. However, in the seven sampled districts, though an amount of ₹ 102.77 crore remained unutilised as of March 2016, the same had been included in the UCs as actual expenditure. Thus, the UCs submitted by the Department were inflated and were not based on actual expenditure.

The Department stated (October 2016) that figures available in the Integrated Odisha Treasury Management System had been taken for submission of SOE/ UCs, as it was not possible to collect UCs from AWC level to district level. The fact, however, remained that UCs were not based on the actual expenditure.

2.1.6.3 Non-provision of funds for medicine kits

GoI had emphasised time and again for providing medicine kits to each AWC/ mini AWC every year as it was an imperative component in delivery of services under ICDS scheme. Based on the number of AWC/ mini AWCs in the State, an amount of ₹ 30.35⁷ crore was required to be provided to the AWCs during 2011-16 for supply of medicine kits.

Audit observed that no funds were provided for supply of medicine kits to the AWCs/ mini AWCs. As a result, the State had to forgo Central assistance of ₹ 25.33 crore (90 per cent for 2014-15 and 60 per cent for 2015-16). Besides, the intended medical care to the beneficiaries could not also be provided, as discussed in **Paragraph 2.1.9**.

⁵ Mayurbhanj : ₹ 7.78 crore (ICDS) + ₹ 16.37 crore (SNP); Kandhamal: ₹ 8.08 crore (ICDS) + ₹ 12.09 crore (SNP); Keonjhar: ₹ 5.62 crore (ICDS) + ₹ 1 crore (SNP); Nabarangpur: ₹ 12.10 crore (ICDS) + ₹ 16.04 crore (SNP); Dhenkanal: ₹ 1.29 crore (ICDS); Cuttack: ₹ 20.10 crore (ICDS); Puri: ₹ 2.30 crore (ICDS)

⁶ ICDS (General) : ₹ 2,049 crore + SNP: ₹ 1,600 crore

⁷ 2011-12: ₹ 3.89 crore, 2012-13: ₹ 6.60 crore, 2013-14: ₹ 6.62 crore, 2014-15: ₹ 6.62 crore, 2015-16: ₹ 6.62 crore (Cost norm: ₹ 600 per AWC and ₹ 300 per mini AWC up to 2011-12 and thereafter revised to ₹ 1,000 and ₹ 500 respectively)

The Department stated (October 2016) that medicine kits could not be procured due to inadequate release of Central assistance. However, due to non-supply of medicine kits, the State Government failed to submit SOE to GoI for release of funds.

2.1.6.4 Short provision of funds for PSE Kits

As per the guidelines, pre-school education (PSE) kits were to be supplied to each AWC every year for creating a joyful learning atmosphere.

Audit observed that the State Government had not released any funds to the districts for providing PSE during 2011-16 (except 2014-15). Non-provision of funds deprived the children enrolled in AWCs of PSE kits. However, against requirement of ₹ 85.86 crore⁸, the State Government released only ₹ 16.55 crore during 2014-15. Thus, due to non-provision of funds, the State Government not only failed to supply PSE kits to the beneficiaries, but also lost Central assistance of ₹ 56.42 crore (90 per cent for 2014-15 and 60 per cent for 2015-16) on this account.

The Department stated (October 2016) that PSE Kits could not be provided in other years (except 2014-15) due to inadequate receipt of Central assistance. However, the State Government failed to submit SOE to GoI for release of funds as no funds were provided and utilised for PSE kits during 2011-14 and 2015-16.

2.1.6.5 Poor administration of flexi funds

Under ICDS scheme, flexi funds at the rate of ₹ 1,000 per annum were provided to each AWC to meet operational exigencies like, transportation of beneficiaries requiring urgent medical care, purchase of utensils, unforeseen referral services, emergency services, etc. The AWW was to maintain a year-wise account and vouchers, which were to be verified by the CDPO concerned.

The Department had sanctioned ₹ 22.13 crore (GoI: ₹ 17.78 crore + GoO: ₹ 4.35 crore) during the period 2011-16 in favour of 338 CDPOs in the State.

On examination of records, Audit observed the following:

- The Department did not provide funds to AWCs for the year 2011-12 and 2013-14. Due to non-provision of funds, the State could not avail Central assistance of ₹ 12.63 crore.
- Out of 110 sampled AWCs, 90 AWCs had not maintained accounts of receipt of flexi funds and vouchers in support of expenditure, were also not available. Further, the CDPOs did not have information on utilisation of flexi funds by the AWCs.
- An amount of ₹ 2.81 lakh sanctioned (January 2016) by the Department was drawn by the CDPO, Joda (T) on 27 March 2016. The amount was not distributed to the AWCs as of August 2016, without any recorded reason.

⁸ Cost norm: ₹ 1,000 per AWC and ₹ 500 per mini AWC up to 2011-12 and thereafter revised to ₹ 3,000 and ₹ 1,500 respectively

The Department stated (October 2016) that the DSWOs/ CDPOs would be instructed to maintain accounts of flexi funds.

2.1.6.6 Non-reconciliation of bank accounts

While sanctioning funds, GoI stipulated maintenance of separate accounts for funds sanctioned under different components of ICDS scheme and furnishing information on actual expenditure. As per the guidelines issued by the Department, balances lying in the cash books should be reconciled with the bank pass books every fortnight. Audit observed that four⁹ out of eight sampled DSWOs had not maintained bank accounts and cash books separately for ICDS (General) and SNP. Similarly, none of the 22 sampled ICDS Projects had maintained separate bank accounts and cash books. Further, the sampled DSWOs and ICDS Projects had not reconciled bank balance as per cash book with the balance as per bank pass book, during 2011-16.

Audit compared the aggregate of bank balances as per cash books with actual balances as per bank pass books as on 31 March 2016 in sampled districts and found a difference of ₹ 30.94 crore. In absence of scheme-wise bank accounts and cash books, the reasons for the difference and correctness of transactions recorded in the cash books could not be ascertained/ vouchsafed in Audit.

The Department stated (October 2016) that reconciliations between cash book balance and bank balance of the DSWOs and CDPOs were in progress.

Programme implementation

2.1.7 Supplementary Nutrition Programme

Supplementary Nutrition Programme (SNP) is one of the crucial components of ICDS Scheme. The objective of SNP is to bridge the protein-energy gap between the recommended dietary allowance and average dietary intake of children, pregnant women and lactating mothers. Every beneficiary under the programme is to be provided supplementary nutrition for 300 days in a year. Audit observed the following deficiencies in implementation of SNP.

2.1.7.1 Shortfall in coverage of beneficiaries

As per the guidelines, all children in the age group of six months to six years of age, pregnant women and lactating mothers are to be provided Supplementary Nutrition (SN). The year-wise child population, children considered eligible for SN, enrolled in AWCs and provided with SN during 2011-16, are detailed in the table below:

Table 2.1.1: Total child population and those provided with SN during 2011-16

(Figures are in numbers)

Year	Total child population	Children considered eligible for SN	Children enrolled in AWCs	Children provided with SN	Children deprived of SN
2011-12	4056966	3952371	3676781	3367805	689161
2012-13	4061759	3935069	3662945	3554618	507141
2013-14	4041243	3910216	3685351	3609252	431991
2014-15	4037212	3872777	3631605	3544252	492960
2015-16	3978429	3838625	3613311	3480984	497445

(Source: Compiled by Audit from the data furnished by the Department)

⁹ Bargarh, Cuttack, Dhenkanal and Puri

Audit observed that:

- As of March 2016, out of the 39.78 lakh total child population, only 38.39 lakh were considered eligible, leaving 1.39 lakh children uncovered under the scheme. Further, out of 38.39 lakh children considered eligible, 34.81 lakh (91 *per cent*) were provided SN under the scheme. Thus, almost 3.58 lakh (nine *per cent*) beneficiaries in the State were not provided SN, even after being considered eligible. Similarly, in five¹⁰ test-checked districts, the percentage of the population benefitted under SNP was 91 to 96, whereas this was 82 to 88 in three¹¹ test-checked districts.
- Against the 76.47 lakh children attending pre-school education in AWCs, 80.49 lakh children were given SN *i.e.*, 4.02 lakh children were provided with SN despite not attending pre-school education. However, there was no reason on record for providing SN to these 4.02 lakh children. Though the DSWOs of sampled districts had reported that 95 *per cent* of children had attended PSE during 2011-16, only 66 *per cent* of the enrolled children were found attending AWCs on the day of visit made by Audit during April-August 2016. This indicated that the number of children stated to have been provided with SN in the State during 2011-16 was inflated by 4.02 lakh, for whom, the AWCs reported to have utilised ₹ 55.26 crore towards SN.
- Similarly, out of 40.51 lakh pregnant women and nursing mothers in the State, 40.07 lakh were considered eligible for SN and the remaining 0.44 lakh eligible beneficiaries were not considered without any recorded reason. However, out of 40.07 lakh eligible beneficiaries, only 38.15 lakh (95 *per cent*) were provided with SN.

The Department stated (October 2016) that the difference between the total population of beneficiaries and the beneficiaries considered eligible was being analysed. It was further added that the number of beneficiaries receiving SN exceeded PSE attendance as children in some areas attended AWCs for hot cooked meal but did not attend PSE. The fact, however, remained that there was no recorded evidence of the number of children taking SN without attending PSE.

2.1.7.2 Supply of Take Home Ration

Food stuff like *chhatua*¹², eggs and *rasi ladu*¹³ were supplied under SNP in shape of Take Home Ration (THR) to children aged six months to three years, severely malnourished children (three to six years), pregnant women and lactating mothers. While *chhatua* and *rasi ladu* were procured from Self Help Groups (SHG), eggs were procured from market by AWWs. For preparation of *chhatua*, the Department supplied wheat and SHGs procured the other ingredients. Audit observed the following deficiencies in administration of THR.

¹⁰ Puri (91), Bargarh (92), Dhenkanal (92), Keonjhar (95) and Kandhamal (96)

¹¹ Mayurbhanj (82), Cuttack (88) and Nabarangpur (88)

¹² It is mixture of wheat, bengal gram, ground nut and sugar

¹³ It is a mix of til seed and jaggery

2.1.7.3 Selection of SHGs

As per the guidelines issued (June 2013) by the Department, SHGs, having experience in preparation of *chhatua* and having required infrastructure¹⁴, were to be selected on approval by the Collector. For each Project, only one/two SHGs were to be engaged who would execute an annual agreement with the concerned CDPO. The agreement was to be renewed every year subject to satisfactory performance of SHG. Audit observed the following:

- In three sampled districts, CDPOs of nine ICDS Projects¹⁵ engaged 20 SHGs during 2013-16 without obtaining approval of the concerned Collectors. This included three sampled projects of Keonjhar district, where SHGs were engaged during 2011-16 without considering their eligibility in terms of their experience and availability of infrastructure. In 25 ICDS Projects of five districts¹⁶, three to four SHGs were engaged against the provision of one or two SHGs; the reasons for the same were not on record.
- In two Projects¹⁷, agreements made for 2013-14 were not renewed in subsequent years. In ICDS Project, Joda (T), agreement with the SHG was not renewed after its expiry on 6 May 2016. The SHG continued to supply *chhatua* without any agreement.

Thus, selection of SHGs for supply of THR was not transparent.

The Department stated (October 2016) that higher number of SHGs had been selected due to geographical barriers or less capacity of SHGs and the Collectors would be instructed to adhere to the guidelines in selection of SHGs.

2.1.7.4 Improper fixation of price of food stuff

Consequent upon revision of cost norm under SNP by the GoI, the Department had instructed all the Collectors to revise the cost of THR from July 2013. The Collectors/ DSWOs of three¹⁸ sampled districts did not revise the cost at district level. The DSWO, Keonjhar, however, revised the cost at district level only in September 2015. Audit observed the following:

- The DSWOs/ CDPOs deducted cost of wheat, egg and *rasi ladu* from the cost norm fixed by the Department and paid the balance amount to the SHGs towards cost of *chhatua*. As different CDPOs adopted different cost for eggs and *rasi ladu*, the cost of *chhatua* varied¹⁹ (per kg) among different ICDS Projects. As such, no uniform rate could be maintained in a district.

¹⁴ Equipment for drying, grinding, packaging, etc.

¹⁵ Bargarh: Jharbandh, Sohela, Bheden; Cuttack: Mahanga, Baramba, Dampada; Keonjhar: Anandpur, Joda (T), Jhumpura

¹⁶ Mayurbhanj: 11 Projects; Keonjhar: 4 Projects; Bargarh: 3 Projects; Cuttack: 3 Projects; Dhenkanal: 4 Projects

¹⁷ Kuliana (Mayurbhanj) and Raikia (Kandhamal)

¹⁸ Mayurbhanj, Keonjhar and Bargarh

¹⁹ For pregnant and lactating women: ₹ 20.45 to ₹ 27.80; for Normal children: ₹ 21.12 to ₹ 28.50; for Severely malnourished children (6 months-6 years): ₹ 22.28 to ₹ 30.25

- While apportioning cost of THR among various components, four²⁰ CDPOs had considered ₹ 4 as cost per egg without any basis. In 20 sampled AWCs, beneficiaries were given six eggs per month, instead of eight required as per guidelines, on the ground of higher cost of eggs. As a result, the protein-energy content in daily food supplement provided to the beneficiaries fell short by 6.91 K cal and 0.53 gram protein over the prescribed norm.
- The proportion of ingredients²¹ in one kg of *chhatua* supplied to the normal children and severely malnourished children was same. Hence, the cost of a kilogram of *chhatua* supplied to these children would be same. However, payments were made to SHGs by 16 sampled ICDS Projects at different rates (per kg *chhatua*) ranging from ₹ 21.12 to ₹ 28.50 for normal and from ₹ 22.28 to ₹ 30.25 for severely malnourished children. Due to adoption of different costs, the SHGs were extended financial benefit of ₹ 7.05 lakh in eight²² sampled Projects.
- In nine ICDS Projects of Bargarh district, egg was not distributed to the beneficiaries during August 2013 to December 2014 due to high cost of eggs in the market as reported by the District Collector to the Director, Social Welfare.
- During July 2013 to March 2016, *rasi ladu* was not supplied to severely malnourished children of 17 ICDS Projects for periods ranging from 3 to 33 months.

The Department stated (October 2016) that less number of eggs had been supplied as AWCs had to adjust the cost within the funds allocated as per norms. As regards the difference in rates for same quality of *chhatua* and non-supply of *rasi ladu*/ eggs, the Department assured that the matter would be enquired into. The fact, however, remained that the beneficiaries had not been supplied food supplement with the required amount of protein/ energy content as per norm.

2.1.7.5 Quality testing of Chhatua

THR (*chhatua*) samples are to be sent to laboratory for testing to ensure that the food stuff is free from any contamination and adulterants. The Department had also issued (August 2013) instructions to the Collectors for collection of samples every month from all the SHGs and send the same to the State Public Health Laboratory (SPHL) for quality testing. The DSWOs are required to submit reports on regular collection of samples from the SHGs and despatch the same to SPHL and obtain results. In case of adverse test result, the whole lot is to be seized and rejected.

Audit observed the following:

- Samples were not collected every month from 18 SHGs of nine²³

²⁰ Anandpur, Jhumpura, Joda (T) and Kusumi

²¹ Wheat: 625 gm, Bengal gram: 125 gm, Ground nut: 94 gm and Sugar: 156 gm

²² Kusumi, Bangiriposi, GB Nagar, Kuliiana, Jashipur, Jhumpura, Anandpur and Joda (T)

²³ GB Nagar, Kuliiana, Anandpur, Jhumpura, Joda (T), Parjang, Jharbandh, Bheden and Sohela

sampled Projects during 2011-16. Four²⁴ Projects collected samples from five SHGs regularly only during 2015-16. The remaining nine Projects sent samples to the SPHL regularly for quality testing. The DSWOs also did not maintain records and monitor drawal of samples from each SHG every month.

- There was delay, ranging from 27 days to 7 months, in receipt of the test reports from SPHL. Due to belated receipt of test reports, 11,801.82 quintals of *chhatua* valued at ₹ 3.19 crore could not be seized/ rejected, despite 91 samples being tested as adulterated/ sub-standard/ unsafe in 14 ICDS Projects. While eight CDPOs²⁵ issued show cause notices to the concerned SHGs for supply of bad quality THR, the other six CDPOs²⁶ had not taken any action on the adverse test reports till the date of Audit. As *chhatua* was supplied fortnightly, by the time the test reports were received, *chhatua* supplied to the beneficiaries were already consumed, leaving no scope for the authorities to seize and reject the entire lot, as required under the scheme guidelines.
- In the State, out of 7,929 samples of *chhatua* tested during August 2014 to May 2016 by the SPHL, 935 (12 per cent) samples were found sub-standard and unsafe.
- CDPOs/ Supervisors were to visit the SHGs two to three times at the time of preparation of *chhatua*. Records of the sampled ICDS Projects and SHGs (visitors' book) showed that Supervisors/ CDPOs of eight ICDS Projects²⁷ had not visited the SHGs regularly at the time of preparation of *chhatua*, even though samples were found unsatisfactory as per the test report of SPHL.

Thus, action taken by the Department and district authorities to ensure quality and nutritional value of THR supplied to beneficiaries was not adequate.

While accepting the Audit observation, the Department stated (October 2016) that quality testing of *chhatua* was an area of concern and they were taking steps to strengthen the mechanism of quality testing of THR.

2.1.7.6 Deficient management of wheat and rice under SNP

Under SNP, wheat and rice were lifted from the Food Corporation of India (FCI) at subsidised rates and supplied to the SHGs and AWCs through transport agents for supply of THR and hot cooked meal²⁸. During 2011-16, 2,12,991 MTs of rice and 4,62,806.12 MTs of wheat were allocated to the State for utilisation under SNP. Out of these, 1,90,242.73 MTs of rice and 4,30,130.27 MTs of wheat were lifted, and 22,748.27 MTs of rice and

²⁴ Chandahandi, Kosagumuda, Phulbani and Raikia

²⁵ Anandpur, Bangiriposi, GB Nagar, Jashipur, Kuliana, Kosagumuda, Mahanga and Raikia

²⁶ Baramba, Bhuban, Jhumpura, Joda (T), Kusumi and Sohela

²⁷ Mayurbhanj: Kuliana; Keonjhar: Anandpur, Jhumpura, Joda (T); Cuttack: Mahanga, Baramba, Dampada; Bargarh: Sohela

²⁸ Hot cooked meal is a component of SNP and provided to the children (3 to 6 years) who come to AWCs

32,675.85 MTs of wheat valued at ₹ 26.41 crore²⁹ were not lifted as detailed in the *Appendix 2.1.1*.

Audit observed the following:

- **Interruption in feeding programme:** Wheat was supplied intermittently with gaps ranging from three to four months and rice was supplied in intervals up to seven months. Due to non-availability of wheat, there was short supply of 4,049 quintals of *chhatua* for 20 months³⁰ in four ICDS Projects (Joda (T), Jhumpura, Jharbandh and Phulbani). Further, serving of hot cooked meal was interrupted for periods ranging from 5 to 104 days in 189 AWCs of two test-checked ICDS Projects³¹ due to irregular supply of rice. Thus, wheat and rice were not supplied to the SHGs/ AWCs on the basis of monthly requirement.
- **Misappropriation of rice:** In Keonjhar district, 28,280 quintals of rice valued at ₹ 1.60 crore³² were lifted by the transport agent for supply to AWCs during September 2014 to March 2016. Out of these, 16.50 quintals of rice were to be delivered to 12 AWCs under Joda (T) Project during September 2015. This was shown as delivered to the AWCs as per delivery challans submitted by the transport agent. However, as per the reports (Form-1) submitted by the AWWs to the CDPO, the above quantity of rice was not received by them. Neither the CDPO nor the DSWO maintained records relating to quantity of rice supplied to each AWC. Hot cooked meals were also not served in these AWCs for periods ranging from 30 to 104 days during August-November 2015 on the ground of non-availability of rice. Thus, there was misappropriation of 16.50 quintals of rice.

The Department stated (October 2016) that short-lifting was due to actual beneficiaries being less than the targeted. As regards misappropriation and interruption in feeding programme, the Department assured that the matter would be looked into.

2.1.8 Pre-school education

Pre-school Education (PSE) aims at development of school readiness and a positive attitude towards school education among children of the age group of three to six years through non-formal and joyful playing activities at AWCs. The objective of PSE is also to strengthen the goal of universalisation of primary education. Audit observed the following deficiencies in implementation of PSE programme.

²⁹ 2,27,48,270 kg of rice @ ₹ 5.65 and 3,26,75,850 kg of wheat @ ₹ 4.15

³⁰ Joda (T): July 2013, January-February 2014, May 2014, August 2014, November 2014, May- June and November 2015; Jhumpura: October-November 2013, May-June 2015 and March 2016; Jharbandh: August 2011, May-June 2012, January-February 2013 and September 2013

³¹ Joda (T): 170 AWCs and Chandahandi: 19 AWCs

³² 28,280 quintals @ ₹ 565 per quintal

2.1.8.1 Shortfall in coverage of children

The year-wise child population in the age group of 3 to 6 years, children considered eligible, enrolled and attended PSE during 2011-16 is given in *Appendix 2.1.2*. The shortfall in coverage of beneficiaries under PSE ranged between 6 and 10 *per cent* in the State, whereas it was five *per cent* in eight sampled districts during 2011-16.

The Department stated (October 2016) that some children did not come to AWCs as they went to the neighbouring Shishu Mandirs and English Medium Schools, due to which there was shortfall in coverage.

2.1.8.2 Supply of uniform to pre-school children

The Department had decided (April 2012) to provide uniform at a cost of ₹ 100 per child, to all children enrolled in PSE to encourage their enrolment and retention. During 2011-16, the Department sanctioned ₹ 70.43 crore for supply of uniform and no funds were sanctioned during 2012-13. Audit observed that:

- During 2011-16 (except 2012-13), the number of children enrolled in PSE was 66.15 lakh. The Department sanctioned ₹ 70.43 crore for supply of uniform to 70.43 lakh children. This resulted in excess sanction of ₹ 4.28 crore for 4.28 lakh children. The reason for excess sanction of funds was not on record. Audit found that ₹ 2.09 crore had been lying unutilised with the sampled DSWOs as of March 2016.
- DSWOs of test-checked districts released funds to CDPOs with delays ranging from 20 days to 6 months from the date of sanction. As a result, the children of the respective academic years could not get school uniforms. In 110 test-checked AWCs, 1,215 (69 *per cent*) out of 1,770 children attending PSE were found to be without uniform. Thus, due to delayed release of funds, supply of uniform to all the children enrolled in PSE could not be ensured.

The Department stated (October 2016) that the DSWOs would be asked to refund the unspent amount.

2.1.8.3 Short provision for PSE kits/ Nua Arunima work books

GoI emphasised providing PSE kits to AWCs every year which included flash cards for story-telling, picture books of animals, building blocks, stuffed toys, dolls, *etc.* The Department had decided (2011-12) to supply *Nua Arunima* work books³³ to pre-school children as a part of PSE kits.

Audit observed that:

- PSE kits were supplied only in 2014-15. In 110 test-checked AWCs, Audit found that available PSE materials were not adequate and some of these were also in damaged condition. Due to non-availability of PSE kits, the children could not get a child friendly and joyful learning atmosphere in these AWCs.

³³ Children aged 3 to 4 years: Work book, Part-I and Children aged 4 to 6 years: Work book, Part-II

- The Department sanctioned ₹ 3.22 crore to all 30 districts in 2013-14 for printing and supply of work books to AWCs. However, the Department did not provide funds for work books for 15.36 lakh children who attended PSE in 2014-15. For 2015-16, an amount of ₹ 1.27 crore was provided to only 12 districts, which covered 7.18 lakh out of 15.68 lakh children, thereby depriving 8.50 lakh children of work books.
- Out of 26,024 work books received by two sampled CDPOs (Joda (T) and Nimapara) during 2013-16, the CDPOs distributed 12,008 work books³⁴ to the AWCs. The remaining 14,016 work books³⁵ were lying with the CDPOs, though 18,417 pre-school children were attending AWCs.

Thus, due to insufficient provision of funds coupled with non-distribution of available work books, the objective of creating joyful learning environment with pre-reading/ writing skills of children remained largely unfulfilled.

The Department stated (October 2016) that work books could not be supplied due to short receipt of Central assistance for PSE kits, and reasons for non-distribution of work books would be ascertained from the concerned DSWOs.

2.1.9 Health check-up and referral services

Health check-up includes ante-natal care of expectant mothers, post-natal care of nursing mothers with new born and children below six years of age. High risk mothers with bad obstetrical history and other diseases were to be referred to appropriate health care institutions for special care. Audit observed the following deficiencies:

- **Shortfall in health check-up:** Health check-up was provided to 30 per cent of the eligible children, 56 per cent of the pregnant women and 50 per cent of the nursing mothers in the State during 2011-16, as detailed in **Appendix 2.1.3**. Thus, health check-up of children was seriously deficient and that of pregnant women and nursing mothers was significantly low. In the eight sampled districts, the shortfall was 65 per cent for children, 36 per cent for pregnant women and 38 per cent for lactating mothers during 2011-16. This indicated that health check-up service provided to the beneficiaries was not adequate, even though the State remained higher in MMR³⁶ (230) and IMR³⁷ (56) than the national average (167 and 42 respectively) during 2012-13.
- **Non-supply of medicine kits:** ICDS guidelines envisaged that every AWC should be equipped with medicine kits for treatment of diarrhoea, de-worming, skin diseases, etc. The Department did not make any provision for supply of medicine kits, as discussed in **Paragraph 2.1.6.3**. In the absence of medicine kits, the AWWs had to approach the Accredited Social Health Activist (ASHA) workers/

³⁴ Joda (T): 8,946 out of 17,424 books (8,874 children); Nimapara: 3,062 out of 8,600 books (9,543 children)

³⁵ Joda (T): 8,478 books during 2015-16; Nimapara: 5,538 books during 2013-14

³⁶ Maternal Mortality Rate per 1,00,000

³⁷ Infant Mortality Rate per 1,000 live birth

health centres at the time of requirement, as was seen in 110 sampled AWCs.

2.1.9.1 Shortfall in referral services

As per the guidelines, children below age of three years are to be weighed once in a month and children aged three to six years are to be weighed in a quarter. This helps in detecting growth faltering and assessing nutritional status of children and grading them under normal, moderate or severely malnourished categories. Severely malnourished children are to be given special supplementary feeding and referred to health centres as and when required.

Audit observed that out of the 223.05 lakh children in the State, 4.21 lakh children were identified as severely malnourished during 2011-16 and they were to be referred to appropriate hospitals for health care. The year-wise position of referral cases is given in **Appendix 2.1.4**.

Audit further observed that out of the 4.21 lakh severely malnourished children in the State during 2011-16, only 1.96 lakh (46 *per cent*) children were referred to hospitals for treatment. The year-wise shortfall in referral cases ranged between 21 (2015-16) and 73 *per cent* (2011-12). In four³⁸ sampled districts, the shortfall in referral cases was 67 *per cent*. The data relating to other four districts were not made available to Audit.

Thus, preliminary health services rendered through ICDS scheme were found to be deficient.

2.1.10 Nutrition and Health Education

Nutrition and Health Education is an important intervention under ICDS Scheme which forms part of behavioural change communication (BCC) strategy for women, especially in the age group of 15 to 45 years, so that they can look after their own health, nutrition and development needs as well as that of their children and families.

2.1.10.1 Shortfall in organising Village Health and Nutrition Days

Village Health and Nutrition Days (VHND) were to be observed every month at AWCs by organising a meeting of women including pregnant women and nursing mothers to educate them about health and nutrition.

Audit observed that against the requirement of holding 13.75 lakh meetings during 2011-16 in AWCs of the eight sampled districts, only 9.33 lakh (68 *per cent*) meetings were conducted. As VHND is a platform to educate women about health and nutrition, to conduct health check-up of beneficiaries, *etc.*, shortfall in holding meetings hampered delivery of health services. The AWWs attributed the shortfall in holding the meetings to inadequate infrastructure, absence of Auxillary Nurse Midwife (ANM), *etc.* Thus, health and nutrition education programme was not adequate.

³⁸ Dhenkanal, Mayurbhanj, Puri and Nabarangpur

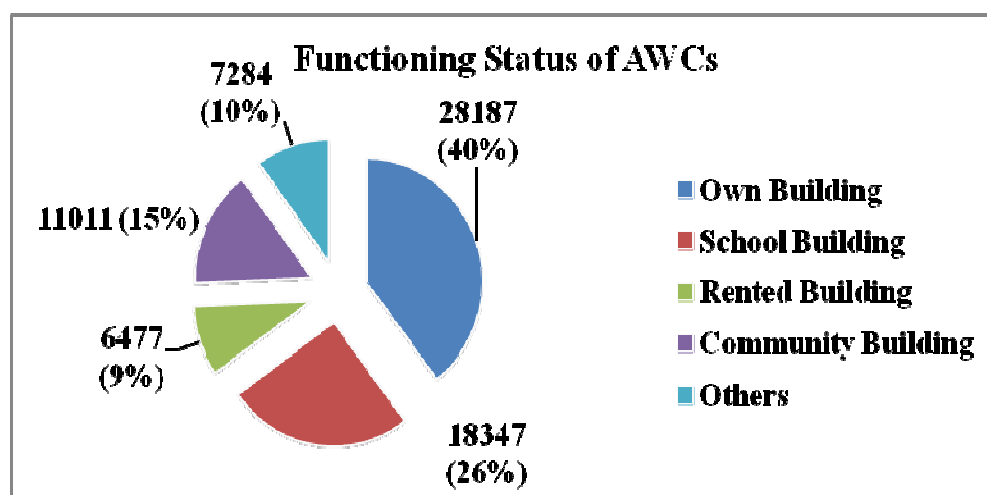
2.1.11 Infrastructure Development

AWCs are the focal points for delivery of various services under ICDS. GoI had instructed (March 2011) that an AWC must have separate sitting room for children/ women, kitchen, store room for storing food items, child friendly toilets, drinking water facility and space for playing of children.

2.1.11.1 Availability of AWC buildings

Audit observed that against 71,306 AWCs in the State as of March 2016, only 28,187 (40 per cent) were functioning in own buildings, as depicted in the pie chart given below:

Chart 2.1.2: Status of AWC building in the State



(Source: Compiled by Audit from the records of the Department)

In eight test-checked districts, out of 23,086 AWCs, only 10,578 (46 per cent) had their own buildings as of March 2016. The remaining AWCs were functioning in school buildings (4,578), community centres (3,489), rented houses (1,779) and in other places (2,662) like AWW/ AWH's houses, school verandas, open spaces, etc.

Out of 110 test-checked AWCs, while 59 AWCs (54 per cent) were operating from own buildings, 33 were running in school/ community premises. Further, four AWCs were running from rented houses, nine in AWW/ AWH's houses, three in verandas and two in temporary sheds/ open space. Four AWCs were functioning in one room of a school. Thus, 60 per cent of the AWCs did not have dedicated ICDS buildings for effective delivery of services to the beneficiaries.



The Department stated (October 2016) that steps were being taken for construction of all AWC buildings by 2018-19.

2.1.11.2 Adequacy of infrastructure in AWCs

Audit observed the following deficiencies in infrastructure at AWCs:

- 202 AWCs in Phulbani district were functioning in open space.
- Toilet facility was not available in 53,851 AWCs (76 per cent) in the State. Out of 17,455 available toilets, 4,205 (24 per cent) were in damaged/ dysfunctional condition. In test-checked districts, out of the 23,086 AWCs, 15,760 AWCs (68 per cent) had no toilet facility.
- Permanent kitchen was not available in 46,486 AWCs (65 per cent) in the State. In sampled districts, kitchen facilities were not available in 13,588 (59 per cent) AWCs.
- Though toilet and kitchen facilities were not available in 562 and 82 AWCs respectively, in Nabarangapur district, ₹ 1.11 crore, sanctioned (December 2013) for construction of toilets and kitchens, was utilised for repair and maintenance of AWC buildings. The DSWO, Nabarangapur had not supplied almirahs to 1,180 AWCs, despite provision of ₹ 59 lakh during 2014-15.
- On joint inspection of 110 AWCs, it was seen that separate kitchen and store-room was not available in 58 and 61 AWCs respectively. In absence of separate kitchen, hot cooked meal was prepared in open space, veranda, etc.

Thus, infrastructure facilities at AWCs were not adequate even after four decades of implementation of the scheme.

The Department stated (October 2016) that all the Collectors had been requested to take up construction of toilets in all the AWCs and construction of kitchens would be taken up in a phased manner.



Hot Cooked meal being prepared in school veranda of Tikarpada AWC, Mayurbhanj

2.1.11.3 Physical condition of AWCs

The Department had no data on availability of physical status of the AWCs. However, in the eight districts test-checked, out of the 23,086 AWCs, 20,847 were functioning in *pucca*/ semi *pucca* houses, 2,037 in *kutcha* houses and 202 in open space.

In test-checked 110 AWCs, 96 AWCs were functioning in *pucca* houses, 11 in semi *pucca* houses, one in *kutcha* house. One centre was found functioning in open place and one mini AWC (Rathasole under Kuliana ICDS project in Mayurbhanj district) was functioning under a temporary shed without any wall protection.



Mini AWC at Rathasole, Kuliana, Mayurbhanj

The Department stated (October 2016) that construction of all AWC buildings would be done by 2018-19.

2.1.11.4 Slow progress in construction of AWCs

The Department had sanctioned ₹ 1,234.20 crore for construction of 26,690 AWC buildings during 2010-16 under various schemes, as detailed in *Appendix 2.1.5*. The Block Development Officers concerned were responsible for construction of buildings. Audit observed that:

- Only 14,059 (53 per cent) buildings were completed as of June 2016 and 12,631 buildings (47 per cent) were lying incomplete even after lapse of one to five years from the date of sanction.
- Under Centrally Sponsored Plan, an amount of ₹ 250.02 crore³⁹ was sanctioned for construction of 5,556 AWC buildings during 2013-14. GoI had released (October 2013) ₹ 93.76 crore (50 per cent). However, only 2,376 buildings (43 per cent) were completed as of March 2016, despite the entire quantum of funds having been deposited with the executing agencies. As the Department could not submit UCs for the first instalment, it failed to avail the balance amount of ₹ 93.76 crore, as of June 2016.

In 22 sampled ICDS Projects, it was found that:

- Only 1,947 out of 2,671 AWC buildings were completed, 579 buildings⁴⁰ remained incomplete, after incurring expenditure of ₹ 13.21 crore⁴¹ and construction of 145 buildings had not been taken up, even though ₹ 23.99 crore was lying with the BDOs. The reasons for non-construction/ non-completion of AWCs were attributed mainly to land dispute, slow progress in construction by executing agencies, etc.
- DSWO, Bargarh did not draw ₹ 1.79 crore allotted (June 2013) by the Department for construction of 65 AWC buildings during 2013-14 and the same lapsed. The amount was not drawn due to negligence of the DSWO, as reported by the Collector, Bargarh.
- During 2011-15, funds were sanctioned twice for construction of 33 AWCs⁴². Out of these, funds were diverted in 24 cases for construction of other AWC buildings and in the remaining nine cases, funds were lying with the executing agencies. During 2011-15, DSWO, Nabarangpur released ₹ 5 lakh each in favour of BDOs, Umarkote and Kosagumuda for construction of two AWCs⁴³. As no such AWCs were in existence, the funds were diverted in March 2015 for construction of two other AWCs. This is indicative of lack of coordination between the BDOs and the CDPOs.

³⁹ At the rate of ₹ 4.50 lakh per building to be shared at 75:25 by GoI and State Government
⁴⁰ Prior to 2010-11: 23 buildings; 2011-12: 72 buildings; 2012-13: 49 buildings; 2013-14: 177 buildings; 2014-15: 64 buildings; 2015-16: 194 buildings

⁴¹ Related to 518 incomplete buildings, as no expenditure figure was made available to Audit for 61 incomplete AWCs under Kandhamal and Puri districts

⁴² Nabarangpur: 13, Kandhamal: 11, Keonjhar: 6 and Mayurbhanj: 3

⁴³ Badabasini Harijansahi (Umerkote) and Adibasiguda (Kosagumuda)

- The Department did not prepare any action plan for completion of AWC buildings within a time limit. Even AWC-wise status of construction of buildings was not available to monitor the progress of construction works.

Thus, action taken for construction of AWC buildings was not adequate and effective, due to which 47 per cent of the sanctioned buildings remained incomplete.

The Department stated (October 2016) that the districts had been instructed to complete these AWC buildings.

2.1.11.5 Non-operationalisation of AWCs sanctioned under Anganwadi on Demand scheme

In response to the guidelines (May 2009) and requests (January 2010) of GoI, the Department had submitted (January 2012) a proposal for sanction of 3,859 AWCs under 'Anganwadi on Demand (AOD)' scheme. GoI returned the proposal as the same was not in conformity with the guidelines and the Department resubmitted a fresh proposal for sanction of 1,297 AWCs and 833 mini AWCs. Based on this, GoI sanctioned (November 2014) 1,081 AWCs and 200 mini AWCs. While communicating sanction of AWCs under AOD, GoI also conveyed its sanction for 51 Supervisors, 1,281 AWWs and 1,081 AWHs and asked the State Government to take immediate action for recruitment and training of the ICDS functionaries to ensure that all the sanctioned AWCs got operationalised at the earliest.

Audit observed that there was inordinate delay in submitting proposal for sanction of AWCs under AOD. The State could send requirement of AWCs in complete format only in November 2013, *i.e.*, after four years of issue of guidelines/ instructions by the GoI. Even after 18 months of sanction, the State had not finalised district-wise allocation of AWCs to make them functional (June 2016), even though the beneficiaries had to pass through hilly areas, forest and rivers and covering distances of one to five kms to visit the nearest AWCs.

Thus, the Department had failed in operationalising the sanctioned AWCs in time and, as a result, the children were denied of various services under ICDS scheme. Further, the State could not avail of Central assistance of ₹ 5.09 crore during 2015-16, due to non-operationalisation of AWCs.

The Department stated (October 2016) that 76 out of 1,281 AWCs/ mini AWCs had been operationalised and the matter was being pursued with the DSWOs for early operationalisation of the remaining AWCs/ mini AWCs.

2.1.12 Human resources and training

2.1.12.1 Staff availability

Scrutiny of records and data made available to Audit showed that there was shortfall in the strength of person-in-position *vis-à-vis* sanctioned strength in all cadres of key functionaries in the State during the period 2011-16, as detailed in *Appendix 2.1.6*.

Audit observed that there were vacancies in critical posts like CDPOs and Supervisors, which were essential for effective implementation and

monitoring of ICDS scheme. The deficiencies in implementation of programme due to vacant posts are discussed below:

- The vacancy in the cadre of CDPO ranged from 20 to 32 in the State during 2011-16. In test-checked districts, there were only two vacancies as of March 2016. In the absence of CDPOs, the local BDO/ Tahasildar remained in-charge of the CDPOs. However, the BDOs/ Tahasildars did not look after the work of the ICDS Project in addition to their regular work, which affected implementation of the programme.
- Vacancies in the cadre of Supervisors ranged from 756 (27 *per cent*) in 2011 to 858 (31 *per cent*) in 2016 in the State. In the sampled districts, 267 out of 899 posts (30 *per cent*) of Supervisors, were lying vacant. Though there were huge vacancies in these key posts since 2011-12, Government did not fill up these posts till date. The Finance Department concurred (June 2016) for filling up of 30 *per cent* of base level vacancies of ICDS Supervisors. This indicated that the remaining vacancies would continue as such. In the test-checked Projects, it was seen that the existing Supervisors were given additional charge of other sectors and thus they could not visit the required number of AWCs for providing guidance to AWWs/ AWHs/ beneficiaries.
- Against 284 sanctioned posts of Statistical Assistants (SAs) in the State, the vacancies ranged from 157 in 2011-12 to 179 (63 *per cent*) in 2015-16. In the absence of SAs, the Supervisors were entrusted with their work like preparation of various reports and returns, maintenance of accounts of stocks under SNP and other scheme activities. This affected their field visits and supervision of AWCs.
- AWWs and AWHs are the grass root functionaries at AWCs who are responsible for delivery of various services to the beneficiaries. The vacancies of AWWs ranged from 1,952 to 5,386 in the State during the period 2011-16. In the test-checked districts, 564 out of 23,230 AWCs, had no AWWs. In their absence, the AWWs of neighbouring centres had to look after the AWCs.

Thus, vacancies in various cadres continuously affected implementation of the scheme adversely.

The Department stated (October 2016) that vacant posts in CDPO cadre had been filled up and steps had been taken to fill up the vacancies in the cadre of Supervisors and Statistical Assistants.

2.1.12.2 Shortfall in training of ICDS functionaries

Training and capacity building is one of the crucial elements in the ICDS Scheme, as the achievement of the programme goals largely depends upon the effectiveness of the frontline workers in improving the services under the programme. Training of ICDS functionaries⁴⁴ is a continuous process and the functionaries are imparted three types of training, *i.e.*, (i) Job course/ Induction training, (ii) Orientation training and (iii) Refresher training. Trainings to the

⁴⁴ CDPOs, Supervisors, AWWs and AWHs

ICDS functionaries were imparted through Government-run institutions and Non-Government Organisations (NGOs).

During 2011-16, an expenditure of ₹ 33.61 crore was incurred for training. The year-wise number of functionaries targeted for training is indicated in *Appendix 2.1.7*.

Audit, however, observed the following:

- As per the scheme guidelines, refresher training was to be imparted to the ICDS functionaries once in every two years. As such, 50 per cent of the available strength of ICDS functionaries are to be trained every year. Against this, only 43 per cent CDPOs, 15 per cent Supervisors and 20 per cent AWWs were targeted for refresher training during the period 2011-16. Thus, the target fixed for providing training was not commensurate with the requirement, as envisaged in the scheme guidelines.
- Against the target of 1,36,893 functionaries to be trained during 2011-16, only 1,19,515 person attended training programme with a shortfall of 17,378 person. The year-wise shortfall in achieving the target ranged between 5 and 21 per cent as detailed in *Appendix 2.1.8*.
- In the State Training Task Force meeting held (11 April 2013) for devising State Training Action Plan for 2013-14, it was decided to have a detailed database of trained ICDS personnel. However, no such database was prepared by the Department to monitor training status of each ICDS functionary.

Thus, training to ICDS functionaries was not adequate to upgrade the skills of ICDS functionaries for effective implementation of the scheme.

The Department stated (October 2016) that CDPOs had been nominated for training organised by GoI and training for Supervisors/ AWWs had been conducted regularly as per annual training calendar. The fact, however, remained that targeted number of functionaries had not been trained.

2.1.13 Monitoring and Supervision

GoI had issued (March 2011) a guideline for setting up a five-tier monitoring and review mechanism from national level to AWC level with the objective of coordinating and converging with the line departments and also to monitor and review the progress of implementation of the Scheme. As per the guidelines, a State Level Monitoring and Review Committee (SLMRC) under the chairmanship of the Chief Secretary, District Level Monitoring and Review Committee (DLMRC) under the chairmanship of the Collector, Block Level Monitoring Committee (BLMC) under the Chairmanship of the Sub-Divisional Officer at Block/ Project level and Anganwadi Level Monitoring and Support Committee (ALMSC) were to be formed for monitoring/ review of the implementation of the ICDS scheme. In this connection, Audit observed the following:

- **Shortfall in holding of SLMRC meetings:** The Department constituted SLMRC in August 2011 with the stipulation of holding a meeting at

least once in every six months. The SLMRC met only three⁴⁵ times during 2011-16 against the requirement of nine meetings. In the meetings, though issues like prevention of malnutrition, convergence for nutrition, strengthening of AWCs and PSE were discussed, no discussions were held on low utilisation of funds, non-attendance of all enrolled children in PSE, non-supply of medicine kits, interruptions in feeding programme, vacancies in key posts, non-completion of AWC buildings, etc.

- **Non-formation of DLMRC/ BLMC:** DLMRC was not constituted in six⁴⁶ sampled districts. Though, DLMRC was formed in two districts⁴⁷, only 10 meetings were held in Dhenkanal district and records relating to holding of meetings were not made available to Audit in Nabarangapur district. However, district level meetings under the chairmanship of the Collector and District Magistrate were held regularly to review the implementation of the various schemes including ICDS.
- BLMC at Block/ Project level was not formed in 16 out of 22 test-checked Projects. Though BLMCs were formed in six⁴⁸ Projects, only one meeting was held in four⁴⁹ ICDS Projects against the requirement of 20 meetings. Records relating to holding of BLMC meetings in Phulbani and Raikia Projects were not made available to Audit.
- **Inadequate supervision by Supervisors:** In 22 sampled ICDS Projects, the Supervisors made 1.47 lakh visits against the requirement of 2.35 lakh visits during 2011-16 and the shortfall was 0.88 lakh visits. The shortfall in field visits ranged from 17 *per cent* in Jhumpura ICDS Project (Keonjhar district) to 80 *per cent* in Bheden ICDS Project (Bargarh district). Follow-up action by the CDPOs on the visit reports of the Supervisors was not taken.
- **Improper maintenance of records:** Out of 110 sampled AWCs, visitor's books were not maintained in 24 AWCs, food stock register and cash book were not maintained in seven AWCs each.

Thus, due to non-formation of committees, issues like, shortfall in coverage of beneficiaries, delay in construction of AWC buildings, non-utilisation of funds, etc., could not be addressed.

The Department stated (October 2016) that SLMRC meetings were not held due to some unavoidable reasons. However, implementation of ICDS Scheme was discussed in different forums like, Collectors' video conference, DSWOs' conference and specific information had been called for from the concerned test-checked districts.

⁴⁵ April 2012, January 2013 and May 2015

⁴⁶ Bargarh, Cuttack, Keonjhar, Mayurbhanj, Kandhamal and Puri

⁴⁷ Dhenkanal, Nabarangpur

⁴⁸ Anandapur, Raikia, Phulbani, Bhuban, Parjang and Dampada

⁴⁹ Anandapur, Bhuban, Parjang, Dampada

2.1.14 Impact

Even after 40 years of implementation of the scheme, the State could not ensure 100 *per cent* coverage of the eligible beneficiaries. Only 40 *per cent* of the AWCs were having their dedicated ICDS buildings for delivery of various services to the beneficiaries. Though the IMR and MMR in the State were reduced from 62 and 277 in 2010-11 to 56 and 230 in 2012-13 (Annual Health Survey 2012-13) respectively, it remained higher than the national average of 42 and 167.

2.1.15 Conclusion

Expenditure under Integrated Child Development Services (ICDS) scheme was less than the budgetary provision during 2011-16. Funds were not provided for supply of medicine kits and pre-school education kits. Out of 38.39 lakh children considered eligible in the State, 3.58 lakh children (nine *per cent*) were not provided with Supplementary Nutrition. Quality ensuring mechanism for Take Home Ration was not adequate in the State. Stock management of wheat and rice supplied under the Supplementary Nutrition Programme was deficient. Seven *per cent* of the enrolled children did not attend pre-school education. There was shortfall in health check-up and referral services, even though the Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR) in the State remained more than the national average. The pace of construction of Anganwadi Centre (AWC) buildings was slow as only 53 *per cent* of the sanctioned AWC buildings could be constructed. The State did not operationalise 1,281 AWCs/ mini AWCs even after 18 months of sanction by Government of India. Key posts like Supervisors (31 *per cent*) and Statistical Assistants (63 *per cent*), essential for effective implementation and monitoring of ICDS scheme, were lying vacant. Monitoring and Supervision mechanism of the programme was not adequate.

2.1.16 Recommendations

- The Department may set up a mechanism to verify the actual number of children attending Anganwadi Centres and provide funds based on that.
- The Department may ascertain the reasons for shortfall and take steps to cover all the beneficiaries under Supplementary Nutrition Programme and Pre-school Education.
- The Department may place a proper mechanism to manage the stocks under Supplementary Nutrition Programme to avoid misappropriation of stock and interruption in feeding programme.
- Action plan may be prepared to complete the construction of all ongoing Anganwadi Centre buildings and to provide required infrastructure in all Anganwadi Centres.
- Effective steps may be taken to fill up all vacant posts and impart training to upgrade skills of Integrated Child Development Services functionaries for effective implementation of the scheme.

The above recommendations had been accepted (October 2016) by the Government.

Housing and Urban Development Department

2.2 Implementation of Sewerage projects in the State

Executive Summary

The Orissa Water Supply and Sewerage Board (OWSSB) was established in 1991 to execute the sewerage projects in the State. Though OWSSB projected to lay 1,567.14 km of sewer lines and sewage treatment plants (STPs) with capacity of 379.20 MLD along with intermediary pumping stations at an estimated cost of ₹4,511.48 crore, it could not achieve the same by March 2016. No baseline data about full cycle of sanitation was created for any of the 110 Urban Local Bodies (ULBs) based on Odisha Urban Sanitation Strategy (OUSS), 2011. Sewerage projects were taken up without preparing City Sanitation Plan (CSP) and conforming to provisions of OUSS. As a result, the draft State Plan for implementing OUSS could not be prepared. There were deficiencies in preparation of Detailed Project Reports in respect of Cuttack and Talcher ULBs, resulting in execution of additional work and wasteful expenditure of ₹95.17 lakh. Due to slow progress of work, OWSSB could utilise only ₹1,336.54 crore out of ₹2,264.29 crore, available under different schemes. This also resulted in loss of Central assistance of ₹99.83 crore. Due to improper investment of unutilised funds, it had to forego interest amounting to ₹2.89 crore.

In respect of the projects at Puri, the work was awarded violating provisions of Orissa Public Works Department Code on the grounds of urgency. However, the work was completed with a delay of three years and nine months. Despite this, liquidated damage was not levied on the contractor. Improper execution of work led to laying of additional 1.307 km sewer lines. Delay in acquisition of land resulted in time overrun with consequential cost overrun of ₹2.44 crore. A 33 MLD capacity Sewage Treatment Plant (STP), constructed at Cuttack, was kept idle for 10 years as waste water did not flow into it. In Talcher, the construction of the other STP was delayed and the contracts were also rescinded and retendered. However, no penalty was levied on the contractor. In sewerage projects at Bhubaneswar, the contractor had delayed the construction and, therefore, the same was rescinded without levy of penalty. Due to delay in execution of the project, there was cost overrun by ₹228.22 crore.

The intended social benefit of ₹592.55 crore could not be derived due to delay in execution of the projects in Cuttack and Bhubaneswar cities. Environmental impact due to non-completion of these projects was observed in some of the downstream stretches of rivers as the level of pollutants had not decreased in these areas.

2.2.1 Introduction

Government of India had framed National Urban Sanitation Policy, 2008 with the vision to make all Indian cities totally sanitised, healthy and liveable with a special focus on creating hygienic and affordable sanitation facilities. In

pursuance of this, Government of Odisha (GoO) had framed Odisha Urban Sanitation Strategy, 2011 (OUSS) with an overall goal to transform urban Odisha into community-driven, totally sanitised, healthy and liveable towns managed by Urban Local Bodies (ULBs) with stakeholder participation. The OUSS required that City Sanitation Plans (CSP) needed to be prepared for all 110 ULBs with main thrust on safe disposal of sewage. Orissa Water Supply and Sewerage Board (OWSSB), established in accordance with the provisions of OWSSB Act, 1991, was responsible for consolidating all CSPs in order to make a State level plan for facilitating implementation of the State Strategy.

2.2.1.1 Organisational set up

The Housing and Urban Development (H&UD) Department, GoO, being the administrative department, was responsible for implementation of the OUSS. The Department, headed by Commissioner-*cum*-Secretary, implemented the strategy in the State by providing finance, human resources and technical support to the ULBs along with assistance of its subsidiary organisations like State Urban Development Agency, Development Authorities, Public Health Engineering Organisation, OWSSB and Odisha State Housing Board. OWSSB, headed by the Member Secretary, was assisted by one Chief Engineer⁵⁰, four⁵¹ Project Directors (PD) and nine⁵² Project Engineers (PE) for implementation of the sewerage projects in the urban areas of the State. As of March 2016, OWSSB had taken up sewerage projects in six⁵³ ULBs and completed a project only in one ULB (Puri).

2.2.2 Audit objectives

The Performance Audit was conducted to assess whether:

- Planning for implementation of sewerage projects was adequate and effective;
- Funds available for the sewage system were optimally utilised;
- Executing and supervising agencies were selected through a sound and transparent process and contract management in the execution of the works was efficient; and
- There existed a robust institutional arrangement for proper monitoring of the projects.

2.2.3 Scope and Methodology of Audit

The Performance Audit was conducted between April and September 2016 in six Urban Local Bodies (ULBs), covering all the projects executed during 2011-16. Besides, matters relating to any earlier period pertaining to these projects were also covered under Audit, wherever found necessary. The records maintained at the H&UD Department, OWSSB and all the project

⁵⁰ Chief Engineer, Odisha Integrated Sanitation Improvement Project (OISIP), JICA

⁵¹ Project Director, Technical Cell, OWSSB, Bhubaneswar; PD, OISIP, JICA, Cuttack; PD, OWSSB, Bhubaneswar; PD, OWSSB, Cuttack

⁵² PE, Sewerage, JICA, Cuttack; PE, Drainage, JICA, Cuttack; PE, Sewerage, JICA, Bhubaneswar; PE, STP, JICA, Bhubaneswar; PE, PMU-I, Bhubaneswar; PE, PMU-II, Bhubaneswar; PE, PMU, Cuttack; PE, PMU, Sambalpur and PE, PMU, Rourkela

⁵³ Bhubaneswar, Cuttack, Puri, Rourkela, Sambalpur and Talcher

implementing units were test-checked. The Audit objectives, criteria, scope and methodology of the Performance Audit were discussed with the Commissioner-cum-Secretary of H&UD Department in an Entry Conference held on 5 April 2016. Along with test-check of records, physical inspection of assets created and facilities available in the towns were conducted by the representatives of OWSSB in the presence of Audit. Photographs were taken, wherever considered necessary, as part of audit evidence. For the purpose of assessing environmental issues, water samples were collected from different rivers with the help of State Pollution Control Board (SPCB), Odisha and test reports were collected. The Audit findings were discussed with the H&UD Department in an Exit Conference held on 18 October 2016. The views expressed by the Department have been included in the report suitably.

2.2.4 Audit criteria

The criteria for Performance Audit were sourced from the following:

- Manual on Sewerage and Sewage Treatment issued by Ministry of Urban Development (MoUD), Government of India;
- Tripartite agreement among Government of India, State Government and Japan Bank for International Cooperation (JICA);
- Orissa Water Supply and Sewerage Board Act, 1991;
- Odisha Urban Sanitation Strategy, 2011;
- Perspective Plan 2009-14 of OWSSB;
- The Orissa General Financial Rules, Orissa Public Works Department Code and other orders issued by the GoO;
- Guidelines and instructions issued by the SPCB;
- Detailed Project Reports (DPRs) of respective projects; and
- Contracts with executing agencies.

The Audit findings are discussed in the succeeding paragraphs.

2.2.5 Acknowledgement

Audit acknowledges the co-operation and assistance extended by H&UD Department and OWSSB of Government of Odisha at various stages of conducting the Performance Audit.

Audit findings

2.2.6 Planning

The H&UD Department had framed Odisha Urban Sanitation Strategy (OUSS), 2011 which envisaged (a) collection of adequate baseline information about the full cycle of sanitation *i.e.*, arrangements for collection of household sewage, treatment and disposal in a comprehensive manner, (b) preparation of CSPs in a participatory manner, making cities open defecation free and putting the main thrust on safe disposal system for sewage and (c) formation of a designated State Sanitation Nodal Agency (SSNA), which would consolidate

the CSPs into a State level plan specifying the timeframe, finances, operational components and setting guidelines to enable the State to earmark resources. Accordingly, the Department designated OWSSB as SSNA.

Meanwhile, as per the direction from the Chief Secretary (June 2009), OWSSB had prepared a Perspective Plan, 2009-14, which envisaged (a) completion of five ongoing sewerage projects in four ULBs, (b) preparation of DPRs and execution of sewerage projects in four ULBs⁵⁴ and (c) preparation of DPRs for sewerage projects for 29 ULBs⁵⁵.

Audit observed that OWSSB did not amend the Perspective Plan to incorporate the objectives intended in OUSS, 2011. Thus, there was no synchronisation between the OUSS and the Perspective Plan, as was evident from the following:

- **Non-preparation of database of baseline data:** Collection of baseline data in all ULBs was a pre-requisite for implementing OUSS. Since OWSSB pursued only its Perspective Plan and ignored OUSS, it collected baseline data of only two out of four ULBs included in the Perspective Plan, for preparation of DPR.
- **Non-finalisation of CSP:** The Department engaged (March 2011) National Institute of Urban Affairs (NIUA) for preparation of CSPs only for eight⁵⁶ ULBs including five ULBs where projects were under execution by OWSSB and paid ₹ 52.50 lakh. Though NIUA had submitted CSP in July 2012, the same was not finalised by the Department as of July 2016. The State was yet to initiate any action for preparation of CSPs for the remaining 102 ULBs (July 2016).
- **Preparation of DPR without CSP:** The goal of CSP was to make cities open defecation free and creation of a safe sewage disposal system with focus on the urban poor and women. Thus, sewerage systems were to afford facilities for this targeted group. Audit observed that OWSSB prepared DPRs for two ULBs (Sambalpur and Rourkela) and engaged a consultant for preparation of DPR for Berhampur ULB, without finalisation of CSP.

Thus, sewerage projects were taken up without preparation of CSP and conforming to provisions of OUSS. As a result, a State Plan consolidating the CSPs for all ULBs for implementation of sewerage projects in the urban areas of the State could not be prepared.

2.2.7 Funds management

OWSSB received ₹ 2,264.29 crore from different sources for implementation of sewerage projects in six ULBs during 2001-16 and utilised ₹ 1,336.54 crore (59 per cent) leaving a balance of ₹ 927.75 crore as of March 2016 (*Appendix 2.2.1*). Audit observed the following deficiencies in funds management.

⁵⁴ Dhenkanal, Rourkela, Sambalpur and Berhampur

⁵⁵ 17 ULBs located at district headquarters and 12 other ULBs having water supply of 100 lpcd or more

⁵⁶ Balasore, Baripada, Berhampur, Bhubaneswar, Cuttack, Puri, Rourkela and Sambalpur

2.2.7.1 Poor spending efficiency

As may be seen from *Appendix 2.2.1*, the percentage of utilisation of funds were 96, 75, 43, 22 and 13 in respect of National River Conservation Plan (NRCP), Japan International Co-operation Agency (JICA), 12th Finance Commission (FC), Jawaharlal Nehru National Urban Renewal Mission (JnNURM) and Odisha Urban Infrastructure Development Fund (OUIDF) respectively. The higher utilisation in case of NRCP was due to completion of all the project components. In case of JICA, the higher utilisation was due to payment of mobilisation advance and engagement of Project Management Consultant (PMC) for overall supervision of the project to ensure timely completion. In case of JnNURM and OUIDF, the low utilisation was due to delay in acquisition of land and slow progress of work by the contractors. Due to poor utilisation of fund, the State Government failed to avail of GoI grant of ₹ 99.83 crore, as discussed in *Paragraph 2.2.7.3*.

The Member Secretary, OWSSB attributed (June 2016) non-achievement of intended physical and financial progress in the works to various constraints like problem of land acquisition, unfavourable site conditions, lack of inter-departmental co-ordination in obtaining required clearance, *etc.*

2.2.7.2 Submission of Utilisation Certificates (UCs)

As per Rule 173 of Orissa General Financial Rules, UCs should be furnished by the implementing agencies so as to reach the administrative department by 1 June of the succeeding year. Audit observed the following:

- **Non-Submission of UCs:** OWSSB received ₹ 1,408.98 crore from three agencies⁵⁷ and utilised ₹ 969.08 crore as of March 2016. Against this, it submitted UCs for only ₹ 888.28 crore and did not submit UCs for ₹ 80.80 crore.

The Member Secretary stated (June 2016) that the pending UCs would be submitted soon.

- **Submission of inflated UCs:** Against receipt of ₹ 663.25 crore under two schemes⁵⁸, OWSSB had submitted UCs for ₹ 304.37 crore to GoI as of March 2016. However, the actual expenditure was ₹ 187.52 crore. This resulted in submission of inflated UCs for ₹ 116.85 crore.

The Member Secretary stated (June 2016) that the UCs had been submitted in anticipation of further release of assistance from the GoI. However, submission of UCs without actual expenditure was irregular.

2.2.7.3 Loss of Central assistance

GoI had sanctioned (February 2007) the Phase II⁵⁹ of the project, *viz.* Integrated Sewerage System in Bhubaneswar City under JnNURM for ₹ 498.91 crore with 80:20 Central and State sharing pattern and committed to provide ₹ 399.13 crore as Central share for this purpose. The second

⁵⁷ NRCP: ₹ 90.57 crore, JICA: ₹ 1,157.17 crore and OUIDF: ₹ 161.24 crore

⁵⁸ 12th FC: ₹ 188.55 crore and JnNURM: ₹ 474.70 crore

⁵⁹ Sewerage projects in Bhubaneswar Sewerage Districts (SD) III, IV, V & VI including pumping station and sewage treatment plant (STP) in SD I & II along with renovation and replacement of old sewers and low cost sanitation

instalment was to be released only after satisfactory Public Private Partnership (PPP) arrangement and before completion of at least one Sewage Treatment Plant (STP) for any one of the districts/ zones.

Audit observed that OWSSB had received (January 2008 to April 2013) ₹ 299.30 crore⁶⁰ from GoI in first instalment. Though six STPs were envisaged to be executed under the project, tender for the work of STPs was not called for as of March 2016 due to delay in acquisition of land. Therefore, even one STP could not be completed within the scheme period of JnNURM *i.e.*, 31 March 2014. As a result, the State Government was deprived of second instalment of Central assistance amounting to ₹ 99.83 crore⁶¹ and it has to complete the project out of its own resources.

2.2.7.4 Loss of interest due to imprudent fund management

The Finance Department had instructed (October 2012) all the departments of the State Government to keep the scheme fund in flexi accounts so that higher interest accruals could be ploughed back to expand the coverage of the scheme without affecting fund flow.

The Chief Engineer (CE), OISIP, JICA, Cuttack received funds from State Government for implementation of sewerage and drainage projects in Cuttack and Bhubaneswar (SD-VI). Audit observed that out of the grants received, the CE retained unutilised amounts ranging from ₹ 4,705 to ₹ 80.81 crore⁶² in 10 saving bank accounts during 2013 and 2014. Had the amount been kept in flexi accounts, additional interest amounting to ₹ 2.89 crore⁶³ could have been earned, as detailed in *Appendix 2.2.2*.

2.2.7.5 Loss of interest on mobilisation advance

Paragraph 3.7.21 of the OPWD Code provided that advance to contractors were, as a rule, prohibited. However, when such advances seemed indispensable, necessary precautions should be taken against loss. Such a system was not allowed to become general or to continue longer than was absolutely essential and such advance would carry interest at 18 *per cent* per annum.

Audit observed that the terms of agreements of OWSSB with four contractors⁶⁴ envisaged payment of interest-free mobilisation advance at 10 *per cent* of the tendered value⁶⁵. The recovery of advances was to commence after payment of 30 *per cent* of the accepted contract value at a rate of 25 *per cent* of each running account bill. Contrary to the codal provision, there was no provision in the agreements for charging interest on advances.

⁶⁰ 2007-08: ₹ 99.78 crore, 2010-11: ₹ 99.74 crore, 2012-13: ₹ 12.23 crore and 2013-14: ₹ 87.55 crore

⁶¹ ₹ 399.13 crore less ₹ 299.30 crore

⁶² 2013: Minimum Balance: ₹ 4,705 and Maximum Balance: ₹ 68.39 crore; 2014: Minimum Balance: ₹ 79,994 and Maximum Balance: ₹ 80.81 crore

⁶³ Being the difference in interest between deposits in the savings bank and flexi deposits, calculated on the minimum balance in the bank pass book during six monthly period

⁶⁴ M/s L&T Limited, Chennai; M/s Tantia-Voltas (JV); M/s IVRCL, Hyderabad and M/s VA Tech WABAG Limited, Chennai

⁶⁵ Excluding operation and maintenance value

OWSSB had released ₹ 193.98 crore as mobilisation advance during 2013-15 to four contractors. The amount of advances given, scheduled date of commencement of recovery, amounts recovered as of June 2016, etc., are given in **Appendix 2.2.3**. It would be observed that there were delays in recovery of advances ranging from 151 to 594 days due to slow progress of works by the contractors. As a result, funds remained blocked with the contractors for the extended period. In absence of enabling provisions in the agreements, interest of ₹ 49.84 crore on unrecovered mobilisation advances beyond the scheduled period of recovery could not be charged against the contractors.

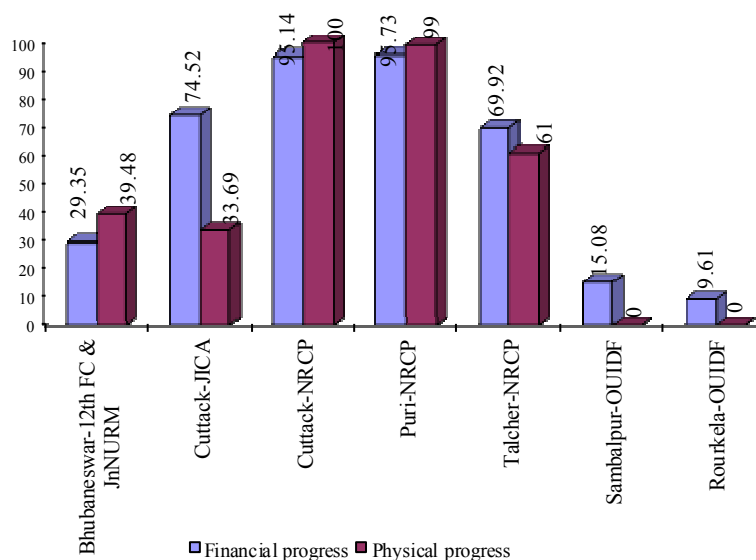
The Project Engineers of Sewerage and Drainage (JICA) at Cuttack and Bhubaneswar stated (August 2016) that the bid price might have increased, if provision for charging interest on mobilisation advance had been included in the bid document. The reply was not convincing as sanction of interest free advance was contrary to the codal provisions.

2.2.8 Project implementation

The H&UD Department had accorded administrative approval for implementation of sewerage projects in six⁶⁶ ULBs in the State during 2000-16. OWSSB took up the implementation of the projects during 2001-16 with a projection to lay 1,567.14 km of sewer lines and construction of 15 STPs with capacity of 379.20 MLD along with intermediary pumping stations at the estimated cost of ₹ 4,511.48 crore. The project-wise status of execution as of March 2016 is given in **Appendix 2.2.4**.

Audit observed that the amount of utilisation was not commensurate with the physical progress of works, as depicted in the following chart:

Chart 2.2.1: Chart depicting financial and physical progress of projects



⁶⁶ Puri, Bhubaneswar, Cuttack, Talcher, Sambalpur and Rourkela

It would be observed from the chart that in respect of four projects, the percentages of execution of projects were less than amount utilised. Audit further observed that:

- In case of JICA funded projects at Cuttack, the financial progress was more than the physical progress, mainly due to unrecovered mobilisation advances and payment of consultancy charges, as discussed in **Paragraphs 2.2.7.5 and 2.2.10.6.**
- In Talcher, the percentage of execution of projects was lower than the amount utilised due to unfruitful expenditure in acquisition of land, as discussed in **Paragraph 2.2.8.1.**
- In the sewerage projects at Sambalpur and Rourkela, execution of projects had not been started as of July 2016, despite utilising 15.08 and 9.61 *per cent* of funds on acquisition of land.

Due to deficiencies in DPR, slow pace in execution of works as well as deficient financial management, physical progress commensurate with the amount utilised had not been achieved, resulting in idle investment of funds.

2.2.8.1 Deficiencies in Detailed Project Reports

Preparation of accurate and realistic DPRs for any sewerage and drainage project is critical for planning and execution of various construction activities. Incorrect DPR and inaccurate cost estimate lead to time and cost overrun besides delay in completion of projects. Audit observed the following:

- A consultant had prepared DPR for the work Construction and Rehabilitation of Drainage in Cuttack city during 2012-13. Based on the DPR, OWSSB had invited tender in February 2011, which, *inter alia*, envisaged requirement of 147.20 MT of hot rolled single sheet pile to be laid over 4,210 m² area. The terms of the agreement with the contractor also included this quantity for execution. The contractor represented that the work could not be completed with the agreed quantity of sheet pile and requested for increasing the quantity. An expert committee constituted by the Government remarked (September 2013) that the DPR had failed to present the actual site requirement and soil conditions, correlate facts in different sections of the DPR and in assessment of required quantities of item. Accordingly, the Committee recommended increasing the quantity to 9,900 MT (6,625.54 *per cent* increase) and laid over area to 24,458 m² (5.81 times). Against this, the contractor had procured 4,614 MTs sheet pile up to March 2016.
- Similarly, the DPR of sewerage projects for Talcher had envisaged, *inter alia*, construction of interception and diversion drains and two STPs (two MLD capacity each). However, the CE, OWSSB postponed (October 2014) construction of STP-II, as the entire volume of generated waste water could be treated in one STP. Meanwhile, OWSSB had incurred expenditure of ₹ 95.17 lakh in acquiring 4.35 acre land and constructing interception and diversion drains for STP-II. This indicated that the DPR was not prepared realistically and resulted in unfruitful expenditure of ₹ 95.17 lakh.

Despite preparation of incorrect DPR, no action was initiated against the consultant in both the cases.

2.2.9 Implementation of projects in Puri

Hon'ble Supreme Court of India had directed the GoO on 5 August 1996 to set up sewerage system in Puri town. The National Environmental Engineering Research Institute, Nagpur had prepared a DPR in 2001 projecting the cost at ₹ 48.30 crore. The project was administratively approved by the Ministry of Environment and Forest, GoI (August 2002) and by GoO (October 2002). Due to delay in tendering and subsequent revision of the schedule of rates, the project cost was revised to ₹ 80.45 crore in 2008. The cost of the project was shared in the ratio of 70:30 by GoI and GoO respectively. The deficiencies in the execution of the projects are discussed below.

2.2.9.1 Lack of fairness in award of works

As per Paragraph 3.5.9 and Appendix IX of OPWD Code, the tender should invariably be invited in the most open and public manner to observe transparency and the work be awarded through a competitive process so as to execute the work at a fair price and preserve quality.

The work 'Construction, Testing and Commissioning of Gravity Collection System' with pumping mains relating to the Zone- B1, B2 and B3 at Puri with estimated cost of ₹ 5.50 crore was tendered in March 2003. After evaluation of price bids in July 2003, M/s Larsen & Toubro Ltd. was found to be the successful bidder with a quoted price of ₹ 8.12 crore. The Tender Committee rejected (October 2003) the tender on the ground of inclusion of an unwanted condition by the contractor *i.e.*, use of IS standard RCC pipes in place of ISI marked pipes and recommended invitation of fresh tender. Accordingly, a fresh tender was invited in December 2003.

Audit observed that the Tender Committee's recommendations were ignored and the work was awarded (February 2004) to the same contractor (M/s L&T) at an agreed value of ₹ 8.03 crore with a stipulation to complete the work by May 2005 as per the instruction issued by the Administrative Department, stressing the urgency of the work which was to be executed concurrently with the ongoing National Highway work in that area. However, the sewer laying work could be completed in March 2009 with a delay of about three years and nine months from the scheduled completion date. The contractor had not conducted test for leakages, as prescribed in the agreement. The Department subsequently observed leakages in all three zones and asked the agency to rectify the leakages, which were not carried out. The Department rectified the leakages at its own cost. Thus, despite awarding the work ignoring the recommendations of the Tender Committee, the work had not been satisfactorily completed by the contractor.

The concerned Project Engineer stated (July 2016) that the final bill of the contractor had not been received and on receipt of the same, recovery of penalty would be considered.

2.2.9.2 Avoidable expenditure in laying of additional Sewer lines

The Sewage Collection and Treatment System for Puri town, commissioned in April 2014, had four pumping stations in operation. Out of the four, two

important pumping stations *i.e.*, P6 and P8 collected waste water from major area of Zone-B3 and C1 and pumped it through two pumping mains to sewer manhole chamber No.302 of Zone-C1. It was observed from the report of the Chief Engineer, OWSSB that due to defective laying of the sewer lines, the gravity sewer from manhole chamber to P10 pumping station was unable to carry the high load of waste water during peak hours. To overcome the problem, an additional sewer line of 1,307 metre length with 350 mm diameter, was laid at a cost of ₹ 69.78 lakh. Despite this, no action was taken against the defaulting agency.

Had the execution been proper, the expenditure for laying additional sewer line could have been avoided.

The Project Engineer, Puri accepted the Audit observation (August 2016).

2.2.9.3 Time and Cost overrun due to non-availability of land at Puri

The work Design, Construction, Testing and Commissioning of five⁶⁷ Sewage Pumping Stations in Zone-A, C2 and E in Puri was awarded (May 2005) to a contractor⁶⁸ at an agreed cost of ₹ 5.64 crore for completion by February 2007.

Audit observed that out of five pumping stations, the contractor had executed four pumping stations and could not take up the work of 5th pumping station (P9-contract value: ₹ 2.75 crore) due to change in location and non-handing over of site by the Department. Alternate land was made available to the contractor in July 2012. However, the contractor expressed inability to execute the work at the agreed rate. OWSSB awarded (October 2014) the work to another contractor⁶⁹ for ₹ 4.19 crore with the stipulation to complete the same by August 2015. The work was completed in March 2016 at a cost of ₹ 4.01 crore. This resulted in cost overrun of ₹ 2.44⁷⁰ crore. The Project Engineer, Puri confirmed the facts (August 2016).

2.2.10 Implementation of Projects in Cuttack⁷¹

The Chief Engineer (JICA) was in charge of executing the projects in Cuttack and Bhubaneswar Sewerage District VI. The projects were to be implemented with the loan assistance from JICA for JPY⁷² 19,061 million (₹ 945.13 crore).

The DPRs of the project were initially prepared and approved (November 2006) for a total cost of ₹ 945.13 crore and subsequently revised (September 2013) to ₹ 2,974.66 crore, due to inclusion of more areas of Cuttack and Bhubaneswar cities. The project was divided into four packages which were awarded to M/s L&T, M/s IVRCL, M/s VaTech and M/s Tantia-Voltas (JV) at a total cost of ₹ 2,463.35 crore. The initial timeline for completion was June 2016, which was extended to December 2017 due to increase in scope of work. As of March 2016, the percentage of completion of works by the

⁶⁷ Pumping station P1- ₹ 66,36,170, P2 - ₹ 1,03,18,850, P6- ₹ 59,26,610, P8- ₹ 60,14,480 and P9- ₹ 2,74,82,920

⁶⁸ M/s RAMKY Infrastructure Ltd., Hyderabad

⁶⁹ Jamshedpur Utilities Services Company Limited

⁷⁰ Revised cost of the leftover work: ₹ 4.19 crore less (original cost: ₹ 2.75 crore plus cost of procurement of pump sets : ₹ 1 crore)

⁷¹ Project at Cuttack included projects at Bhubaneswar Sewerage District VI

⁷² Japanese Yen

contractors ranged from 34 to 40 of the awarded work. The deficiencies in the execution of the project are discussed below.

2.2.10.1 Irregular payment to contractor

As per Clause 10 of the agreement, executed (January 2013) with L&T Construction Ltd., payment was to be made in accordance with the actual works executed at site.

The payment for item No. 305 of Bill of Quantities (BOQ) *i.e.*, supplying and laying of Ductile Iron (DI) pipes in trenches was to be made to the contractor after laying of DI pipes of required diameter with all fittings. Audit, however, observed that the contractor was paid ₹ 10.37 crore (March 2014) against the supply of DI pipes alone without executing the works specified in item No. 305. The amount, so paid, was 80 *per cent* of the item rate and shown as a separate item under the original BOQ. Thus, payment of 80 *per cent* of BOQ rate to the contractor against an unfinished item of work, was irregular.

The Project Engineer stated (June 2016) that the contractor had procured a substantial quantity of material soon after the award of the work which could not be utilised due to insufficient work front and, on request of the contractor, 80 *per cent* of the item rate was paid after getting approval of the H&UD Department. The reply was not tenable as the payments should have been made only after full execution of work. Moreover, the contractor had already been provided mobilisation advance of ₹ 62.46 crore. The pipes have been lying idle for 28 months (June 2016).

2.2.10.2 Unauthorised payment to contractor

Paragraph 3.7.21 of OPWD Code provides that advances to contractors are, as a rule, prohibited and every endeavour should be made to maintain a system under which no payment is made except for the work actually done. However, sanction of Government must be obtained only in exceptional circumstances, when such advances seem indispensable and provided that necessary precautions are taken for securing Government against loss and such a system is not allowed to become general or to continue longer than is absolutely essential. Such advance shall carry interest at the rate of 18 *per cent* per annum.

Audit observed that prior to certification by the Project Management Consultancy (PMC) and pending approval of the RA bills of the contractor⁷³, the Project Engineer, Drainage (JICA), Cuttack had paid (January-September 2014) ₹ 38.98 crore on hand receipts on different occasions. As such, the contractor was liable to pay interest on the advances paid at 18 *per cent* per annum. Though the Project Engineer adjusted the advances against running account bills at a later stage, interest on outstanding advances amounting to ₹ 39.65 lakh was not charged. Thus, not charging of interest on the payment made prior to passing of bills not only amounted to extension of undue favour to the contractor but also caused loss to the Government exchequer.

The Project Engineer stated (July 2016) that the part payments were released in the interest of the project and stopped after 10th RA Bill *i.e.*, September 2014. The reply was not convincing since payments were made prior to

⁷³ M/s Tantia-Voltas

certification by the Project Management Consultant and passing of the bills. Further, rules do not allow release of payments on the ground cited by the Project Engineer.

2.2.10.3 *Irregularities in procurement and utilisation of sheet piles*

As per the general conditions of the agreement, when the quantity to be executed exceeded more than 25 per cent of the agreed quantity and more than one per cent of the accepted contract amount, a new item rate should be arrived at from any relevant rates or prices in the contract with reasonable adjustments and, if no rate was available, it should be derived from the reasonable cost of execution together with profit, taking into account other relevant components. Until such time an appropriate rate was derived, the Engineer should determine a provisional rate for smooth execution of the work. In this connection, Audit observed the following:

- Undue favour to contractor on procurement of sheet piles:** Construction and Rehabilitation work for drainage facilities in Cuttack (JICA) had been awarded to M/s Tantia-Voltas (JV). As per the terms of agreement, the contractor was to procure 147.20 MTs sheet piles for shoring and shuttering at an agreed price of ₹ 1.28 lakh per MT. Since the quantity of material was not properly assessed, the quantity increased from 147.20 MT to 9,900 MT (September 2013), as discussed at **Paragraph 2.2.8.1**. As the change in quantity was more than 25 per cent, new item rate should have been finalised and applied as per the terms and conditions of the contract. However, instead of revising the rate, the Department allowed the contractor to supply the sheet piles at the agreement rate *i.e.*, ₹ 1.28 lakh per MT. It was further observed that the Steel Authority of India Limited had offered a base price of ₹ 72,750 per MT. Besides, it was observed that the contractor had procured 600 MT of sheet piles during (March to September 2013) at the basic rate ranging from ₹ 65,000 to ₹ 75,000 per MT. Considering tax and freight including insurance, the maximum negotiable rate was worked out at ₹ 81,000⁷⁴ per MT. However, the PE, PMU (Drainage) did not review the previously agreed rate of ₹ 1.28 lakh per MT and continued to pay at the same rate for the additional quantity of 4,430 MT sheet piles⁷⁵, which was irregular.
- Blocking of funds due to idling of sheet piles:** Though the contractor had procured 3,822 sheet piles (4,614 MT) up to June 2014, physical inspection by the OWSSB representatives in the presence of Audit and information furnished by the Project Engineer showed that 2,969 sheet piles valued at ₹ 49.48 crore⁷⁶ had remained idle for more than two years. The reasons for idling of materials were encroachment of site, existence of electrical installations, *etc.* Despite non-availability of free site, materials were procured, which resulted in blocking of funds.

⁷⁴ Basic price ₹ 75,000 per MT, CST @ 2 per cent (₹ 1,500) and freight including insurance @ 6 per cent (₹ 4,500)

⁷⁵ Procured up to March 2016

⁷⁶ The weight of one Sheet Pile is 1.302 Metric Ton. The total weight and cost of 2,969 Sheet piles @ ₹ 1.28 lakh per Metric Ton = 1.302 x 2,969 x 1.28 = ₹ 49.48 crore

The Project Engineer, while accepting the fact, stated (July 2016) that vigorous steps were being taken to make the site ready and the contractor had been instructed to increase the pace of execution of work.

- **Undue favour by allowing excess payment:** As per the agreement, the rate for lowering sheet piles was ₹ 1,000 per sqm and for lowering along with subsequent lifting was ₹ 6,000 per sqm. Physical inspection by the officers of OSWSSB in the presence of Audit and information furnished by the Project Engineer showed that 2,559 sheet piles measuring 22,647.15 sqm had only been lowered and were found to be lying in drains. Despite this, payment had been made at the rate of ₹ 6,000 per sqm. This resulted in overpayment of ₹ 11.32 crore⁷⁷. In response to Audit observation, the OWSSB agreed to recover the amount.

2.2.10.4 Wasteful expenditure on construction of site office at Hadiapatha

The work of Construction and Rehabilitation of drainage facilities in Cuttack also included construction of a site office along with supply of furniture and fixtures for ₹ 1.52 crore. As of March 2016, the contractor had been paid ₹ 1.14 crore.

Audit observed that the site office building was constructed on the bank of river Mahanadi at Hadiapatha, over land allotted (May 2013) by the Executive Engineer, South Irrigation Division, Cuttack. The Tahasildar, Sadar, Cuttack as well as the Cuttack Municipal Corporation had served (May 2014) notices to vacate the land and demolish the building, as it had been constructed on the river bank where construction of permanent structure was prohibited. Thus, unauthorised construction of the building resulted in wasteful expenditure of ₹ 1.14 crore.

Accepting the fact, the Project Engineer, Drainage, Cuttack stated (July 2016) that the office building would be handed over to the Municipal authority for future operation and maintenance of the project after completion of the project. The reply was not tenable as the construction of a permanent structure over an unauthorised/ prohibited area was illegal and no further use of the building would be permissible under the Law.

2.2.10.5 Idling of Sewage Treatment Plant

The waste water of Cuttack city was being discharged in the river Kathajodi and Mahanadi without any treatment. For treatment of the untreated water, an estimate for repair and renovation of the existing link drain to carry waste water, a pump house to draw sewage from link drain and feeding to STP and construction of one STP (33 MLD capacity) at Matagajpur was prepared (June 2000) for ₹ 5.07 crore. The project was financed under the National River Conservation Plan (NRCP).

⁷⁷ 22,647.15 sqm @ ₹ 5,000 (i.e., ₹ 6,000-₹ 1,000)

Audit observed that the works were completed in all respects in August 2006 at a cost of ₹ 6 crore. However, the sewage was diverted to another link drain upstream of the STP and discharged directly in Kathajodi river without treatment. The reason for diversion was silting of downstream drain and damaged sluice gate at the point of diversion. This was confirmed during physical inspection (June 2016) of the STP by the Project Engineer in presence of Audit. Thus, the STP with 33 MLD capacity constructed at a cost of ₹ 6 crore became unfruitful, besides discharge of untreated waste water in river Kathajodi. This had also been reported by the SPCB regularly to OWSSB.

2.2.10.6 Cost overrun in consultancy services

OWSSB had awarded (October 2009) the detailed Engineering and Project Management Consultancy⁷⁸ of works executed under JICA funding in Cuttack and Bhubaneswar cities to M/s Tokyo Engineering Consultants Company Limited, Japan for ₹ 54.39 crore⁷⁹ (1,060.216 million JPY). The consultant was to submit the DPR by December 2010 and the execution of work was to be completed by February 2015.

Audit observed that submission of DPR itself was delayed by three years by the consultant due to increase in scope of work like additional survey for areas to be brought under sewerage and drainage works, *etc.*, by OWSSB. This delayed the commencement of the project by three years, which ultimately resulted in overall delay. Due to extension of the project completion period, the term of the consultant was also extended by 33 months involving an additional consultancy fee of ₹ 46.92 crore.

The Chief Engineer, Odisha Integrated Sanitation Improvement Project (OISIP), JICA accepted the Audit observation (August 2016).

2.2.11 Implementation of projects at Bhubaneswar and Talcher

Bhubaneswar city was divided into six sewerage districts and a DPR was prepared (November 2007) for construction/ installation of sewerage system with estimated cost of ₹ 754.23 crore. The project was divided into three different parts *i.e.*, (i) laying of sewer lines in Districts I and II, (ii) laying of sewer lines in Districts III to VI along with construction of STPs in all six districts and (iii) land acquisition, IEC activities, *etc.* The works were funded from 12th FC (₹ 140 crore) grant, JnNURM (₹ 498.91 crore) grant and budgetary support of the State Government, respectively. The deficiencies in the execution of the projects are discussed in the following paragraphs.

2.2.11.1 Cost overrun in projects executed in Bhubaneswar city

The H&UD Department had approved (October 2006-November 2007) two projects⁸⁰ at an estimated cost of ₹ 342.74 crore to be completed within 36

⁷⁸ Overall project management, assistance to PIU on physical, financial, social and institutional matter along with formulation of project plans, monitoring, supervision, preparation of progress report, completion reports, detailed design, preparation of DPR, institutional improvement consultancy, *etc.*

⁷⁹ ₹ 54.39 crore (1,060.216 million Japanese yen X ₹ 0.513)

⁸⁰ Laying of sewer line in sewerage district I & II and Laying of sewer line in sewerage district III of Bhubaneswar city

months from the date of commencement. The DPR of the projects, *inter alia*, envisaged execution of three components namely, construction of pumping stations including lift stations, sewage treatment plant with all peripheral works and laying of sewer lines along with construction of manholes.

Due to non-acquisition of land for STPs, only one component of the project *viz.*, laying of sewer lines along with construction of manholes, with estimated cost of ₹ 250.04 crore, was awarded (February 2008 to May 2008) to M/s East Coast Construction and Industries Limited for ₹ 286.41 crore⁸¹. The project was scheduled to be completed by November 2010. Due to slow progress of works, OWSSB rescinded (November 2015) the contract after payment of ₹ 112.55 crore to the contractor towards part execution of works.

OWSSB prepared a revised estimate of ₹ 402.08 crore for the leftover work and put the same to tender (March-June 2016). The award of work was awaited (June 2016).

In this connection, Audit observed the following:

- Against the scheduled date of completion of November 2010, the contractor failed to complete the project even after sanction of extension of time twice up to December 2014. However, OWSSB rescinded the contract only in November 2015 *i.e.*, after five years. Thus, against the awarded value of ₹ 286.41 crore, the revised cost of the project increased to ₹ 514.63 crore⁸², resulting in cost overrun of ₹ 228.22 crore.
- As per the terms of the contract, in the event of recession of contract, the security deposit was to be subject to forfeiture along with imposition of penalty amounting to 20 *per cent* of the value of the leftover work. OWSSB imposed penalty amounting to ₹ 34.77 crore *i.e.* 20 *per cent* of the value of leftover work on recession of the contract. Although it forfeited ₹ 8.64 crore deposited by the contractor towards security deposit, but did not take any action to recover penalty of ₹ 34.77 crore.

The Project Engineer, OWSSB, Bhubaneswar, while accepting the Audit observation, stated (May 2016) that the penalty amount would be recovered from the final bill of the contractor.

2.2.11.2 Non-inclusion of penalty clauses in the agreement

A provision contained in the OPWD Amendment 2005 (July 2005) required that 20 *per cent* of the value of leftover work would be realised as penalty from the defaulting contractor in case of rescission of the contract.

The work 'Design, Construction, Testing and Commissioning of 2 MLD sewage treatment plant consisting of stabilisation pond system, influent and effluent facilities at Talcher' under NRCP was awarded (March 2006) to M/s BMC Builders (P) Limited for ₹ 87 lakh to be completed by March 2007. The Project Engineer had issued (November 2008) show cause notice to the

⁸¹ District I & II: ₹ 136.41 crore and District III: ₹ 150 crore

⁸² Payment made to the contractor: ₹ 112.55 crore + revised estimate of the leftover work: ₹ 402.08 crore

contractor for slow progress and warned of rescission of the contract. Despite repeated correspondence by the Project Engineer, the contractor did not complete the work within the scheduled date and left the work half-way. The contract was rescinded (June 2010) without imposing penalty. Audit observed that the penalty amounting to ₹ 0.13 crore, as required under the codal provision, could not be imposed due to non-inclusion of a penalty provision in the agreement.

The concerned Project Engineer (Talcher) stated (July 2016) that penalty could not be imposed due to absence of enabling provision in the agreement. The fact, however, remained that non-inclusion of penalty clause in the agreement, violating the codal provision amounted to extension of undue favour.

2.2.11.3 Non-levy of Liquidated Damages against defaulting contractors

As per the terms of the agreement, in the event of failure in timely completion of work, the contractor would be liable to pay compensation, of an amount equal to 0.5 *per cent* of the accepted tender value per day for every completed day of such default and the amount of such damage and the entire amount of compensation should not exceed 10 *per cent* of the value of agreement.

Audit observed that 13 works were awarded between March 2003 and January 2015 at ₹ 67.07 crore in Puri and Talcher. The works were to be completed between March 2005 and October 2015. As of July 2016, only six works were completed (April 2009 to May 2011) with delays ranging from 43 to 55 months and the remaining seven works were not completed even after incurring expenditure of ₹ 49.63 crore. Though in all the cases, the contractors had been issued notices for delay, no action had been taken to levy liquidated damages amounting to ₹ 6.69 crore.

The Project Engineer stated (August 2016) that liquidated damages would be recovered from the final bills of the defaulting contractors.

2.2.12 Environmental impact due to delayed implementation of sewerage projects

2.2.12.1 Non-accrual of Social Benefit

Provisions of Manual on Sewerage and Sewage Treatment envisaged that the DPR for implementation of sewerage projects should contain several parameters like installation of sewerage system, operation and maintenance, impact on environment, health, socio-economic benefit, *etc.* The approved DPRs of the sewerage projects for Bhubaneswar and Cuttack cities projected that the water bodies, environment, health, *etc.*, would be protected by the projects and the social benefits would accrue from the following year of the completion⁸³ of the project. Hence, in terms of the approved DPR, the economic benefit would accrue for the urban population of Bhubaneswar city from 2011 and that of Cuttack from 2017.

Audit observed that execution of sewerage projects in two out of six sewerage districts of Bhubaneswar had not started and in the other four districts, only

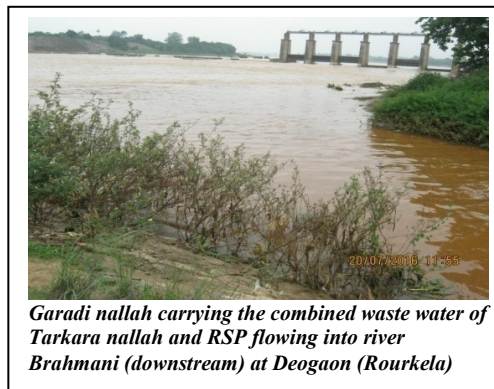
⁸³ 2007-10 in case of Bhubaneswar and 2013-16 in case of Cuttack

39.48 per cent of works had been completed as of July 2016. Similarly, in respect of sewerage projects at Cuttack the percentage of execution of works stood at 33.69 per cent as of July 2016, i.e., the expected date of completion of the project. The intended social benefit, as estimated in the DPR, of ₹ 592.55 crore could not be derived due to delay in completion of the work.

2.2.12.2 Environment impact due to non-completion of the Projects

The environmental impact of non-completion of projects is discussed below:

- Physical inspection carried out by the OWSSB officials in the presence of Audit in five test-checked ULBs⁸⁴ showed that the waste water was being directly let into the Mahanadi, Kathajodi, Kuakhai, Gangua and Brahmani rivers. Further, the liquid collected from consumers' septage were also being let directly in the open fields near water sources, leading to contamination of water.



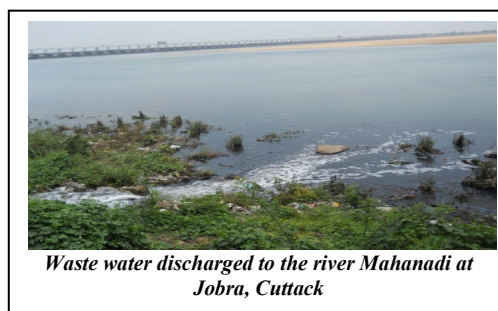
Garadi nallah carrying the combined waste water of Tarkara nallah and RSP flowing into river Brahmani (downstream) at Deogaon (Rourkela)

- Water quality parameters of rivers analysed over a period of time by the SPCB showed presence of Dissolved Oxygen below normal level⁸⁵, Biochemical Oxygen Demand (BOD), Total Coliform (TC) and Faecal Coliform (FC) beyond the permissible level. Audit observed from the records of SPCB that the BOD was very high and up to 12.4 mg/l during 2013 (against upper limit of 3 mg/l) at downstream of Kathajodi river, mainly due to direct discharge of untreated waste water and sewage into the river at Khannagar, instead of treating in STP at Matagajpur, as discussed at **Paragraph 2.2.10.5**.



Waste water discharged to the river Kathajodi at Khannagar, Cuttack

- As of July 2016, 109 ULBs of the State had no sewerage system and the possibility of severe health hazards among the urban population and people living downstream of the above rivers cannot be ruled out due to pollution. During 2011-15, 1,42,284



Waste water discharged to the river Mahanadi at Jobra, Cuttack

⁸⁴ Bhubaneswar, Cuttack, Sambalpur, Rourkela and Talcher

⁸⁵ Against normal level of 4 mg per litre, actual level ranged from 0.8 to 3.4 mg per litre

persons were affected with casualties of 59 persons from diarrhoea and jaundice, as observed from the records of Health and Family Welfare Department. Such outbreak, followed by the casualties, was attributed to contaminated drinking water. The Fisheries and Animal Resources Development Department could not confirm the effects of pollution on the aquatic lives in these rivers at various points, as no survey had been conducted.

2.2.13 Inspection and monitoring

2.2.13.1 Non-holding of adequate meetings

As per the provisions of the OWSSB Act, 1991 and Regulation, 1992, the Board should meet at least once in two months to discuss the activities of the Board. Audit observed that only 26 meetings were held since August 1993 (Notification of Regulation of Board) till March 2016 against the prescribed 136 meetings. The intervals of conducting Board meetings were from 5 to 27 months, instead of one in every two months. In the said meetings, there were discussions on implementation of sewerage projects including preparation of DPR, progress of ongoing project to sort out the bottlenecks like land acquisition, slow progress by the agencies, *etc.* Audit observed that though decision was taken for timely completion of projects but due to lack of timely action, only two projects could be completed⁸⁶.

The OWSSB stated (May 2016) that the frequency of convening Board meeting was related to the list of issues and agenda requiring decision of the Board only. The reply was not convincing, as there were unresolved issues pertaining to implementation of OUSS, timely finalisation of scope of works, slow pace of execution of works, *etc.*, and the number of Board meetings to be held was stipulated by the OWSSB Act.

2.2.13.2 Ineffective Monitoring

Provisions laid down in Manual on Sewerage and Sewage Treatment emphasised that the Government should monitor the general progress of the schemes relating to planning, implementation, operation and maintenance of waste water disposal system. It was also envisaged that during supervision of such systems, the work would be monitored so as to achieve the desired outcome.

Audit observed that though progress in execution was reviewed by several authorities like, H&UD Department/ Member Secretary/ Project Director/ Project Monitoring Consultancy, on monthly and weekly basis yet the projects were left incomplete with overall progress of only 34 to 61 *per cent* as of June 2016. Therefore, the desired outcome was not achieved even after lapse of 10 years from preparation and approval of DPRs in five projects. Audit also observed that OWSSB had released ₹ 13.18 crore to various executing agencies between April 2012 and July 2014 for shifting of utilities, construction of low cost sanitation units, slum sanitation improvement, public awareness programme, *etc.*, for which it could not get the UCs and completion reports from these implementing agencies. Evidently, this was due to insufficient monitoring by OWSSB.

⁸⁶ Projects at Puri and Cuttack under NRCP

2.2.14 Conclusion

The Orissa Water Supply and Sewerage Board was the State Sanitation Nodal Agency to implement the Odisha Urban Sanitation Strategy (OUSS), 2011. The objective of OUSS remained largely unfulfilled as OWSSB framed and implemented its own Perspective Plan without synchronising with OUSS. Due to such a different approach, a State Plan consolidating City Sanitation Plans of all urban areas could not be prepared. As a result, only eight out of 110 ULBs were selected for implementation of sewerage projects. Funds management by OWSSB was poor, as it parked surplus funds in saving bank accounts instead of flexi accounts and paid interest free mobilisation advance without ensuring timely recovery.

The implementation of sewerage projects by OWSSB was not efficient, as it could complete only the project of ULB, Puri out of six ULBs taken up for execution. The projects in Dhenkanal and Berhampur had not started and Rourkela and Sambalpur were at the tendering stage. The physical progress in Cuttack was 33.69 *per cent*, Bhubaneswar was 39.48 *per cent* and Talcher was 61 *per cent*. The tardy implementation of the projects was due to deficiencies in DPRs, lack of fairness in award of work, delay in land acquisition and slow progress by the contractors. No penalty was collected on the rescinded contracts, extending undue favours to contractors.

The intended social benefit could not be availed of due to delayed execution of projects in Bhubaneswar and Cuttack cities. Due to delay in execution of the sewerage projects, level of pollutants downstream of rivers were not reduced, which caused waterborne diseases resulting in loss of human lives. The inspection and monitoring of projects was inadequate.

Thus, the desired outcome from the sewerage projects could not be achieved, even after three to eight years of commencement of execution.

2.2.15 Recommendation

The Government may consider to:

- Synchronise the Odisha Urban Sanitation Strategy with the Perspective Plan of the Orissa Water Supply and Sewerage Board for ensuring timely execution and for extending the facilities to the end users.
- Create a sound database for all the ULBs and prepare realistic CSPs as well as State Plan for prioritising the sewerage works to be executed in ULBs.
- Prepare a roadmap for implementation of sewerage projects in all Urban Local Bodies of the State.
- Ensure realistic preparation of DPRs and availability of land in time.
- Strengthen the contract management system to complete the projects in a time-bound manner.

Planning and Convergence Department, Home Department and ST & SC Development, Minorities and Backward Classes Welfare Department

2.3 Special interventions for development of Left Wing Extremism affected districts of the State

Executive summary

A Performance Audit on 'Special interventions for development of Left Wing Extremism (LWE) affected districts in the State' showed that special intervention programmes in the areas of development, security and rights recognition were not implemented properly.

Development: Planning under Integrated Action Plan (IAP)/ Additional Central Assistance (ACA) for LWE districts was deficient due to belated preparation of Annual Action Plans (AAPs), inclusion of inadmissible projects and giving least priority to skill development and livelihood initiatives. Besides, there was a shortfall of ₹163.88 crore in allocation to LWE areas in test-checked districts.

Management of funds was deficient due to irregular diversion of funds, non-refund of savings and interest earned by the executing agencies, loss of Central assistance of ₹497.43 crore and non-adjustment of advances for years. Programme implementation was marred by delay in execution of works; 64 works left incomplete for one to four years despite spending ₹8.89 crore, expenditure of ₹6.20 crore on 43 completed projects that remained unused, execution of works of substandard quality (₹7.27 crore), etc. Inspection and monitoring of implementation of the scheme were inadequate.

Security: Execution of security related works by the Odisha State Police Housing and Welfare Corporation Limited was marred due to non-commencement as well as delayed execution of critical infrastructure projects like Special Operation Group hub at Koraput, hub for Central Reserve Police Force at Muniguda and additional fortification works, etc. Four security hubs, 20 barracks, staff quarters, approach roads to security camps, etc., sanctioned during 2007-08 to 2011-12, were left incomplete after spending ₹14.76 crore for over one to four years due to cost overrun of ₹12.70 crore and non-sanction of revised estimates, despite availability of interest of ₹100.70 crore. At Koraput and Bhamini, security forces were, thus, staying in dilapidated and incomplete buildings for years without basic amenities. Anti-naxal support equipment was neither supplied nor available in the test-checked fortified Police Stations.

Reimbursement of ₹81.90 crore under Security Related Expenditure had been disallowed by the Government of India due to hiring of a helicopter without obtaining prior approval, non-completion of infrastructure projects, etc. Instances of delay/ non-payment of ex-gratia to the families of deceased security personnel and civilian victims were also observed. No mechanism was put in place to track the surrenderees to ascertain their integration with mainstream society.

Rights Recognition: Forest Rights Act was not implemented in the State in conformity with the provisions of the Act. Claims of Other Traditional Forest Dwellers were rejected for want of evidence in support of possession of forest land for 75 years. Thirty-five out of 51 test-checked claims were irregularly rejected and the claimants were not intimated about the reasons for rejection, thus, denying them the opportunity to file petition. Even after distribution of titles, records of rights/ revenue records were not corrected. Titles were not distributed even after finalisation. There was mismatch in reporting the progress of distribution of titles as well as implementation of FRA.

2.3.1 Introduction

Left Wing Extremism (LWE) has emerged as one of the greatest challenges to the internal security of the country. Odisha assumes strategic significance in tackling LWE, as a corridor of LWE activities extends from Jharkhand to Andhra Pradesh *via* Odisha having contiguous forest cover. Eighteen districts of the State were affected by LWE activities, of which Koraput and Malkangiri were the worst affected. During 2011-16, 429 LWE incidents were reported in the State, in which 45 security personnel and 128 civilians were killed. Besides, 56 LWE activists were killed, 516 were arrested and 333 LWE activists surrendered during this period.

Human Development Index (HDI) in 12 out of 18 LWE affected districts of the State, ranging between 0.370 (Malkangiri) to 0.571 (Nayagarh), remained below the State average (0.579). Government of India (GoI) adopted an integrated approach to deal with LWE in a holistic manner, in areas of development, security, ensuring rights and entitlements of local communities and public perception management. Special interventions under development sector like Integrated Action Plan (IAP)⁸⁷, Road Requirement Plan I (RRP Phase I) and Skill Development in the districts affected by LWE, were funded by GoI and implemented by the State Government during 2011-16. While IAP was implemented in 18 districts of the State, the scheme “Skill Development of Youth in 34 districts affected by LWE” (SDY) covered five districts⁸⁸.

On security related front, GoI assisted the State Government through deployment of Central Armed Police Forces (CAPF) and financed schemes⁸⁹ like Special Infrastructure Scheme (SIS), Security Related Expenditure (SRE) and Scheme of Fortified Police Stations (FPS) in LWE affected areas. These schemes were intended to provide secured environment to security forces and strengthen their state of preparedness to counter LWE activities through creation of critical infrastructure in inaccessible areas and supporting capacity building of State Police.

⁸⁷ Renamed as Additional Central Assistance (ACA) for LWE affected districts from September 2013

⁸⁸ Deogarh, Gajapati, Malkangiri, Rayagada and Sambalpur

⁸⁹ SIS: Fully financed by GoI up to 2011-12 and then at the ratio of 75:25 between centre and State, FPS : 80:20 and SRE: 80:20 to 100 *per cent* with prescribed ceiling

Besides, the Forest Rights Act⁹⁰ (FRA) was also implemented to ensure rights and entitlements of forest dwellers and include them in the development process.

During 2011-16, ₹ 2631.93 crore⁹¹ was provided by the State and Central Governments under these schemes.

2.3.1.1 Organisational set up

Implementation of IAP in the State was the responsibility of Planning and Convergence Department, headed by the Development Commissioner. The State Level Committee (SLC), headed by the Chief Secretary, was the apex body to monitor implementation of the programme, which included Director General of Police and Principal Chief Conservator of Forest, as members. At the District Level, the programme was implemented by a District Level Committee (DLC) headed by the District Collector (DC) and consisted of Superintendent of Police (SP) and Divisional Forest Officer (DFO), as members. The Director, Technical Education and Training (DTET) was the nodal authority for implementation of the scheme SDY.

The Principal Secretary to Government, Home Department, as the administrative head of Department, was responsible for implementation of security related interventions, who was assisted by the Director General of Police (DGP) and Additional Director General (ADG) of Police (Special Intelligence Wing). A Unified Command, headed by the Chief Secretary, with representation of State Police and Central Armed Police Forces recommended various security related measures and interventions for LWE affected districts. All security related infrastructure works were executed by the Odisha State Police Housing and Welfare Corporation Limited (OSPHWC).

The Scheduled Tribes and Scheduled Caste Development (SSD) Department was the nodal Department for implementation of Forest Rights Act (FRA) in the State. At the district level, the Project Administrators, Integrated Tribal Development Agencies (ITDAs)/ District Welfare Officers (DWOs) were the nodal officers. A four-tier institutional mechanism was defined in the Act for processing and monitoring of the forest rights claims. It included the State Level Committee (SLC) headed by Chief Secretary, District Level Committees headed by the Collector, Sub-Divisional Level Committees headed by the Sub-Collector and Gram Sabhas.

2.3.2 Audit objectives

Audit was conducted with the objective of assessing whether:

- Planning for the programme was adequate, effective, need based and linked to identifiable outcomes;
- Funds were received as per entitlement and were utilised in economic, efficient and effective manner;

⁹⁰ The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006

⁹¹ IAP: ₹ 2,055.64 crore; SDY: ₹ 33.12 crore; SIS: ₹ 63.69 crore; FPS: ₹ 139 crore; SRE: ₹ 333.04 crore; FRA: ₹ 7.44 crore

- Programme management was effective and led to better project management; and
- Inspection, monitoring and evaluation were adequate and mid-course corrections were carried out, wherever required.

2.3.3 Audit criteria

Criteria for this Audit were drawn from the following documents:

- Scheme Guidelines and instruction issued by the Planning Commission/ Niti Ayog, Government of India (GoI) and State Government from time to time;
- The Scheduled Tribes and other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 and rules framed thereunder; and
- Orissa General Financial Rules, Orissa Treasury Code, Orissa Public Works Department (OPWD) Code, Orissa Analysis of Rates, National Building Code and related Indian Standards.

2.3.4 Scope and methodology of Audit

The Performance Audit was conducted during April 2016 to August 2016, covering the period 2011-16. Audit examined the records of P&C Department, Home Department, SSD Department, DTET, District Planning and Monitoring Unit (DPMU)/ District Rural Development Agencies (DRDAs) of five sampled districts (Deogarh, Koraput, Malkangiri, Sambalpur and Sundargarh) along with 30 sampled executing agencies (*Appendix 2.3.1*). Besides, records of Superintendents of Police (SP) and 15 sampled Police Stations and Collectors of these five sampled districts were also test-checked. Records of Sambalpur and Koraput Divisions of OSPHWC were also examined. Under FRA, interviews of 297 villagers were conducted. Joint physical inspections of assets created and facilities available were also conducted, wherever considered necessary.

The objectives, criteria, scope and methodology of this Performance Audit were discussed with the Development Commissioner-*cum*-Additional Chief Secretary (DC-*cum*-ACS), P&C, representatives of Home, SSD and Forest and Environment (F&E) Departments in an Entry Conference held on 8 April 2016. The Audit findings were discussed with the DC-*cum*-ACS in an Exit Conference held on 18 November 2016. Replies received were also considered and appropriately included in the Report. The Audit findings are discussed in the succeeding paragraphs.

2.3.5 Acknowledgement

Audit acknowledges the co-operation and assistance extended by the Planning & Convergence, Home and Scheduled Tribes and Scheduled Caste Development Department at various stages of conducting the Performance Audit.

Audit findings

2.3.6 Planning

The main objective of the IAP was to implement need-based projects that could show results in the short term and bring about perceptible improvement in public infrastructure and services in the inaccessible pockets of the identified districts. The deficiencies observed in planning in IAP are discussed below.

2.3.6.1 Delay in preparation of AAPs and absence of participatory and convergence approach

The DLCs were to draw up Annual Action Plans (AAP) including concrete proposals relating to infrastructure, livelihood programmes and skill up-gradation of youth. Audit observed the following:

- **Delay in preparation of AAP:** AAPs of each district under IAP were to be prepared before commencement of financial year for facilitating completion of projects within the financial year. However, AAPs for 2013-14 and 2014-15 were prepared belatedly⁹² after delays of 3 to 12 months from the beginning of the financial year. This led to delay in execution of projects and utilisation of funds resulting in loss of Central assistance as discussed in *Paragraph 2.3.7.1*.
- **Absence of convergence and participatory approach:** As per the IAP guidelines, a conscious effort was to be made by the DLCs for utilising IAP funds through convergence with other Centrally Sponsored Schemes/ State Plan Schemes to maximise the benefits. The Planning Commission had also instructed (January 2011) that AAPs should be prepared through a participatory process, involving villagers and other stakeholders for ensuring feasibility of the projects. The District Perspective Plans for the years 2012-17 of all test-checked districts emphasised on pooling of resources of other schemes.

However, the coverage of basic infrastructure/ services under other schemes was not considered while preparing AAPs. DLCs invited proposals for AAPs from BDOs and other district level officers, instead of consulting elected representatives and collecting inputs from grassroot levels while finalising AAPs during 2011-16. As a result, projects were taken up without assessing the actual requirement. Consequently, 18 per cent of the test-checked completed projects (43 out of 238) remained idle/ misutilised after their completion and failed to benefit the end users as discussed below.

- **Idling of completed projects:** The projects selected under IAP had to show results within a short period. However, DLCs of all five test-checked districts had approved 9,040 projects without linking them with identifiable outcome. Out of 7,350 projects already completed as on 31 March 2016 in the five test-checked districts, 238 projects were

⁹² Deogarh: October 2013, July 2014 and March 2015; Koraput: November 2013 and July 2014; Malkangiri: October 2013 and June 2014; Sambalpur: December 2013 and September 2014, Sundargarh: October 2013 and June 2014

inspected by the representatives of implementing agencies in the presence of Audit. Out of these, 43 projects⁹³ (18 per cent) like health sub-centres, Livestock Aid Centre (LAC) buildings, community centre, etc., completed during February 2012 to February 2016, incurring expenditure of ₹ 7.07 crore⁹⁴ (*Appendix 2.3.2*), were found to be either remaining idle or not being utilised for the intended purposes. These projects included 30 idle buildings, three diversion weirs not providing irrigation and one non-operational water supply project. Expenditure on idle or misutilised projects under building and skill development sector accounted for 39 and 70 per cent, respectively, of the total cost of projects test-checked in Audit. In reply, the Department assured (December 2016) that the District authorities would be instructed to ensure utilisation of all the completed projects under IAP.

- **Absence of feasibility study leading to cancellation of projects:** In the five test-checked districts, 9,040 projects were included in AAPs without any feasibility study or survey. This resulted in cancellation of 362 projects⁹⁵ like buildings for Anganwadi Centres (AWC), additional class rooms, etc., with estimated cost of ₹ 42.87 crore. Reasons for cancellation were non-existence of AWC centre/ school in the concerned villages, non-existence of villages where buildings proposed, non-availability of land, pre-existence of structures at selected sites, sites being in forest area, selected sites being private lands, etc.
- In the Exit Conference, the Additional Chief Secretary stated (November 2016) that AAPs and shelf of projects would be prepared timely and kept ready for taking up the projects immediately after receipt of funds.

In addition to the above, deficiencies in selection of projects in AAPs were also observed, as discussed below.

2.3.6.2 Inclusion of inadequate/ improper projects in AAPs

As per the instructions (January and April 2011) of the Planning Commission, all projects under IAP should be executed only in identified LWE affected Gram Panchayats (GPs). Revised GoI guidelines issued in September 2013 required that at least 65 per cent of the total allocation is utilised in LWE affected and Schedule V⁹⁶ areas during 2013-15. Similarly, allocation of 10 per cent of the total allocation was mandatory for skill development programme during 2013-15, to ensure employment for the domiciled residents of the district. Further, sanction of funds for any repair/ renovation/ restoration work, individual beneficiary oriented projects, repair/ renovation of water bodies, residential houses, construction of staff quarters, stadiums,

⁹³ Buildings (24), culverts and bridge work (5), diversion weir/ check dam (3), skill development projects (6), drinking water & others (5)

⁹⁴ Unfruitful expenditure of ₹ 6.20 crore and misutilisation of ₹ 86 lakh

⁹⁵ Deogarh: 94; Koraput: 48; Malkangiri: 61; Sambalpur: 132 and Sundargarh: 27

⁹⁶ Areas declared under Paragraph 6 of the Fifth Schedule of the Constitution on the basis of preponderance of tribal population, compactness & reasonable size of the area, under-developed nature of the area and marked disparity in economic standard of the people

development of colleges and works of similar nature, projects for police and security forces, which do not have any direct impact on local population, were not allowed under IAP. Besides, drawing up LT lines, system up-gradation, 33/11 KV lines, repair of transformers were not permissible under IAP. Audit, however, observed the following:

- **Priority not given to LWE affected areas within the district:** Out of ₹ 596.56 crore sanctioned to five sampled districts during 2011-16, projects worth ₹ 493.74 crore should have been executed in LWE affected/ Schedule V areas as per norm of GoI. Against this, only projects worth ₹ 329.86 crore were included in AAPs for these areas. The allocation was found to be negligible in five⁹⁷ out of the 34 most LWE affected GPs of Sambalpur. Thus, projects were not formulated as per the guidelines to adequately address the critical infrastructure gaps in these vulnerable areas. These funds were utilised in non-LWE areas. The Department stated that the DLCs in their collective wisdom had identified, selected and approved projects for their respective districts as per the need assessed by them. The reply was not acceptable in view of instructions of Planning Commission requiring execution of all projects up to 2012-13 and, thereafter, at least 65 per cent in LWE areas.
- **Skill development not given due priority:** Against the mandatory requirement of allotment of ₹ 28.44 crore (10 per cent of allotment) during 2013-15, only ₹ 14.21 crore was allotted for skill development programme which led to shortfall in allocation by ₹ 14.23 crore in test-checked districts. Only ₹ 15.51 crore *i.e.*, 2.60 per cent was allotted for skill development during 2011-16. Minimum allocation (₹ 1.83 crore) was observed in Malkangiri district, which was also the worst affected LWE district of the State. Further, the assets created for skill development also remained idle, as discussed in **Paragraph 2.3.9**.
- **Non-inclusion of livelihood projects in AAPs:** Despite instruction (December 2010) of the State Government to the Collectors to devise and implement appropriate livelihood projects, no projects were included in AAPs in four test-checked districts during 2011-16. In the fifth district (Koraput), ₹ 3.26 crore was allocated for execution of 46 livelihood projects like fly ash brick unit, handmade paper unit, niger oil production unit, *etc.* However, these projects could not be implemented successfully, as discussed in **Paragraph 2.3.10**.
- **Inclusion of inadmissible projects:** The DLCs of five test-checked districts included 1107 inadmissible projects⁹⁸ under the IAP at a cost of ₹ 44.49 crore in AAPs for 2011-16. These projects included construction of staff quarters for Government officials, repair and revival of lift/ minor irrigation projects, construction of mini-stadium, repair and renovation of field channels, boundary wall, distribution of solar lanterns, barbed wire fencing around mango plantation (₹ 1.19

⁹⁷ GPs: Gunduruchuan (₹ 2.03 lakh), Kukam (₹ 3.23 lakh), Kutruuchuan (₹ 3.85 lakh), Panimura (₹ 1.59 lakh) and Turei (₹ 2 lakh)

⁹⁸ Koraput: 550: ₹ 11.63 crore; Deogarh: 47: ₹ 7.89 crore; Malkangiri: 83: ₹ 8.88 crore; Sundargarh: 249: ₹ 6.51 and Sambalpur: 178: ₹ 9.58 crore

crore), helipad and rest sheds for police (₹ 1.01 crore), replacement of burnt transformer/ additional transformer and upgradation of existing transformers (₹ 24.96 crore), etc. DLCs approved all the proposals received from the executing agencies and district level officers without adequate scrutiny and due diligence. Therefore, utilisation of funds on core activities under IAP was reduced.

Thus, planning under IAP was done without participation of stakeholders and deviating from the scheme guidelines. This led to inclusion of inadmissible and non-feasible projects, cancellation of projects, exclusion of important focus areas of schemes like skill development and livelihood creation.

The Department stated (December 2016) that the Collectors were being instructed to desist from executing any such inadmissible projects in future.

2.3.7 Funds Management

The position of receipt and utilisation of funds in various schemes being implemented in LWE affected districts of the State is given below:

Table 2.3.1 Receipt of funds during 2011-16 under various special interventional schemes (₹ in crore)

Sector	Scheme	Funds received	Funds utilised
Development	Integrated Action Plan	2055.64	2034.44
	Skill Development for youth of 34 LWE affected districts	33.12	31.35
Security Related issues	Special Infrastructure Scheme	63.69	59.60
	Fortification of Police Stations	139.00	138.75
	Security Related Expenditure	333.04	333.04
Enforcement of Forest Rights	Forest Rights	7.44	5.44
Total		2631.93	2602.62

(Source: Information furnished by the Departments concerned)

As may be seen from the above table, utilisation was more than 90 per cent as reported by Government. However, Audit observed inflated reporting of utilisation of funds by the Department, as discussed in **Paragraph 2.3.7.2**.

The following deficiencies were observed in management of funds:

2.3.7.1 Loss of Central assistance of ₹ 504.30 crore

Under IAP, each district was entitled to ₹ 30 crore *per annum* and, therefore, the State was entitled to ₹ 540 crore per annum during 2011-15. The State Government had to fulfill the conditions⁹⁹ prescribed by GoI in September 2013 and June 2014 to be eligible to receive full entitlement for 2013-14 and 2014-15. Audit observed that:

⁹⁹ Reporting of utilisation of 60 to 100 per cent, submission of utilisation certificate and Audit Report

- Due to non-fulfillment of prescribed conditions, GoI released only ₹ 582.57 crore¹⁰⁰ against entitlement of ₹ 1,080 crore for 18 districts of the State under IAP during 2013-14 and 2014-15. Due to non-release of the remaining funds of ₹ 497.43 crore by GoI, the State Government had to utilise ₹ 393.07 crore¹⁰¹ out of its own resources to complete the sanctioned projects under IAP for 2013-14 and 2015-16. The Department stated (December 2016) that GoI did not release the funds despite fulfillment of all the conditions by the State. However, Audit observed that none of the test-checked districts had fulfilled the conditions.
- Similarly, under ‘Skill development of youths in 34 districts affected by LWE’, release of full training cost of ₹ 8.35 crore¹⁰² was dependent upon full utilisation of first installment of ₹ 1.48 crore and providing training as per the target¹⁰³ set in the guidelines. However, due to non-utilisation of the first installment and failure to achieve targets set for trainings, the balance amount of ₹ 6.87 crore was not released by GoI during 2011-16.

The State was, thus, deprived of Central assistance of ₹ 504.30 crore¹⁰⁴.

2.3.7.2 Excess reporting of utilisation under IAP and submission of inflated UC under SIS

UC should be submitted for expenditure incurred and advances should not to be treated as final expenditure.

- Though ₹ 2,034.44 crore was reported to have been utilised under IAP during 2011-16, Audit observed that in the five test-checked districts alone, ₹ 68.61 crore remained unspent with DPMUs/ DRDAs (₹ 15.56 crore) and 30 test-checked EAs (₹ 53.05 crore) and these were lying in their bank accounts as on 31 March 2016. This showed that utilisation reported was incorrect.
- Similarly, GoO had submitted UCs (2012-16) for ₹ 59.60 crore out of ₹ 63.69¹⁰⁵ crore received under SIS up to March 2016. However, ₹ 34.91 crore (excluding interest of ₹ 10.02 crore) remained unutilised with OSPHC under SIS, as on 31 March 2016, and was kept in its bank accounts for 12 to 50 months. Thus, GoO had submitted inflated UC for ₹ 30.82 crore¹⁰⁶.

¹⁰⁰ ₹ 222.57 crore for 2013-14 and ₹ 360 crore for 2014-15

¹⁰¹ ₹ 317.43 crore in December 2013 and February 2014; ₹ 75.64 crore in September 2015 to 12 out of 18 districts for completion of projects already taken up

¹⁰² Long term training: ₹ 4.24 crore; short term training: ₹ 3.39 crore and instructor training: ₹ 0.72 crore

¹⁰³ Long term training: 450 youth, Short term training: 1,800 youth, instructor training: 150 youth

¹⁰⁴ IAP: ₹ 497.43 crore and Skill Development: ₹ 6.87 crore

¹⁰⁵ GoI- 2011-12: ₹ 18.85 crore; 2013-14: ₹ 21.63 crore and 2014-15: ₹ 23.21 crore

¹⁰⁶ ₹ 34.91 crore less ₹ 4.09 crore (for which UC was pending as of March 2016)

2.3.7.3 Non-reimbursement of expenditure under SRE

Under SRE, the Department had utilised ₹ 333.04 crore during 2011-16 and claimed reimbursement for ₹ 263.92 crore for the years 2011-15¹⁰⁷ from GoI (*Appendix 2.3.3*). However, the Internal Audit Wing of the Ministry of Home Affairs (MHA) recommended reimbursement of only ₹ 182.02 crore of which ₹ 146.21 crore was released by August 2016. GoI, however, disallowed reimbursement for ₹ 81.90 crore as of March 2016 on the grounds of non-completion of infrastructure projects under logistic support to CAPF and additional fortification of security posts (₹ 59.38 crore), non-submission of documentary evidence in support of purchases and issue of ammunitions (₹ 4.49 crore) and hiring of a helicopter without prior approval of GoI (₹ 18.03 crore), as discussed in *Paragraph 2.3.14.1*.

The State was, thus, deprived of reimbursement of ₹ 81.90 crore.

2.3.7.4 Non-refund of interest

As per GoI guidelines, interests earned on unspent funds were to be treated as additional scheme funds and were to be utilised as per the scheme guidelines. Thus, it was necessary for all EAs to refund the interest earned to the concerned sanctioning authority so that the same could be utilised for other projects. Audit observed that out of interest of ₹ 72.37 crore earned on unspent scheme funds by the executing agencies, only ₹ 5.42 crore was refunded to the sanctioning authorities and the remaining ₹ 66.95 crore¹⁰⁸ was retained by them, in violation of the guidelines.

As a result, interest could not be utilised for creation of more infrastructure in LWE affected areas.

The Department stated (December 2016) that executing agencies had been requested to refund the interest amount immediately.

2.3.7.5 Loss of interest of ₹ 5.49 crore

Finance Department had instructed (October 2012 and November 2014) to keep unspent scheme funds under central plan/ centrally sponsored plan in flexi accounts with the banks, instead of savings bank accounts to fetch higher rate of interest. Interest rate of flexi accounts ranged from 6.5 to 7.5 *per cent* against four *per cent* under saving bank accounts during 2011-16.

DPMU, Sambalpur and 24 out of 30 test-checked EAs of five test-checked districts retained unspent funds of ₹ 2.16 lakh to ₹ 4.17 crore under IAP during 2013-16 in savings bank accounts, contrary to the instructions of Finance Department. As a result, the opportunity to earn additional interest of ₹ 5.49 crore on unspent IAP funds during 2013-16 was lost.

The Department stated (December 2016) that while Koraput and Sambalpur had converted the savings bank accounts to flexi accounts, Deogarh district had issued necessary instructions to the EAs for converting saving bank accounts to flexi accounts.

¹⁰⁷ Reimbursement of claim for 2015-16 not submitted to GoI

¹⁰⁸ With 26 test-checked EAs: ₹ 7.39 crore under IAP; With OSPHC: ₹ 2.99 crore under skill development and ₹ 56.57 crore under SRE, SIS and FPS

2.3.7.6 Difference of ₹ 5.58 crore not reconciled

Codal provision required all receipts to be brought to account as soon as the pass books/ statements of accounts were received from the Banks/ Treasury. Besides, bank reconciliation statements were to be regularly prepared. Audit observed that there was a difference of ₹ 5.58 crore between the bank balance as per cash book and as per pass book in 28 out of 35 test-checked EAs and district authorities implementing IAP as on 31 March 2016, which was not reconciled. Bank reconciliation was done by district authorities of Sambalpur and Sundargarh, while the difference in respect of remaining five units could not be ascertained due to non-furnishing of updated cash books/ pass books (two) and non-maintenance of separate account (three).

The Department stated (December 2016) that non-accounting of ₹ 3.64 crore in the cash book by one EA had been rectified in August 2016. The reply was silent on reconciliation of discrepancies in 27 other EAs.

2.3.7.7 Delay in release of funds by the Department to the Collectors

IAP guidelines required release of funds to the DCs within 15 days of credit of the same by GoI to the Consolidated Fund of the State failing which penal interest at bank rate was to be paid. Audit observed that ₹ 10 crore each were transferred thrice during 2011-12 (₹ 360 crore) and 2013-14 (₹ 180 crore) by the P&C department to DLCs concerned, after delays of 5 to 49 days.

The Department attributed (December 2016) the same to procedural delays.

2.3.7.8 Diversion of funds/ materials

IAP guidelines prohibited diversion of scheme funds for any other purpose. Audit observed that three out of 30 test-checked EAs had unauthorisedly diverted ₹ 3.58 crore during 2011-16 to other schemes/ purposes. Out of the same, ₹ 2.53 crore was recouped and the remaining ₹ 1.05 crore¹⁰⁹ was not recouped as of June 2016. Besides, three EAs of one test-checked district (Deogarh) diverted materials worth ₹ 89.39 lakh¹¹⁰ procured from IAP funds to other schemes¹¹¹. As a result, the scheme funds to this extent could not be utilised for the intended purpose.

The Department stated (December 2016) that steps would be taken to recoup the diverted funds and materials.

2.3.7.9 Non-refund of savings

Codal provision required the net savings of works to be refunded to the funding agency and not to utilise the same on any work without approval of the funding agency. Under IAP, nine EAs¹¹² completed 105 works utilising

¹⁰⁹ BDO, Barkote: ₹ 70 lakh; BDO, Malkangiri: ₹ 2.71 lakh and ITDA, Malkangiri: ₹ 31.95 lakh

¹¹⁰ BDO, Barkote: ₹ 13.91 lakh; BDO, Reamal: ₹ 20.03 lakh and BDO, Tileibani: ₹ 55.45 lakh

¹¹¹ Mahatma Gandhi National Rural Employment Guarantee Scheme, Backward Region Grant Fund, Western Odisha Development Council, Mo Kudia, etc.

¹¹² EE, RWD, Rourkela: ₹ 18.25 lakh; EE, RWD, Deogarh: ₹ 54.81 lakh and BDO, Reamal: ₹ 17.49 lakh; PA, ITDA, Koraput: ₹ 14.60 lakh; BDO Kalimela: ₹ 4.15 lakh; BDO, Korkunda: ₹ 8.84 lakh; BDO, Malkangiri: ₹ 5.09 lakh, ITDA, Bonai: ₹ 1.53 crore and ITDA, Malkangiri: ₹ 8.78 lakh

₹ 21.60 crore against release of ₹ 23.45 crore. However, savings of ₹ 2.85 crore were not refunded to the DLC as of June 2016. Out of these savings, ₹ 1.10 crore was also irregularly utilised for earth-filling, extended guard wall, approach road, special repair of roads, etc., by three EAs¹¹³, without obtaining approval of DLC.

The Department stated (December 2016) that all EAs had been intimated to refund the unutilised amount including interest, tender discount, savings, etc.

2.3.7.10 Irregular payment of supervision charges

Supervision charges were not admissible under IAP as per the GoI guidelines and instructions (December 2010) of the State Government. Besides, GoI guidelines also did not permit payment of such charges out of scheme funds under SIS. However, supervision charges of ₹ 3.53 crore under IAP (₹ 90.04 lakh) and SIS (₹ 2.63 crore) was allowed by two DCs (Malkangiri and Rayagada) and DGP, respectively, to the OSPHWC out of scheme funds for execution of 29 projects¹¹⁴, which was irregular.

The Department stated (December 2016) that the Collectors concerned were being advised to plough back the supervision charges allowed to OSPHWC under IAP.

2.3.7.11 Non-adjustment of advances

Codal provision¹¹⁵ required prompt adjustment/ refund of advances paid to Government servants for official purposes within a month of its payment. Besides, instructions of Finance Department (March 2002) required initiation of disciplinary proceedings against the concerned official with whom advances remained outstanding for more than a year. However, contrary to the said provisions, advance of ₹ 3.44 crore paid to 13 officials by two test-checked EAs¹¹⁶ during 2011-15 for departmental execution of works remained unadjusted for one to five years, as of March 2016.

The Department stated (December 2016) that the concerned EAs had been instructed to adjust the advance immediately.

2.3.8 Execution of projects under IAP

Sector-wise projects sanctioned and executed in the five sampled districts and expenditure incurred under IAP are indicated in the table below:

Table 2.3.2: Sector-wise projects sanctioned under IAP in sampled districts and status thereof as of March 2016

Sector	No. of projects sanctioned	Funds released (₹ in crore)	Projects completed	Under execution	Not commented	Expenditure (₹ in crore)	Percentage of utilisation of funds
Road Connectivity	3984	328.28	3479	405	100	300.57	92

¹¹³ ITDA, Koraput: ₹ 2.70 lakh; ITDA, Bonai: ₹ 1.00 crore and RW Division, Rourkela: ₹ 6.93 lakh

¹¹⁴ IAP:10; SIS:19

¹¹⁵ Supplementary Rule 509 of Orissa Treasury Code Vol.I

¹¹⁶ DPC, SSA, Koraput: 11: ₹ 3.38 crore; PA, ITDA, Malkangiri: 2: ₹ 5.73 lakh

Sector	No. of projects sanctioned	Funds released (₹ in crore)	Projects completed	Under execution	Not commenced	Expenditure (₹ in crore)	Percentage of utilisation of funds
Buildings	996	74.76	744	163	89	65.70	88
Electrification	1223	32.22	920	256	47	30.83	96
Irrigation	926	68.30	838	52	36	63.33	93
Skill development	60	15.52	40	11	9	13.43	87
Drinking water	881	33.73	700	129	52	31.09	92
Others ¹¹⁷	970	43.76	629	67	274	38.64	88
Total	9040	596.57	7350	1083	607	543.59	91

(Source: Records of DPMUs/ DRDAs of concerned districts)

The deficiencies in execution of projects are discussed below.

2.3.8.1 Non-commencement of projects

GoI guidelines, read with instructions of Planning Commission (December 2010), required completion of IAP works within a period of four to six months. Audit observed that in the five test-checked districts, 607 projects with estimated cost of ₹ 30.38 crore¹¹⁸ were not commenced as of 31 March 2016, despite expiry of the scheme period under IAP (March 2015). In the test-checked EAs, 144 projects like AWCs, bridges, culverts, roads, etc., with estimated cost of ₹ 9.87 crore¹¹⁹ sanctioned during 2011-15¹²⁰, were not commenced as of March 2016, due to non-availability of land, land dispute, non-invitation of tender, etc.

2.3.8.2 Incomplete projects

Out of the 1,083 incomplete works in the five sampled districts, 551 projects with estimated cost of ₹ 45.80 crore related to 30 test-checked EAs. These projects remained incomplete even after one to four years of commencement¹²¹ and after one year of closure of the scheme. During joint physical inspection of projects, it was found that 64 projects like roads, bridges and culverts (15), buildings (35), drinking water (2), skill development (8) and others (4), with estimated cost of ₹ 14.17 crore, had remained incomplete after incurring expenditure of ₹ 8.89 crore, due to non-synchronisation of award of electrical and sanitary works (seven) and slow pace of execution (57).

Audit observed that projects like staff quarters of Sevashram (Koraput), sports hostel and one multipurpose training centre, two bailey bridges (Malkangiri),

¹¹⁷ Stadium, playground, barbed wire fencing, etc.

¹¹⁸ Deogarh : ₹ 16.99 crore (122); Koraput: ₹ 2.98 crore (243); Malkangiri: ₹ 1.37 crore (10); Sambalpur: ₹ 4.47 crore (99); Sundargarh: ₹ 4.57 crore (133)

¹¹⁹ Deogarh: ₹ 5.53 crore (70); Koraput: ₹ 2.16 crore (57); Sambalpur: ₹ 0.57 crore (8) and Sundargarh: ₹ 1.61 crore (9)

¹²⁰ 2011-12: 28; 2012-13:13; 2013-14: 44 and 2014-15:59

¹²¹ 2011-12:121, 2012-13:75, 2013-14:115, 2014-15: 225 and 2015-16: 15

health sub-centre buildings and Livestock Aid Centre buildings (Sambalpur), five tube well projects (Deogarh) were left incomplete for years together after utilising ₹ 6.59 crore, mainly due to improper project management, as indicated in **Appendix 2.3.4**.

The Department assured (December 2016) that all the District Authorities would be instructed to complete these projects on priority basis.

2.3.8.3 Delay in execution of projects and non-levy of compensation

Audit test-checked 1,127 projects executed through contractors (338) and departmentally (789) in the five sampled districts and observed the following:

- **Non-levy of compensation:** In 224 out of 338 test-checked works executed through contractors, the works were either completed or remained under execution as of March 2016 with delays ranging from 2 to 1138 days. While in 177 cases applications for extension of time (EoT) were not submitted by the contractors, in the remaining 47 cases applications for EoT were submitted after completion of works on the grounds of rainy season, non-availability of material, etc., which had been irregularly approved by the BDOs/ Collectors. Since the delay was attributable to the contractors, compensation was leviable. However, compensation for the delay amounting to ₹ 3.70 crore had not been imposed on the contractors (**Appendix 2.3.5**).
- **Delay in departmental execution leading to cost overrun:** In 650 out of 789 cases executed departmentally *i.e.*, through JEs and Technical Consultants, the projects were completed with delays ranging from 1 to 1,757¹²² days. In case of construction of 208 AWC buildings with estimated cost of ₹ 8.80 crore entrusted (2011-13) by the Collector, Sambalpur under IAP to the BDOs of three test-checked blocks¹²³, 174 AWC buildings¹²⁴ were completed utilising ₹ 8.73 crore with delays of 109 to 1,836 days¹²⁵. This led to extra expenditure of ₹ 92.22 lakh due to increase in cost of labour and material. As a result, one component of AWC *i.e.*, sinking of tube wells at estimated cost of ₹ 0.53 lakh each, was not executed in all these AWCs, despite provision in the estimate.

2.3.8.4 Wasteful expenditure on abandoned projects

On test-check and joint physical inspection in the sampled EAs, Audit observed that expenditure of ₹ 5.27 crore incurred on three projects proved wasteful, as discussed below:

- **Abandoned incomplete bridge:**
DLC, Sundargarh sanctioned ₹ 25



¹²² Up to 100 days (185), 101 to 500 days (271), 501 to 1,000 days (119), 1,001 to 1,500 days (66) and 1,501 to 1,757 days (9)

¹²³ Jujomura: 85; Jamankira: 61 and Naktideul: 62

¹²⁴ Jujomura: 75; Jamankira: 60 and Naktideul: 39

¹²⁵ Jujomura: 180 to 1,710 days, Jamankira: 109 to 1,757 days and Naktideul: 607 to 1,836 days

lakh in 2010-11 for the work “Construction of bridge and CC road at Motu Hanuman Nalla” (Sundargarh district) to be completed by 31 March 2011. Estimate for the work was revised (April 2012) to ₹ 48.75 lakh due to change in schedule of rates (SoR). However, the Additional Project Director (Technical) after inspection (April 2015), opined that the work, being of poor quality, was unsafe for further execution. No action was taken against the concerned officials.

- **Abandonment of road and bridge works at Jamankira Block:** Three road projects¹²⁶ were sanctioned¹²⁷ by DLC, Sambalpur at ₹ 7.27 crore to provide all weather connectivity to the villages concerned. After spending ₹ 5.02 crore on one road project *i.e.*, improvement of road for three kms, further execution was stopped (March 2014), based on public complaint regarding execution of substandard¹²⁸ works. Two of these roads¹²⁹ did not provide all weather connectivity due to missing link, non-construction of culverts, abandonment of two culverts, *etc.* Though balance funds of ₹ 2.25 crore were sanctioned in favour of EE, RW Division, Kuchinda for completion of three bridges, the same were not commenced (June 2016).

During JPI, Audit found that one four span bridge¹³⁰, constructed on one of these roads at a cost of ₹ 47.56 lakh, was left abandoned since June 2012 without slab casting. Similarly, another bridge constructed at ₹ 37.66 lakh at Sarapali Nala on the road from Kadalipal to Nunvet had remained incomplete without wing wall, additional vent and approach road since June 2013. Due to slow pace of execution and cost overrun on account of revision of Schedule of Rates (SoR), additional funds of ₹ 75.43 lakh was required for completion of the bridge.

Further, one RCC bridge¹³¹ with approach road was constructed (June 2012) over a nalla (Malatijore) at a cost of ₹ 37.71 lakh. The approach road was washed away as the same was constructed without considering any hydraulic data. To overcome the same, additional funds of ₹ 67.36 lakh for construction of additional vent, wing walls, *etc.*, were required. However, the works were left abandoned since June 2013. Though Collector, Sambalpur had instructed (January 2015) for fixing responsibility for the lapses, no action was taken against the officials concerned as of June 2016.

The Department stated (December 2016) that the concerned District Authorities had been instructed to fix responsibility for the loss.

¹²⁶ (i) Improvement of road from Kadalipal to Nunvet: ₹ 2.93 crore; (ii) Improvement of road from Tampersingha to Nunvet *via* Gariabahal: ₹ 2.02 crore; (iii) Improvement of road from Tampargarh to Kisinda *via* Saraipali: ₹ 2.32 crore

¹²⁷ January & March 2011 and revised in December 2011

¹²⁸ Non-compaction of earth and morum work, utilisation of oversized, flaky, round shaped picked up rough stone boulders which were not of approved specification, provision for inadequate vent, weep holes, cut off walls, non-providing floor protection for abutments, wing walls of culverts, undertaking of bridge works without hydraulic particulars of the river/ nallah

¹²⁹ Kadalipal to Nunvet and Tampersingha to Nunvet *via* Gariabahal

¹³⁰ At Ambapal over Maltinalla

¹³¹ Over Malatijore nullah on road from Tampargarh to Kisinda *via* Saraipali

2.3.8.5 Doubtful procurement of road metal and other construction material

As per the codal provisions, in case of departmental execution of works, construction materials for works should be procured through invitation of tenders/ quotations from the registered dealers, material at site account is to be maintained and payments in excess of ₹ 500 should be released through account payee cheques.

Audit test-checked 282 projects like CC road, hostel buildings of schools, culverts, Cross Drainage works, *etc.*, executed departmentally under IAP by JEs/ TCs of 16 EAs. Out of the expenditure of ₹ 23.03 crore incurred on these projects, ₹ 2.86 crore was paid to the departmental officials towards the cost of road metal, stone products and other construction material procured from unregistered dealers/ private individuals on hand receipts showing payment in cash, that too without availing of any advance in 242 cases (14 EAs). Audit observed that stone products, being chargeable under Value Added Tax, could be sold by registered dealers only. In none of the cases, Materials at Site Accounts registers were maintained to indicate actual receipt and issue of such materials date-wise. In two of these works executed by PA, ITDA, Kuchinda, 750 bags of cement valued at ₹ 2.12 lakh were shown as purchased after completion of works, indicating doubtful procurement/ utilisation of cement and submission of incorrect vouchers.

Besides, no quality test of these materials was conducted by the authorities to ensure utilisation of materials of approved quality and quantity. Audit observed execution of inferior quality works in 32 cases leading to cracks (11), seepage (5) and damage/ roughage (16) during JPI of 303 works.

Thus, failure to adhere to codal provisions indicated inadequate supervision at the executing agency and DLC level for works executed under IAP.

2.3.8.6 Irregularities in payment of wages

OPWD Code permits execution of works departmentally to ensure quality in execution and timely completion. The procedure for departmental execution of works, *inter alia*, provided payment of wages in muster rolls on availing advance from concerned agency, maintaining of proper accounts in respect of advances availed, *etc.* The code also prescribed the manner of maintenance of muster rolls. Instructions of Finance Department (July 2012) also required payment in excess of ₹ 5,000 directly to the bank account of the beneficiaries.

In execution of 242 works like CC roads, buildings, culverts, *etc.*, departmentally by 14 EAs¹³², ₹ 16.65 crore was paid to the JEs as of March 2016. However, in none of these cases, advances were availed of by the departmental officers for payment of wages to labourers and the expenditure was incurred by these officers out of their own funds in cash. Payments were released by the BDOs to these officers on submission of work bills and after deduction of security deposits, in the same manner as applicable to contractors.

In 81 out of 242 cases, where ₹ 5.87 crore was paid to the JEs towards work done, no muster rolls were furnished in support of payment of wages. In the

¹³² All 12 test-checked BDOs of Deogarh, Koraput, Malkangiri, Sambalpur and PA, ITDAs, Kuchinda and Koraput

remaining 161 cases, though muster rolls were submitted, wages of ₹ 1.94 crore were not disbursed through bank/ postal saving bank accounts of the labourers and were shown to have been paid in cash. In 25 muster rolls relating to one work, the muster rolls did not indicate the amount of wages paid to the labourers though signature and Left Thumb Impression of the laborers were obtained. This arrangement was, thus, irregular and lacked transparency in execution.

2.3.8.7 Extra expenditure due to adoption of higher specification

OPWD code provides for preparation of estimates as per the prescribed specification in an economic manner. Audit observed cases of deviation from the codal provisions as discussed below:

- **Construction of CC roads with higher width and thickness:** State Government had prescribed the width of carriage way of CC roads in rural areas as three metres and thickness as 100 mm metal concrete (PCC 1:4:8) and 75 mm thick chips concrete (PCC 1:2:4). This specification was revised (February 2013) to 100 mm metal concrete (PCC 1:3:6) and 100 mm thick chips concrete (PCC 1:2:4) from February 2013. Audit examined the records relating to 128 CC roads executed at ₹ 9.59 crore. The approved specification was followed in 89 works, whereas in 39 other works, higher thickness¹³³ of metal concrete and higher width¹³⁴ were adopted. This led to avoidable extra expenditure of ₹ 1.09 crore.
- **Culverts with width higher than the road width:** As per the specification of Indian Roads Congress (IRC), the width of culverts was to be the same as formation width of the road. In 16 out of 18 test-checked cases in three EAs of Sambalpur district, culverts/ bridge with 23'6" to 28'7" width were constructed against road width of 12' to 20' (*Appendix 2.3.6*) as observed during JPI. This led to avoidable extra expenditure. The Department stated (December 2016) that the culverts of higher width were constructed for extension of road and to avoid traffic congestion. However, the same was contrary to the IRC norm.
- **Extra expenditure due to higher thickness in bed and side wall of lined field channels:** BIS at IS 12379 prescribes the standards for lining of water courses and field channels with a provision for laying 75 mm thick cement concrete (1:3:6) in both bed and vertical side walls in construction of lined field channels. In 56 test-checked canal lining works (Deogarh:18 and Koraput:38) with project cost of ₹ 4.85 crore executed by six EAs (BDOs, Barkote, Tileibani, Koraput, Laxmipur, Nandapur and PD, Water shed, Koraput), the beds and vertical side walls were provided with the cement concrete of higher thickness (100 to 600 mm). This resulted in avoidable extra expenditure of ₹ 98.08 lakh.

¹³³ Chips concrete: 0.100 metre against 0.075 metre and metal concrete: 0.120 metre to 0.150 metre against 0.100 metre

¹³⁴ 3.5 metre to 4.4 metre in all test-checked cases in Jujomura Block while same was more being 3.05 metre to 5 metre in other cases

The Department stated (November 2016) that District Authorities were instructed not to repeat such irregularities in future.

2.3.8.8 Culverts not providing all weather connectivity

In three test-checked districts (Sambalpur, Koraput and Sundargarh), eight culverts¹³⁵, constructed at a cost of ₹ 1.48 crore during November 2013 to October 2015, did not provide all weather connectivity due to missing link, connection to an earthen road, non-availability of approach road, *etc.* As a result, expenditure of ₹ 1.48 crore incurred on these culverts was rendered unfruitful. No effort was taken by the EEs/ BDOs to construct the approach road through convergence with other schemes.

The Department stated (December 2016) that the Collector, Koraput had instructed the BDO concerned to develop the road by converging fund from other sources.

2.3.9 Skill Development for self-employment of youth of LWE areas

Planning Commission had instructed (January 2011) the DLCs to formulate appropriate skill development and skill up-gradation training programmes for young people in naxal affected areas under IAP, so that youngsters would be weaned away from extremism.

Under the scheme ‘Skill Development of youth in 34 districts affected by LWE’, target for providing long term training courses to 450 youth, short term training courses to 1,800 youth and instructor training course to 150 youth during 2012-15 was fixed by GoI and ₹ 1.48 crore was also released, as first installment, during January to September 2012. Audit observed the following:

- Out of the total allocation of ₹ 15.51 crore made under IAP during 2011-16 by the five test-checked districts, ₹ 13.43 crore (87 per cent) was utilised as of March 2016 towards creation of infrastructure like Skill Development Centres, hostels and other physical infrastructure and no funds were spent on training. During joint physical inspection (April-July 2016) of 22 skill development projects, Audit observed that six projects, completed at a cost of ₹ 2.63 crore during July 2014 to February 2016, were either idle (four) or were utilised for other purposes (two) like rest sheds, GP Offices, *etc.*
- Under the scheme SDY, long term training to 185 youth¹³⁶, short term training to 450 youth (2012-13) and instructor training to 10 youth (2013-14) were provided during 2012-15 against the target of 450, 1800 and 150, respectively fixed by GoI. This not only deprived local youth of self-employment opportunities, but also led to loss of Central assistance of ₹ 6.87 crore, as discussed in **Paragraph 2.3.7.1**. Besides,

¹³⁵ RCC Box cell culverts over Local nallah at 0.500 Km and 0.800 Km on RD road to Kolipadar (RW Division, Sambalpur): ₹ 54.48 lakh; Culvert over Earakusuminalla (BDO, Malkangiri): ₹ 48.78 lakh; Construction of RCC culvert at Jamal (BDO, Bisra, Sundargarh): ₹ 8.03 lakh; Construction of CD road at Lakrajore to forest road of Lakrajore high school(PA, ITDA Sundargarh): ₹ 9.98 lakh and Bridge on RD road to Ghataguda (BDO, Koraput): ₹ 16.50 lakh , Bridge on road from Bheja to Sukriptut and RCC culvert at Kanta Shiva Mandir: (BDO Nandapur): ₹ 10 lakh

¹³⁶ 2012-13:104 and 2013-14:81

no efforts were made to tie up with industries to engage such trained youth, in any of the sampled districts. Further, no training was imparted during 2015-16, despite availability of ₹ 28 lakh with DTET. In reply, DTET attributed the same to less candidates having been sponsored by the District Collectors concerned.

2.3.10 Poor implementation of livelihood programmes

Out of the five sampled districts, projects relating to livelihood programmes were included in AAP by Koraput district only and ₹ 3.26 crore¹³⁷ was allocated for execution of 46 livelihood projects like fly ash brick unit, handmade paper unit, niger oil unit, *etc.* The entire fund was shown as advanced as of March 2016 by DPMU, Koraput.

Audit observed that 25 projects with estimated cost of ₹ 2.13 crore remained non-functional after utilising the entire quantum of funds, due to non-supply of machinery by the DPC (15), non-availability of electricity (1) and non-completion of civil works (2). Further, seven projects, despite equipped with required equipment, had not been put to use without any recorded reason. During joint physical inspection (August 2016), it was found that two fly ash brick making units (Koraput and Boriguma) and one niger oil unit (Koraput) remained defunct after utilising ₹ 48.89 lakh. Besides, machinery for one handmade paper unit (Koraput) were not procured and the building was let out to a commercial organisation¹³⁸ since December 2012.

The Department stated (December 2016) that the Collector, Koraput had issued necessary instructions to the District Coordinator, Mission Shakti to take steps to make the livelihood projects functional.

2.3.11 Inspection and monitoring under IAP

As per IAP guidelines, Development Commissioner was to monitor the implementation of the scheme in the State. Besides, P&C Department, with a view to ensuring expeditious implementation, proper coordination and regular monitoring had directed (November 2011) six senior State level officers to visit the districts regularly, at least once in a quarter, to review the progress of implementation of the programme and suggest measures for further improvement. At the district level, the Collectors were to work out a system of quality checks and monitoring, including physical inspection of works, to ensure quality of assets created. Audit observed that:

- Monitoring and inspection of works executed, were inadequate. Though DCs of five districts had constituted (February 2013 to December 2015) five inspection teams for monitoring and physical inspection of assets, no inspection report was available. Quality of materials utilised in the works and quality control test of RCC/ PCC works was not conducted. Contractor's bills were also paid without verification of test reports. 'Inventory of Assets (Asset Register)' was not maintained by any of the five test-checked districts under IAP/

¹³⁷ Civil works: ₹1.01 crore, machinery cost: ₹1.16 crore, Working capital (Furniture, Raw material, administration and maintenance) ₹1.09 crore

¹³⁸ New India Assurance Co. Limited

ACA in respect of 7,350 completed assets created at a cost of ₹ 499.58 crore under IAP during 2011-16, in five test-checked districts.

- Despite instructions of SLC for taking up of school toilet programme on war footing in order to have at least one toilet each for boys and girls in every school by March 2015 and ascertaining the position of vacancies in respect up of key posts in health, education and agriculture sector for filling up the same by the respective administrative departments, no action was taken by the DLCs of 18 districts and no action taken report was also submitted by three Collectors to P&C Department (June 2016).

2.3.12 Impact of the scheme on socio-economic indicators

As per GoI guidelines, the overall objective of the IAP scheme was to use the funds in such a way that the LWE district registered progress in terms of socio-economic parameters to reach, at least the State average level.

Audit observed that no impact assessment of the scheme was done by the DLCs during 2011-16. P&C Department, however, assigned (February 2016) the work of impact assessment of the programme to National Institute of Rural Development, Hyderabad and the report was not received as of June 2016. In Koraput district, LWE affected GPs had increased from 60 in 2011 to 102 in 2016, despite these interventions.

The DLCs of five test-checked districts had not assessed the achievement of socio-economic parameters like literacy and household income, *etc.*, during 2011-16 to ascertain the performances of such indicators.

2.3.13 Security related initiatives

Under security related interventions like Special Infrastructure Scheme (SIS), Fortification of Police Stations (FPS) and Security Related Expenditure (SRE), ₹ 535.73 crore¹³⁹ was received during 2011-16, of which ₹ 531.39 crore had been reportedly utilised and UCs for ₹ 522.93 crore had been furnished to GoI. In addition to projects funded under the above schemes, Audit also covered security related projects sanctioned prior to 2011-12 and remaining incomplete as of July 2016.

2.3.13.1 Secured camping grounds and hubs for security forces

GoI and the State Government had jointly sanctioned ₹ 48.47 crore for construction of seven hubs during 2007-08 to 2014-15. Out of these, only one (Kalimela) was completed and handed over in March 2016. On examination of the records relating to construction of these hubs, Audit observed the following deficiencies:

2.3.13.2 Delay in setting up of Special Operation Group (SOG) hub at Koraput

State Government had decided (December 2010) to set up SOG subsidiary hub at Koraput along with Anti Extremist Training and Research Centre (AETRC) to effectively deal with naxalite violence in southern Odisha, especially in

¹³⁹ GoI: ₹309.69 crore and GoO: ₹ 226.04 crore

Malkangiri and Koraput districts. Another objective was to conduct joint operations with greyhounds of Andhra Pradesh. State Government also created (August 2011) 911 posts for the subsidiary SOG hub and AETRC at Koraput and 523 of these posts were filled up during October 2012. Infrastructure for subsidiary hub comprising of 25 sub-components was proposed under SIS only in 2012-13. The same was approved for AETRC under 13th Finance Commission Award for Police Training in 2010-11.

- **Non-commencement of 20 out of 25 sub-components of SOG hub:** Eleven sub-components¹⁴⁰ with estimated cost of ₹ 21.63 crore were sanctioned by GoI in 2013-14 and the remaining 14 sub-components¹⁴¹, with estimated cost of ₹ 13.65 crore, were sanctioned in 2014-15. However, only five out of 25 sub-components were awarded as of September 2016. The remaining 20 were not awarded due to delay in preparation of estimates and consequential delay in tendering, site not being ready (12 sub-components) and delayed decision to execute the eight projects through other agencies.
- **Non-recovery of compensation for not achieving proportionate progress:** As per the terms of contract for works of 20 components of the SOG hub (five) and AETRC (15), the contractor was required to complete works valued at ₹ 23.85 crore till expiry of 75 per cent of contract period (May 2016), failing which compensation at prescribed rate was to be recovered. Though the contractor could execute work valued at ₹ 6.40 crore for both projects by this time and the delay was attributable to the contractor, compensation of ₹ 2.78 crore¹⁴² was not recovered from the works bills (June 2016).
- **Diversion of vehicles:** Out of ₹ 6.55 crore sanctioned under SIS for purchase of equipment, vehicle and ammunitions for SOG hub, the Director General of Police (DGP) purchased 31 vehicles (April 2015 to January 2016) at a cost of ₹ 1.45 crore. However, as the said hub was not set up, DGP issued the same to nine SPs and 11 other police establishments including six to SPs of non-SRE districts, instead of utilising the same for mobility of security forces in LWE affected districts.
- **Deficient operational efficiency of SOG:** Due to delay in setting up of the hub, SOG personnel recruited for SOG subsidiary hub, Koraput were stationed at SOG, Chandaka, Bhubaneswar. SOG Assault Teams were mobilised 20 times from Bhubaneswar by road to the LWE affected areas of Koraput, Rayagada and Malkangiri during 2013-16 covering 1,105 to 1,574 km, thereby affecting operations by the forces.

These indicated that construction of crucial security infrastructure was neglected, resulting in inefficient security operation.

¹⁴⁰ Administrative building, Armory of SOG hub, JCO's Mess, Training hall for 400 trainees, 250 men barrack, etc.

¹⁴¹ Training hall, conference hall, watch tower, staff quarters, etc.

¹⁴² 1.5 per cent of tendered value (₹ 27.77 crore) per month subject to maximum of 10 per cent of value of work put to tender

2.3.13.3 Non-commencement of CRPF hub at Muniguda due to delay in allotment of land

‘Construction of CRPF hub, Muniguda’ with project cost of ₹ 6.50 crore was sanctioned under SRE in 2010-11. The required land was handed over by Revenue Authorities to OSPHWC in May 2013 and the work was awarded (September 2013) to a contractor at ₹ 6.58 crore. However, the work was stopped by the Forest and Environment Department twice (November 2013 and August 2015), as the lands handed over by Revenue authorities were in a reserve forest. Subsequently, 24 acre land in another site (Jhiliguda village) was demarcated (February 2016) by Revenue Authorities for the purpose. Advance possession of land was given only in August 2016.

Thus, approving projects without selecting undisputed site and delay in handing over of the same by the Department resulted in blocking of entire funds of ₹ 6.50 crore deposited with OSPHWC since March 2011. Besides, the intended objective of establishing CRPF Hub at Muniguda also remained unfulfilled, even after six years of its sanction.

Accepting the point, the Department stated (December 2016) that the work would be taken up after finalisation of the tender, which has since been floated.

2.3.13.4 Non-completion of Security hubs

Five security hubs at strategic locations (MV 79, Chittrakonda, Gudari, Muniguda and Kalimela) were sanctioned under the erstwhile ‘Modernisation grant’ during 2007-08 at a total project cost of ₹ 3.69 crore. Despite these works being taken up departmentally by OSPHWC, only one hub (Kalimela) was completed and handed over in March 2016, after about a decade of its sanction due to slow pace of execution. Four other security hubs remained incomplete (September 2016) for over seven years due to cost overrun of ₹ 1.48 crore and non-sanction of revised estimates (₹ 5.17 crore)¹⁴³. As a result, despite spending ₹ 2.55 crore¹⁴⁴ on these works, the intended objective of providing secured accommodation to CAPF at strategic locations, remained unfulfilled (September 2016).

The Home Department stated (December 2016) that the matter had since been reviewed and estimates were resubmitted in a phased manner for according revised administrative approval.

2.3.13.5 Non-commencement and non-completion of barracks for accommodation of security forces

The objective of SIS was to fill critical infrastructure gaps which could not be covered under the existing schemes. The infrastructure includes secured camping grounds and accommodation for security forces.

¹⁴³ MV 79: ₹1.05 crore, Chittrakonda: ₹ 1.09 crore, Gudari: ₹ 1.17 crore, Muniguda: ₹ 83.74 lakh and Kalimela: ₹ 1.02 crore

¹⁴⁴ MV 79: ₹ 68.92 lakh, Chittrakonda: ₹ 63.67 lakh, Gudari: ₹ 62.09 lakh and Muniguda: ₹ 59.87 lakh

2.3.13.6 *Non-commencement of projects*

GoI guidelines required that land for the SIS projects was to be provided by the State Government. Audit observed that:

- Three¹⁴⁵ projects under SIS with approved cost of ₹ 2.89 crore had not commenced (June 2016) as the required sites were not handed over by the Department to OSPHWC despite the entire fund being deposited during 2009-12.
- The work “Pre-fabricated barrack for 100 persons with fortification at MV 79 for CAPF” with estimated cost of ₹ 91 lakh was sanctioned in 2008-09 and funds were also deposited (2009-10) with OSPHWC. However, the Department did not finalise the site due to which the project could not be commenced (June 2016) in Malkangiri district which had been severely affected by LWE.

Non-finalisation of site for such important projects for years together indicates the lackadaisical approach of the Department in providing safe and secured environment and accommodation to security personnel.

The Home Department stated (December 2016) that due to non-availability of land at Barkote, diversion of the project to another place (Kansar) was being considered.

2.3.13.7 *Non-completion of barracks for security forces*

Audit observed that 20 security related projects, taken up under various GoI schemes¹⁴⁶ and the State plan had remained incomplete as of March 2016, after spending ₹ 12.21 crore for one to three years, for want of additional funds as discussed below.

- **Idle expenditure on building projects at Koraput:** Six building projects with estimated cost of ₹ 3.75 crore were sanctioned during 2003-04 to 2006-07 under State Plan and Modernisation of Police Force scheme for 1st India Reserve (IR) Battalion, Koraput. The site was handed over by the Collector, Koraput in June 2006. However, the Forest and Environment Department stopped (December 2006) execution stating that the said land came under reserve forest which required forest clearance. After deposit of funds for compensatory afforestation, forest clearance was received in October 2012.

However, without preparation of revised estimate and administrative approval, OSPHWC commenced the work in October 2012. The work was stopped in March 2014 after incurring expenditure of ₹ 3.00 crore due to requirement of additional funds. Revised estimate for ₹ 8.72 crore was prepared only in December 2015 and sent to the DGP for according administrative approval, which was awaited (August 2016).

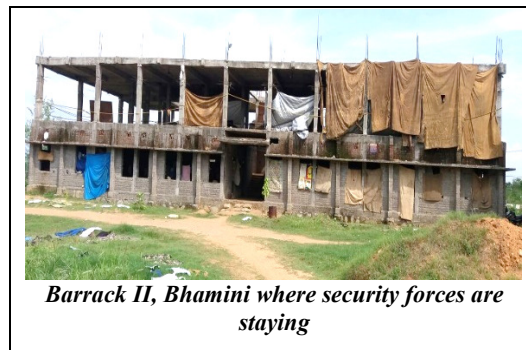
¹⁴⁵ Construction/ fortification of secured camping for company location of Central Military Police Force (CMPF) with provision of pre-engineering structures for 100 men barrack etc., at Barkote: ₹ 1.09 crore (2010-11); 100 men pre-engineering structure (A type) at Almonda: ₹ 1.55 crore (2010-11) and external water supply system at CAPF Camp, Koraput: ₹ 25 lakh (2011-12)

¹⁴⁶ Modernisation grant, Modernisation of Police Forces, SRE and SIS

During joint physical inspection (June 2016), security forces of 1st IR battalion were found to be residing in these half completed buildings and forced to stay even in armoury and incomplete barrack without electricity, toilet and other basic facilities.

- **Incomplete works of barracks and quarters at Bhamini:** Construction of two 100 men barracks with project cost of ₹ 1.43 crore were sanctioned during 2007-08 and 2008-09 under the State Plan and Modernisation grant for accommodation of 2nd IR battalion.

Site for both the barracks were handed over by the Department to OSPHWC in October 2011. Similarly, six E type quarters with approved cost of ₹ 52.50 lakh in the same location were sanctioned under



State Plan in 2008-09. However, land for the same was handed over only in March 2013. Audit observed that without preparation of revised estimates and revised administrative approval, all the works were taken up departmentally and, after utilising ₹ 2.10 crore up to August 2013, further execution was stopped and the buildings had been left incomplete. Besides, one B type quarter sanctioned in 2012-13 with the project cost of ₹ 41.08 lakh taken up through a contractor was also left incomplete since March 2014 after spending ₹ 4.13 lakh and the contract was rescinded due to delay attributable to the contractor. Revised estimates for ₹ 4.80 crore, prepared in December 2014 (two works), December 2015 (one work) and February 2016 (one work), were submitted to DGP for according revised administrative approval and release of additional funds. However, approval of the same was awaited (June 2016) and the projects were left incomplete for two to three years. This led to unfruitful expenditure of ₹ 2.14 crore and extra cost of ₹ 2.43 crore. During joint physical inspection (June 2016), security forces of 2nd IR battalion, Bhamini were found to be residing in these half completed buildings without electricity, toilet, doors, windows, walls and basic facilities.

- **Incomplete barrack at Chandili:** Construction of 100 men barrack at District Headquarters at Rayagada (Chandili) was approved (October 2008) for ₹ 94 lakh under the scheme 'Modernisation of Police Forces'. Execution of the project was delayed as the land was low-lying. However, the project was taken up departmentally by OSPHWC from February 2011, based on old estimate (2008-09), instead of revising the same. After utilising ₹ 76.15 lakh, further execution was stopped due to want of funds and revised estimate for ₹ 1.45 crore was submitted (March 2014) to DGP. Approval of the same is awaited (June 2016) and the project was stalled for over two years.

- **Idling of barrack for want of internal electrification:** To provide accommodation to CAPF for anti-naxal operations in Kuchinda area, ₹ 1.82 crore was sanctioned (2010-11) under SRE for 'construction of one 100 men barrack at Kuchinda'. The work was awarded (December 2011) at a cost of ₹ 1.34 crore for completion in December 2012. The contractor stopped the execution in March 2015 after execution of civil works valued at ₹ 1.07 crore. Internal electrification work was not executed and the building was left idle. As a result, the building constructed at a cost of ₹ 1.07 crore could not be made functional, thereby depriving the CAPF of the intended benefits.



Audit observed that, an amount of ₹ 100.70 crore, being interest earned on the funds released by the Government under various schemes¹⁴⁷, was available with OSPHWC. Though utilisation of interest was permissible as per the guidelines of Home Department, no plan had been made by the DGP for completion of these incomplete projects. Revised estimates were neither sanctioned nor was OSPHWC allowed to complete the building utilising the interest available with it.

The Home Department assured (November 2016) that the matter would be looked into and the issue would be addressed on priority.

2.3.13.8 Fortification of police stations

With the objective of fortifying police stations (PSs) located in LWE affected areas and to make the PSs more secured against LWE attacks, GoI had introduced the scheme of 'Fortification of Police Stations in LWE affected districts' in March 2011. For receiving of funds under the scheme, the State had to submit an undertaking for making land available and posting at least 40 policemen in each PS after completion of the police stations.

The State Government submitted the undertaking and got approval (2010-11) from GoI for fortification of 70 PSs at a cost of ₹ 2 crore each. GoI and State Government provided ₹ 140 crore¹⁴⁸ for the purpose (GoI: ₹ 112 crore and State: ₹ 28 crore) during 2010-14. Out of the 70 PSs sanctioned for fortification, 56 were completed as of March 2016, while 14 were at different stages of construction. Records relating to 38 such fortified PS buildings constructed by Sambalpur and Koraput Divisions of OSPHWC were examined in Audit. Joint Physical Inspection (JPI) of 15 of these PSs was also conducted by representative of OSPHWC and Inspector-in-Charge (IIC) of the concerned PS in presence of Audit. Following deficiencies were observed:

- **Delay in completion despite departmental execution leading to cost overrun:** Only nine (Sambalpur: 7 and Koraput: 2) out of the 38 test-

¹⁴⁷ State plan police: ₹ 10.59 crore, MPF: ₹ 29.24 crore, Police training: ₹ 4.31 crore, FPS: ₹ 16.44 crore, SIS: ₹ 10.02 crore, SRE: ₹ 30.10 crore

¹⁴⁸ 2010-11: ₹ 1 crore; 2011-12: ₹ 24 crore; 2012-13: ₹ 69.06 crore and 2013-14: ₹ 45.94 crore

checked projects were executed through contractors selected through open bidding process and the remaining 29 projects were executed departmentally by OSPHWC. However, 22 out of these 29 projects were completed with delays ranging from 434 to 1,015 days. The remaining seven projects¹⁴⁹ were under construction, even after expiry of 1003 to 1018 days from the scheduled completion date (June 2016).

- **Idling of completed projects:** Due to delay in execution, the project cost escalated (₹ 72 lakh) and furniture and furnishings were not supplied to seven PSs, despite provision for the same in the estimates. Seven out of 22 fortified PSs¹⁵⁰, completed at a cost of ₹ 14 crore were not taken over by the respective Inspectors-in-Charge (IIC) as of August 2016, despite request of OSPHWC since their completion during October 2015 to March 2016 and were left idle as furniture and furnishings were not provided.
- **Non-supply of essential equipment:** The approved cost of ₹ 2 crore recommended (July 2010) by OSPHWC included ₹ 18.35 lakh for supply of anti-naxal support equipment like metal detector, night binoculars, power cutter, explosive detector, CC TV, metal/ mines detector, etc. (₹ 13.82 lakh) and general police support equipment like 40 cots, digital projector, mega phone, fire extinguisher etc. However, in the estimates of all the 38 test-checked cases, there was no provision for supply of these essential equipment and no such security equipment were found available with 15 PSs as seen during JPI.
- **Irregular supply of furniture and furnishings:** Instead of providing essential equipment, ₹ 3.33 crore was utilised for supply of furnishings like partition, work stations, chairs and tables (₹ 9 lakh in each PS) in 37 out of the 38 test-checked cases. As a result, in 14 out of 15 PSs jointly inspected, the entire 40 seater barrack remained vacant, while in Malkangiri PS security forces were found to be sleeping on the floor due to non-supply of cots. Besides, force multiplying equipment like metal detector, night binoculars, power cutter, explosive detector, etc., had not been supplied to police personnel.
- **Irregular expenditure:** Provision of site and proper approach road were the responsibility of State Government as per GoI Guidelines (March 2011). However, ₹ 90.70 lakh was utilised out of the scheme funds on site development and approach road of 24 test-checked PSs.
- **Non-posting of 40 police men per PS:** The projects were sanctioned, based on the undertaking (July 2010) of the State Government to post 40 policemen in each of these police stations, after completion. However, only 13 to 23 police personnel were posted in 14 out of 15 PSs jointly inspected.
- **Non-use of concertina coil as second line of defence:** GoI guidelines (March 2011), require use of concertina coil as second line of defence at about 10-12 meters from chain linked fencing towards PS building.

¹⁴⁹ Chittrakonda, Dangasorada, Mudulipada, Motu, MV 79, Padmapur and Umerkote

¹⁵⁰ Ambadola, Gunupur, Jharigaon, Kakriguma, Laxmipur, Malkangiri and Potteru

However, in none of the 10 PSs covered under JPI, concertina coils were used, although 1.44 lakh feet of such loose coil, purchased (2012-15) at ₹ 1.04 crore under SRE, were kept idle in these districts.

- **Unsuitable location for PSs:** The technical committee of GoI had recommended (November 2010) that the location of PS building should be away from built up areas. Besides, sentry posts at front and rear side should have 180 degree visibility. However, in two PSs (Rajgangpur and Rayagada), out of the 15 jointly inspected, the fortified PS buildings were found to be near built up areas without adequate space (10 to 12 meters from chain link mesh fencing) around the PSs. Thus, selection of location did not conform to GoI norm.

2.3.13.9 *Approach road and police stations left incomplete for years*

Three PS buildings at Gudari, Narayanpatna and Rengali, sanctioned under MPF during 2010-11 at a cost of ₹ 1.64 crore and two approach roads to CAPF camps at Bhamini and Chandrapur sanctioned under SRE in 2010-12 at a cost of ₹ 1.36 crore, were left incomplete on the grounds of non-sanction of revised estimates, due to time and cost overrun after spending ₹ 2.55 crore. Audit also observed that in the case of construction of approach road at CAPF camp at Bhamini, only ₹ 48 lakh was released (April 2013) to OSPHWC, after the estimate was administratively approved (2011-12) for ₹ 55.54 lakh. However, after executing the work valued at ₹ 13.96 lakh, further execution was stopped from August 2014, as the contract was rescinded due to slow pace of execution by the contractor and non-sanction of revised estimate for ₹ 69.12 lakh, submitted (November 2015) by the agency. The works were not recommenced (September 2016).

2.3.13.10 *Slow pace of execution of infrastructure projects under logistic support to CAPF and additional fortification of security posts*

Infrastructure under logistic support to CAPF included construction of pre-fabricated barracks, approach road, toilet blocks, etc. During 2011-16, out of 764 projects under SRE entrusted to OSPHWC, 252 projects related to logistic support for temporary accommodation to CAPF with project cost of ₹ 66.04 crore and 257 projects to additional fortification with chain-link fencing etc., at a project cost of ₹ 46.65 crore. Out of these, 341 projects were completed while 46 were under execution and 122 projects were not commenced since one to five years, due to non-finalisation of sites (5), delay in preparation of estimates and issue of work order, etc. (117). These projects (122), which were not started, included temporary accommodation for CAPF, chain link mesh fencing around Police Stations and CAPF camps, etc., as discussed below:

- **Site not finalised:** Five projects¹⁵¹ were approved for execution at a cost of ₹ 2.34 crore¹⁵² during 2011-12 to 2014-15, for which land was not handed over. These included construction of a 100 bed barrack at

¹⁵¹ 100 men prefabricated barrack at Chandahandi, Watch tower at Salimi, Makeshift barracks at Bijaghati, Watch tower at Orra, Chain link mesh fencing with peripheral lighting at Karlapur

¹⁵² 2011-12:2: ₹ 164.00 lakh; 2012-13:2: ₹ 40 lakh and 2014-15:1: ₹ 29.60 lakh

Chandahandi and four additional fortification works. This indicated that such critical works were not given priority by the Department.

- **Construction of projects on disputed land:** Giving litigation free land to OSPHWC for construction of police projects was the responsibility of the Home Department. However, two works¹⁵³ with approved cost of ₹ 80.35 lakh, were taken up on land provided by the concerned SPs, which were later found to be disputed and both the works were stopped (August 2012 and September 2014), after incurring expenditure of ₹ 20.07 lakh. The disputes had not been resolved as of June 2016.
- **Incomplete projects of additional fortification:** Audit test-checked the status of 131 additional fortification projects involving construction of Chain-link Mesh and fixing concertina coil at the top of boundary wall of security establishments with estimated cost of ₹ 19.18 crore, assigned to OSPHWC and observed that 87 projects with estimated cost of ₹ 12.11 crore were not completed as of August 2016, even after more than two to four years of receipt of funds, due to slow pace of construction and non-fixation of any timelines for its completion by the Department.
- **Non-completion of peripheral lighting/ watch towers:** Out of 51 projects under peripheral lighting, 36 were completed. Similarly, out of 100 watch towers, 73 were completed. As of March 2016, 42 such projects with approved cost of ₹ 4.76 crore were not completed, even after lapse of more than two to four years since receipt of funds.

2.3.14 Transportation, helipad and other support to CAPF

2.3.14.1 Irregularities in usage of helicopter under SRE and non-reimbursement of hire charges of ₹ 18.03 crore by GoI

SRE Guidelines and instructions (June 2009) of GoI permitted need-based hiring of private helicopters at competitive rates with prior approval of the GoI. Such helicopters were to be used for dropping ration/ ammunitions, security personnel in inaccessible pockets, movement and evacuation of injured security personnel. It was not to be used for surveillance and monitoring. However, Audit observed the following:

- The Department signed (August 2011) an agreement with Pawan Hans Helicopters Limited (PHHL) for hiring one 28 seated MI-172 helicopter, without prior approval of GoI. The helicopter was provided by PHHL up to January 2013 and thereafter, it went out of order. In its place, PHHL provided one 8 seated¹⁵⁴ Dauphin helicopter from February 2013 to September 2015. The Dauphin helicopter could not serve the purpose for which it was hired because of its limited capacity of only four passengers. There was no penalty clause in the agreement for non-supply of MI-172 helicopter. The Department also did not cancel the agreement, despite PHHL's failure to provide the desired helicopter.

¹⁵³ Fortification of Ramanaguda PS: ₹ 7.16 lakh; Logistic support to CAPF for construction of barrack at Nakamudi: ₹ 73.19 lakh

¹⁵⁴ Four seat for crew members and four for passengers

- The Dauphin helicopter was not used even once in 10 months¹⁵⁵ during this period. In other months, 341 sorties were conducted and, out of these, it was used for dropping ration and shifting of injured security personnel only on 53 sorties¹⁵⁶ (16 per cent). In the remaining sorties, it was used by various officers and ministers for surveillance and monitoring which was not allowed under SRE scheme guidelines. Frequency of operation had also decreased during the period. In contrast, when the MI-172 helicopter was used during 2012-13 and from October 2015 to June 2016, it had conducted 343 sorties mainly for evacuation, rotation of forces, dropping of ration and shifting of injured personnel, etc.
- The Department did not explore other alternatives and in March 2015, IG (Operations) wrote to Home Department for exploring the possibility of hiring Dhruv helicopter from Hindustan Aeronautics Limited. In absence of a suitable helicopter, serious difficulties were faced in offensive initiatives against the naxals and large scale Anti Naxal operations were kept on hold, as reported by the IG.
- As per Clause 7 of the agreement entered into with PHHL, Koraput was to be the base for the helicopter as the entire southern and western Odisha could be accessed from that place quickly at the time of need. For this purpose, one hangar, crew barrack and accommodation for pilot was constructed inside the CAPF camp, Koraput at a cost of ₹ 1.83 crore. However, the helicopter used Bhubaneswar as the base and so two flying hours on each running day was consumed extra involving extra expenditure of ₹ 11.89 lakh per flying day. Besides, the hangar was left idle while the crew barrack and pilot accommodation were utilised as officers' mess by CAPF.
- As per the agreement, the payment was to be made only for the flying days. Further, if the helicopter was grounded for more than seven days at a stretch in a month, penalty of ₹ 5.75 lakh per day beyond the permitted days was to be levied. Audit test-checked payments made in five months and observed that during one month (January 2016), PHHL could not supply the helicopter for 13 days at a stretch. Despite this, the Department paid rent for 24 days as claimed by PHHL. This resulted in excess payment of ₹ 34.67 lakh. Further, penalty of ₹ 53.69 lakh was also not recovered from PHHL, as detailed in **Appendix 2.3.7**.

Further, GoI did not reimburse the helicopter charges (₹ 18.03 crore) due to hiring of helicopter without obtaining prior approval.

The Home Department stated (December 2016) that steps would be taken to realise the penalty. In respect of reimbursement of helicopter charges, Department stated that MHA had recommended ₹ 12.14 crore out of the total

¹⁵⁵ February to April 2013, October to December 2013, May 2014, July 2014, October 2014, December 2014

¹⁵⁶ June 2014:4, June 2014:5, January 2015:21, February 2015:3, March 2015:14 and September 2015:6

claim of ₹18.03 crore for the years 2013-14 and 2014-15. The fact, however, remained that the amount had not yet been reimbursed.

2.3.15 Payment of *ex-gratia* to the families of security personnel and civilians killed in naxal violence

SRE permitted payment of *ex-gratia* up to ₹ 2 lakh to the family of each civilian and up to ₹ 8 to 10 lakh to the family of each security personnel killed in LWE violence. *Ex-gratia* was required to be paid immediately. Audit test-checked payment of *ex-gratia* in 142 cases (civilian: 103, security personnel: 39) in five sampled districts and observed that:

- *Ex-gratia* for 11¹⁵⁷ out of 103 civilians killed in LWE violence during March 2008 to February 2016, were not paid as of July 2016. *Ex-gratia* was paid in 92 cases, of which, the same was paid with delays ranging from one month to 10 years¹⁵⁸ in 80 cases.

The Home Department stated (December 2016) that instructions had already been issued to prevent any delay in payment of *ex-gratia*.

- In 31 out of 39 test-checked cases, *ex-gratia* was paid to families of security personnel killed in naxal violence, with delays ranging from one month to more than two years¹⁵⁹.
- Insurance of ₹ 10 lakh per security personnel killed in naxal violence was to be paid to their families. However, families of eight¹⁶⁰ security personnel killed (February 2008 to January 2016) in naxal violence, were not paid compensation under insurance scheme as of December 2016. The Department stated (October 2016) that insurance claims of six security personnel had been settled, while for the others the same were under process.
- In 38 out of the 39 cases above, homestead land was not provided to the family members of deceased security personnel.

2.3.16 Deficient rehabilitation of surrendered naxalite

SRE encouraged surrender of hardcore naxals as per the Surrender and Rehabilitation Policy, being implemented by the State Government. The objective of the scheme was to contain violence by Left Wing Extremists by weaning away misguided youth and hardcore naxalites who had strayed into the fold of Left Wing Extremism and found themselves trapped in their net. The scheme seeks to ensure that naxalites, who surrender, do not revert back to extremism, by providing them gainful employment and entrepreneurial opportunities.

¹⁵⁷ Koraput: 1, Malkangiri: 10

¹⁵⁸ One to six Months: 27, Six to 12 months: 12, More than one year to one and half year: 16, more than one and half year to less than two and half years: 12 and above two and half years: 13

¹⁵⁹ One to six month: 14, More than six months to less than one year : 13, one to two years: 2, above 2 years: 2

¹⁶⁰ Nayagarh: 1, Koraput: 4 and Malkangiri: 3

Each surrenderee was to be screened by a District Level Screening Committee¹⁶¹ (DLSC) for accepting the surrender or otherwise. District Level Rehabilitation Committee¹⁶² (DLRC) was to finalise the rehabilitation package for each surrendered extremist according to the category of the surrenderee defined in the guidelines.

During 2011-16, 333 naxalites surrendered in the State and ₹ 2.94 crore was utilised on payment of incentives, *etc.*, for surrendering. In the five test-checked districts, 97 naxals had surrendered. Audit test-checked all 97 cases and observed non-payment of part of incentive in cash to the surrenderee and keeping the entire fund in fixed deposits (39 cases), non-encashment and payment of matured fixed deposits after prescribed period (5), non-imparting of vocational training to surrenderees for self-employment and keeping the stipends blocked in bank accounts, non-payment of house building grant (15), non-disbursement of cash equivalent for homestead land (18), non-disbursement of marriage assistance and its locking in bank account (21), non-setting up of rehabilitation centre, *etc.*, as indicated in **Appendix 2.3.8**. Besides, no mechanism was put in place to track the surrenderees to ascertain their integration with mainstream society.

The Home Department assured (December 2016) to take up the matter with the concerned Superintendents of Police to streamline the process.

2.3.17 Non-constitution of Village Defence Committee

Village Defence Committee (VDC)/ Nagarika Surakhya Samiti (NSS), required to be constituted in LWE affected villages/ border pockets, were not formed for raising public perception against naxalism, though the tribal villagers were often forcibly displaced by maoists from their villages. The Department, therefore, recommended (July 2016) revision of Relief Code temporarily to treat these forcible displacements as calamity and provide relief to concerned villagers. However, the same had not been acted upon (September 2016).

2.3.18 Ensuring rights and privileges of local people under Forest Rights Act

The State of Odisha has 58.14 lakh hectare¹⁶³ of forest area which is about 37.34 *per cent* of the total geographical area of the State. The Scheduled Tribe (ST) population in the State was 95.91 lakh and number of ST households was 21.54 lakh as per Census 2011. The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, popularly known as Forest Rights Act (FRA), recognised and vested the forest rights to forest dwelling STs and Other Traditional Forest Dwellers (OTFD) who were residing in forests but whose rights were not recorded. The objectives of the Act were to recognise the individual rights of forest dwellers to hold forest

¹⁶¹ Comprising of District Magistrate, Superintendent of Police, a representative of the Intelligence Department to be nominated by Director, Intelligence, a representative of concerned Central Armed Police Force (CAPF) (where CAPF is deployed).

¹⁶² Comprising of District Magistrate, Superintendent of Police, Project Director, District Rural Development Agency and District Employment Officer.

¹⁶³ As per activity report 2014-15 of Forest and Environment Department

land, access to collect, use and dispose of minor forest produce¹⁶⁴, community rights, monitor community forest resource, habitat rights of primitive tribal groups and pre-agricultural communities. Implementation of FRA was part of the integrated strategy adopted by GoI for tackling LWE problem.

Ministry of Tribal Affairs (MoTA), GoI monitored the implementation of FRA in the country. The Scheduled Tribes and Scheduled Caste Development (SSD) Department was the nodal department for enforcement of FRA in the State. The Act had prescribed four-tier¹⁶⁵ institutional mechanism for implementing various provisions of the Act, as detailed in **Appendix 2.3.9**. The rules for carrying out provisions of the FRA were notified in 2008 and were subsequently amended in 2012. Forest Right Committees (FRC) formed by Gram Sabhas (GS) from amongst its members receive and scrutinise claims of the villagers and submit them to GSs. The claims, which are accepted by GS, are submitted to Sub-Divisional Level Committee (SDLC) along with its resolution.

Audit examined the implementation of FRA during the period 2011-16 in the SSD Department and nodal agencies at District level¹⁶⁶ in five sampled districts. Records of concerned District Level Committees (DLCs), SDLCs and 33 Gram Sabhas were test-checked. Audit findings are discussed in the following paragraphs.

2.3.18.1 Low coverage of villages under FRA

The Forest Rights Act was made effective from 1 January 2008. As per Monthly Progress Report (MPR), the number of villages in four¹⁶⁷ out of the five sampled districts, Forest Right Committees (FRCs) constituted and numbers of villages fully covered are given in the following table.

Table 2.3.3 Showing status of coverage of villages under FRA in sampled districts

Name of the sampled districts	No. of villages	FRC constituted	Fully covered	Percentage of villages fully covered
Deogarh	774	679	0	0
Sambalpur	1232	1208	743	60.71
Koraput	1890	1890	1188	62.86
Malkangiri	933	933	305	32.69
Total	4829	4710	2236	46.30

(Source: Figures submitted by concerned DLCs in MPRs)

It can be seen that only 46 per cent of villages were fully covered even after eight years of implementation of FRA. Not a single village was fully covered

¹⁶⁴ Minor Forest Produce includes all non-timber forest produce of plant origin including bamboo, brush wood, stumps, cane, tussar, cocoons, honey, wax, lac, tendu or kendu leaves, medicinal plants and herbs, roots, tubers and alike

¹⁶⁵ Gram Sabha, Sub-Divisional Level Committee, District Level Committee and State Level Monitoring Committee

¹⁶⁶ Project Administrator, Integrated Tribal Development Agency was the nodal officer in Koraput, Malkangiri and Sundargarh districts whereas District Welfare Officer was nodal authority in Deogarh and Sambalpur districts for implementation of FRA

¹⁶⁷ The figures submitted by DLC, Sundargarh were found erroneous as discussed in Paragraph 2.3.22.1

in Deogarh district. Audit observed that the Government had not conducted any survey to ascertain the number of forest dwellers for recognition of forest rights for all the eligible forest dwellers in the State.

While accepting non-conduct of beneficiary-wise survey, SSD department stated (November 2016) that the number of projected households of each district was prepared based on a detailed assessment of forest fringe villages and ST households and were supplied to each Collector. However, the fact remained that coverage of villages remained low.

Besides, awareness campaigns for sensitising people to avail of benefits under FRA were not conducted as discussed below.

2.3.18.2 Lack of awareness of FRA among forest dwellers

FRA Rule 6 stipulates that SDLC shall provide information to each Gram Sabha about their duties and duties of holders of forest rights and others towards protection of wildlife, forest, *etc.* It shall also provide forest and revenue maps and electoral rolls to the Gram Sabha or the FRC and raise awareness among forest dwellers about the objectives and procedures laid down under the Act and Rules. In this context, Audit observed that:

- DLCs and SDLCs had not conducted any awareness drive to raise awareness among the forest dwellers about objectives of FRA and the procedures to be followed to avail of the benefits envisaged thereunder.
- Representatives of SDLCs conducted interview of 72 members of 23 FRCs in the five sampled districts in presence of Audit and their summarised responses are indicated in **Appendix 2.3.10**. It would be observed from the Appendix that:
 - 87.50 *per cent* FRC members stated that SDLC had not provided forest and revenue maps;
 - 81.94 *per cent* FRC members stated that they were not aware of the rights of ownership, access to collect, use and dispose of minor forest produce/ conserve or manage any community forest resource;
 - 26.39 *per cent* were not aware of FRA and 20.83 *per cent* were not aware of individual rights under FRA.

SSD Department stated (November 2016) that massive awareness campaigns were organised in each district during FRA roll-out stage and training of stakeholders and officials of Panchayati Raj Institutions (PRIs) were also regularly conducted. However, the fact remained that FRC members as well as forest dwellers were not aware of their rights and responsibilities (August 2016).

2.3.18.3 Non-preparation of lists of un-surveyed and unrecorded hamlets/ villages

As per FRA Rule 2A, the State Government is to ensure that every Panchayat, within its boundaries, prepares a list of group of hamlets or habitations, unrecorded or un-surveyed settlements or forest villages or *taungya* (small) villages, formally not a part of any revenue or forest village record and have

this list passed by convening Gram Sabha of each such habitation, hamlets or habitations included as villages for the purpose of the Act through a resolution in the Panchayat and submit such a list to SDLC. The SDLCs were to consolidate and DLCs were to finalise the list after inviting and considering public comments.

Audit observed that none of the test-checked Panchayats had prepared the lists of groups of hamlets, habitations, etc., under its jurisdiction and SDLCs had also not ensured the same. In absence of lists of groups of hamlets, FRCs could not be constituted for these hamlets. Audit observed in four test-checked villages that the claimants of nine un-surveyed and unrecorded hamlets had submitted their claims to the FRC of nearest revenue village. As a result, a complete list of habitations to be covered under FRA was not available with any of the DLCs.

The SSD Department stated (November 2016) that necessary instructions were since issued in July 2016.

2.3.18.4 Receipt and disposal of forest right claims

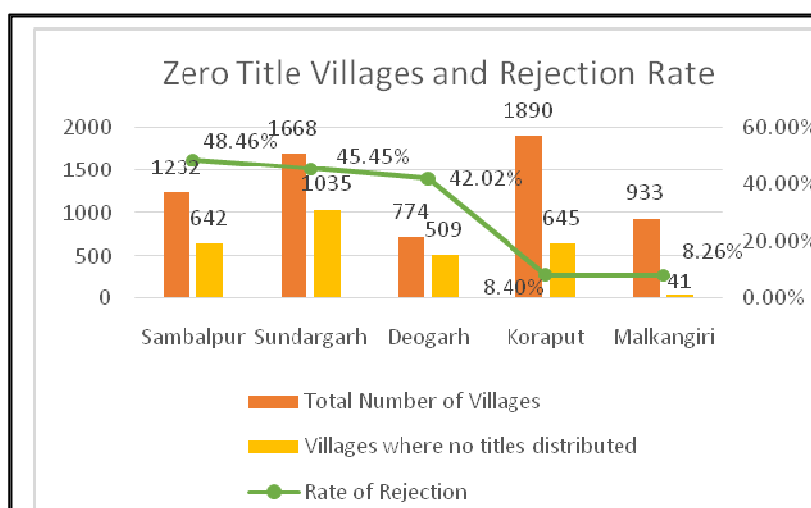
The receipt and disposal of individual forest right claims in the State as well as in the five sampled districts as of March 2016, are shown in the following table:

Table 2.3.4: Receipt and disposal of FRA claims in the State and sampled district

Particulars	State	Sampled districts
No. of claims received	605163	159064
No. of claims rejected (%)	155804 (25.75)	47221 (30)
No. of claims remanded	26522	6889
No. of claims approved	389043	98134
No. of titles distributed	371459	87426

(Source: Figures submitted by concerned DLCs & SSD Department in MPR of March 2016)

In the five sampled districts, 24,483 claims were rejected by Gram Sabhas while SDLCs rejected 20,623¹⁶⁸ claims and DLCs rejected 2,115¹⁶⁹ claims. Out of 6,497 villages in the



¹⁶⁸ Deogarh-5455, Koraput-452, Malkangiri-1584, Sambalpur-6223, Sundargarh-6909

¹⁶⁹ Malkangiri-482, Sundargarh-674 [Bonai-286 (OTFD-285, ST-1), Panposh-7 (OTFD), Sundargarh-381(OTFD-329, ST-52)] and Sambalpur-959

sampled districts, title deeds were distributed only in the 3,625 villages. No title was distributed in remaining 2,872 villages¹⁷⁰ as shown in the chart.

Audit observed that the coverage in Malkangiri district was satisfactory, as 96 per cent of villages were covered. However, in Deogarh and Sundargarh, only 34 and 38 per cent of villages, respectively, were covered and rejection rates were also high in these two districts. The rejection rate was high due to irregular and inadequate documentation of claims as discussed below.

2.3.18.5 Irregular rejection of claims by SDLC

As per FRA Rule 12A (10), all decisions of the SDLC and DLC that involve modification or rejection of a Gram Sabha resolution or recommendation of the SDLC are to give detailed reasons for such modification or rejection. No recommendation or rejection of claims is to be made merely on any technical or procedural grounds.

Out of 20,623 claims rejected by SDLCs in the five sampled districts, only 13,398 rejected claims had recorded reasons and case records of rejected claims were not available in any of the districts except Deogarh, as shown in the table below:

Table 2.3.5: Reason for rejection of claims at SDLC level

District	Number of claims rejected at SDLC	Number of rejected claims for which		
		Reason for rejection available	Individual details available	Case Records available
Malkangiri	1584	1584	0	0
Koraput	452	452	452	0
Deogarh	5455	5455	5455	5455
Sambalpur	6223	5907	5907	0
Sundargarh	6909	0	0	0
Total	20623	13398	11814	5455

(Source: Reports and information of concerned districts)

Audit examined 51 individual case records in Deogarh district and observed the following:

- Eight claims¹⁷¹ relating to OTFD were rejected on the grounds of non-availability of evidences for 75 years of occupation. However, in respect of three¹⁷² claims, the claimants were in possession of land for 75 years, as per the joint verification report of FRC.
- The claim of a Particularly Vulnerable Tribal Group (PVTG) was rejected on the ground of missing family history. However, the claimant is the only living member of her family, as per the application.
- In three PVTG cases¹⁷³, the claims were rejected with the reasons that the plot numbers stated in the application were not found in the

¹⁷⁰ Deogarh-509, Koraput-645, Malkangiri-41, Sambalpur-642, Sundargarh-1035

¹⁷¹ Barkote block-4 and Tileibani block-4

¹⁷² Hemant Behera, Golekh Rana, Dambaru Behera of Tileibani block

¹⁷³ Chemeni Paradhan W/o Late Kalia Pradhan, Chandramani Nayak S/o Daitari Nayak, Ram Nayak S/o Jagu Nayak

revenue records (*khatian*). However, during joint verification, Revenue Inspector had recorded that the claimant was in possession of the forest land. Thus, the claim was irregularly rejected as it was the duty of the SDLC to find out correct plot number from revenue records.

- Nine¹⁷⁴ claims were irregularly rejected, without even conducting joint verification.
- In six cases, applications were rejected due to non-submission of evidences for possession of forest land. However, these claims should have been remanded, instead of rejection as per FRA Rule 12A (6).
- In 13 cases, the claim applications were rejected indicating the reason as “non-possession of forest land” as per the report of joint physical verification. However, *khata* number, plot number, *kisam* of land and area of land possessed by the claimant was not mentioned in the application. Thus, in absence of details of land occupied by the claimant, joint verification of site was not possible and applications were rejected arbitrarily instead of returning the same for resubmission with full particulars. This included one PVTG case as well.
- In the remaining 16 cases, SDLC rejected the claims with proper reason for possession of non-forest *kisam* land.

Thus, 35 out of 51 claims were irregularly rejected denying the rights to forest land holders and the claimants were not apprised of the fact, denying them the opportunity to file petition.

The SSD Department stated (November 2016) that instructions were issued (August 2015) to review and treat the rejected claims as *suo-motu* appeals at the next higher level and dispose of the same by giving each claimant an opportunity of being heard. However, no such review was conducted as of September 2016.

2.3.18.6 Irregularly rejected claims of March 2016 not reported in MPR

SDLC, Sambalpur Sadar reported in MPR of March 2016 that no claims were rejected. However, scrutiny of SDLC proceedings (November 2009) showed that 15 OTFD claims of Hotapal village were rejected with the reason “as the claimant belonged to OTFD category and had not submitted the proof of occupation of the land for three generations prior to 13 December 2005”. Audit test-checked five of these cases and observed that in all the cases, joint verification sheet, trace map and statement of elders was available, which were sufficient for approval of the title under FRA Rule 13. These five villagers were also interviewed by the representative of SDLC in the presence of Audit and all stated that the fact of rejection was not known to them, though they were required to be informed under FRA Rule 12A(3).

The SSD Department assured (November 2016) that necessary instructions would be issued to the concerned Nodal Officer to report the rejected claims correctly.

¹⁷⁴ OTFD: 5, ST: 4

2.3.18.7 Irregular rejection of OTFD cases

Out of 27167 claims rejected in three sampled districts, 5,942 claims¹⁷⁵ (21.87 per cent) related to OTFDs. MoTA, while expressing concern on high rate of rejection of OTFD claims in LWE affected areas, had advised (September 2014) to accept any form of permissible evidence under the Act and that particular documentary evidence should not to be insisted upon.

- None of the sampled DLCs and SDLCs conducted review of rejected cases of OTFDs. In Malkangiri, out of 2,450 rejected claims of OTFD, 1,479 claims were rejected by SDLC. The DLC reviewed these cases again in August 2010 and found that 1,264 claims had been rejected without proper verification. DLC instructed SDLC to re-open the rejected case records to settle the forest land in favour of the claimants after detailed verification of revenue documents. However, the cases had not been reviewed by the SDLC as of August 2016, even after lapse of six years.
- Only 987 titles to OTFDs were distributed in four¹⁷⁶ out of 30 districts as of March 2016. Out of these 987 approved OTFD titles, 602 titles distributed in Sundargarh district were cancelled irregularly, as discussed in *Paragraph 2.3.19.3*.

While accepting the fact, the SSD Department assured of issuing necessary instructions to the concerned authority.

2.3.18.8 Improper documentation of claims

For maintaining proper records of claims received at FRC, claims approved by Gram Sabhas and received at SDLC and further status of claims at various stages of rights recognition process, full-fledged FRA cells along with necessary infrastructure (computer, furniture, copier, etc.) and Human Resource (Data Entry Operator, contractual Amin), etc. were put in place at SDLC and DLC levels. Besides, separate funds¹⁷⁷ were also allocated by GoI under Article 275(1) of the Constitution of India to the District Authorities responsible for implementation of FRA. Audit observed the following:

- **Non-maintenance of records:** Out of 33 Gram Sabhas test-checked, 20 Gram Sabhas had not maintained claim registers, due to which status of 149 claims of 15 villages could not be ascertained.
- **Non-availability of remanded claims:** The detailed list and case records of 6,889¹⁷⁸ individual claims remanded at different levels in the sampled districts were not available in the SDLCs or Gram Sabhas due to which Audit could not verify the reason of remand.

The SSD Department stated (November 2016) that concerned DLC had been instructed to settle the issue.

¹⁷⁵ Malkangiri: 2,450, Deogarh: 2,871 and Sundargarh: 621. While there was no OTFD claimants in Koraput, no data could be provided by DLC, Sambalpur.

¹⁷⁶ Angul, Malkangiri, Rayagada and Sundargarh

¹⁷⁷ ₹ 3.29 crore in five sampled Districts

¹⁷⁸ Gram Sabha-663 (Sambalpur-321, Sundargarh-342), SDLC-5,559 (Deogarh-60, Koraput-1,424, Malkangiri-948, Sambalpur-2,224, Sundargarh-903), DLC-667 (Koraput-128, Sundargarh-539)

2.3.19 Irregular approval of forest rights claims

2.3.19.1 Irregular approval of titles to non-forest land

Section 2(d) of FRA defined forest land as land of any description falling within any forest area and included unclassified forests, un-demarcated forests, existing or deemed forests, protected forests, reserved forests, Sanctuaries and National Parks. Accordingly, RDM Department also reiterated (February 2010) the definition of forest land under FRA. Audit observed the following:

- In Koraput district, out of 25,861 titles examined in Audit, in 3,193 cases, titles had been issued for non-forest land¹⁷⁹ in eight blocks before 2009. These titles were not rejected though such claims had been rejected in three other sampled districts.
- In one¹⁸⁰ village in Sambalpur district, 68 titles for 98.13 acre non-forest land (*Gochar* and *Patita kisan*) were irregularly awarded during 2009. Though SSD Department called for (October 2013) action taken report from the Collector, Sambalpur, no report had been submitted as of August 2016. The Department also did not pursue the matter subsequently.

SSD Department stated (November 2016) that the concerned DLCs had been instructed to settle the issue.

2.3.19.2 Lack of uniformity in issue of titles

As per Section 4 (3) of FRA, the recognition and vesting of forest rights to the forest dwelling STs and OTFDs in respect of forest land and their habitat are to be subject to the condition that such STs or tribal communities or OTFDs had occupied forest land before the 13th day of December 2005.

Audit observed that in one¹⁸¹ out of 19 test-checked villages of Malkangiri district where titles were issued, 26 titles to 36.312 acre land were issued in favour of minors, though they were not the only member of their families. Out of this, in nine cases, titles were found to have been issued to their fathers and brothers also. However, in the other four test-checked districts, claims of minors¹⁸² had been rejected by the SDLs.

The SSD Department stated (November 2016) that a report had been sought from DLC, Malkangiri, which was awaited.

2.3.19.3 Irregular cancellation of titles

Based on complaints, 602 cases of titles distributed by DLC, Sundargarh to OTFDs during 2009, were re-verified by the concerned Tahasildars. These titles were subsequently cancelled in 2015. Audit test-checked eight case records¹⁸³ (*Appendix 2.3.11*) of cancelled titles and found that:

¹⁷⁹ 2,929 titles of Pahad or Kupulikisam and 264 titles of Dangarkisam

¹⁸⁰ Kutarimal village under Chakuliabahal GP of Kuchinda block Dist Sambalpur

¹⁸¹ Bandhaguda village under Sindhrimal GP

¹⁸² Deogarh, Sambalpur, Koraput and Sundargarh

¹⁸³ Panposh sub-division. Other two sub-divisions could not produce the case records and re-verification report of Tahasildar

- In five cases, though the Tahasildar, Lathikata had reported that the claims of the right holders were genuine, the titles were cancelled irregularly.
- In three cases, Tahsildar, Biramitrapur had verified only the caste credentials of the claimants (*i.e.* ST or OTFD) and reported that the claimants belonged to OTFD. However, statement of elders of the village had not been obtained, as required under Section 13 (i) of FRA Rules. Instead, it was reported that the claimants could not produce any supporting documents for their living in the concerned villages for more than 75 years. Thus, the claims were rejected without proper application of provisions of Rules.

Audit also interviewed 12 title holders of two villages¹⁸⁴ of Sundargarh district where 26 titles were cancelled by the DLC. None of them were aware of the fact that their titles had been cancelled (August 2016).

The SSD Department assured (November 2016) that appropriate action would be taken on the matter.

2.3.19.4 Non-issue of titles

As per Rule 8 (h) of FRA Rules, the DLC should ensure that title under the Act is provided to the concerned claimant. Audit, however, observed that:

- Claims filed by 25 claimants of two¹⁸⁵ villages were found to be approved during 2014-15 and titles were shown as distributed. However, the claimants reported non-receipt of titles during beneficiary interview conducted by SDLC members in the presence of Audit.
- 18 claims from one village¹⁸⁶ had been approved in DLC as of December 2014, but were not distributed due to want of signature of Divisional Forest Officer in the titles. Similarly, 14 claims from another village¹⁸⁷ were found to be approved and their titles were also ready for distribution since July 2015. However, these titles were not distributed till the date of Audit.

2.3.19.5 Non-correction of Record of Rights

Revenue & Disaster Management (RDM) Department issued (July 2010) guidelines to the field functionaries (Collectors) at district level for correction of Record of Rights (RoR) and maps of forest land after distribution of titles. This was also reiterated by the Department in August 2010.

Audit examined the titles and called for information on correction of RoRs from 40 Tahasils of five districts, out of which 10¹⁸⁸ Tahasils furnished the information. On analysis of the same, Audit observed that:

¹⁸⁴ Meghdega (7 out of 19) and Balijore (5 out of 7) under Tangarpalli block of Sundargarh district

¹⁸⁵ Baghenipani under Lahandabud GP of Sundargarh (14), Bhimkhoj under Kansar GP of Sambalpur (11)

¹⁸⁶ Pithabhuin village of Gambharidihi GP of Sundargarh District

¹⁸⁷ Salangbud village of Lahandabud GP of Sundargarh District

¹⁸⁸ Deogarh, Reamal, Koraput, Malkangiri, Sambalpur, Rairakhol, Naktideula, Bonai, Sundargarh and Tangarpali

- Only Tahsildar, Deogarh had corrected 271 RoRs out of 1,017 forest right titles received in the Tahasil.
- Guidelines forwarded by the SSD Department were not communicated to the Tahasildars by the district authorities of Sundargarh and Malkangiri, as confirmed by the Tahasildars, Sundargarh and Malkangiri.
- 141 out of 307 title holders interviewed stated that the land vested in favour of them (661.058 acre) were not even demarcated for preparing revised maps.

Tahsildar, Realmal (district Deogarh) stated (May 2016) that RoRs were not corrected, due to non-receipt of trace map along with titles.

Thus, revenue records were not corrected for FRA titles since 2010 even after issue of specific guidelines by R&DM Department. Audit observed that this was due to non-review of RoRs by concerned DLCs and SLMC.

The SSD Department stated (November 2016) that the State Level Monitoring Committee (SLMC) had already instructed (July 2016) all the district Collectors to revise the RORs.

2.3.20 Community Forest Rights and Rights over Community Forest Resource ignored

Section (1) of FRA envisaged grant of Community Forest Rights¹⁸⁹ and rights over Community Forest Resources¹⁹⁰ to the forest dwellers. Audit test-checked the number of applications received, rejected, approved, *etc.*, for community forest rights and resources in the State and five sampled districts as of March 2016

Audit observed that:

- The percentage of pendency in the State as of March 2016 was 48 and in the sampled districts, the same was 72.
- The claims received in sampled districts included 521 claims for community forest resource. Out of this, only 72 claims were approved in three¹⁹¹ districts and only three titles were distributed in Sambalpur district. No title for community forest resource was distributed in the other four districts.

Thus, the objective of the FRA to ensure community's control over forest resources through vesting right to protect bio-diversity, remained largely unfulfilled.

SSD Department stated (November 2016) that potential areas for community rights and community forest resources rights have been worked out and communicated to all districts for needful action.

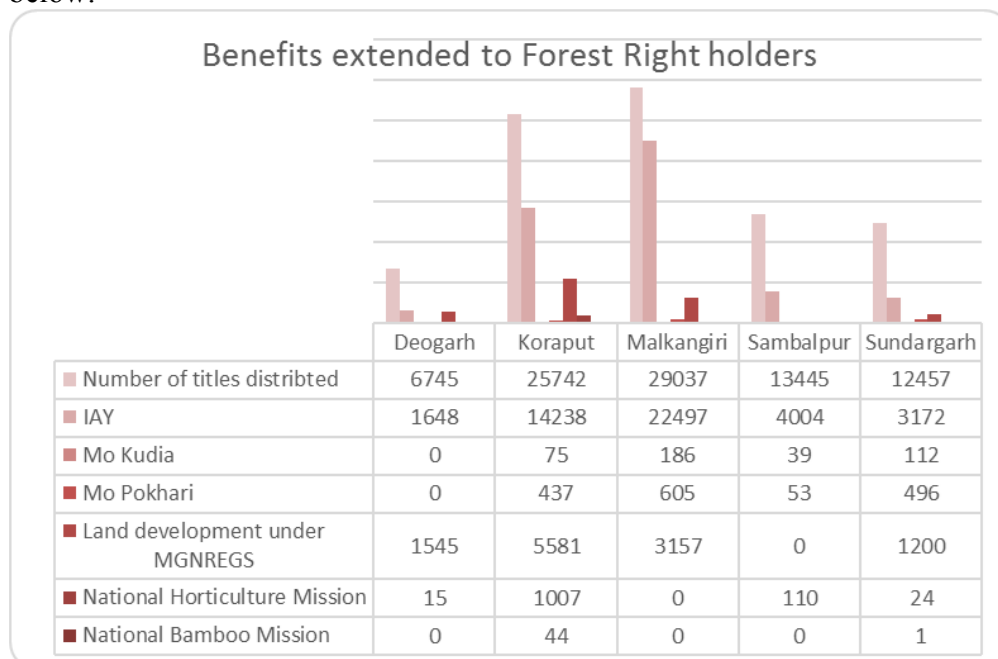
¹⁸⁹ Right to access and use forest land for community activities

¹⁹⁰ Right to collect minor forest produce for livelihood

¹⁹¹ Koraput (18), Malkangiri (1) and Sambalpur (53)

2.3.21 Forest right holders not covered under welfare schemes

As per Rule 16 of FRA, the State Government is to ensure through its departments, especially tribal and social welfare, environment and forest, revenue, rural development, Panchayati Raj and other departments relevant to up-lift forest dwelling STs and OTFDs, that all Government schemes including those relating to land improvement, land productivity, basic amenities and other livelihood measures are provided to forest right holders. Beneficiary-wise data on benefits extended under various welfare programmes were not available with DLC. Audit examined the overall coverage of FRA beneficiaries under different Government schemes, as indicated in the chart below:



As can be seen from above:

- The coverage was very low in Deogarh, Sundargarh and Sambalpur, while it was better in Malkangiri and Koraput. These two districts also had lowest rejection rate and highest coverage in terms of villages covered under FRA.
- The coverage was maximum under IAY followed by land development under MGNREGS. The coverage of forest rights holders under National Horticulture Mission and National Bamboo Mission was poor, depriving them of livelihood related benefits.

The SSD Department stated (November 2016) that instructions had been issued to cover all FRA title holders through convergence of all Government schemes to enhance their livelihood options.

2.3.22 Reporting and Monitoring of implementation of FRA

2.3.22.1 Discrepant/unreliable figures in MPR

The Ministry of Tribal Affairs (MoTA), GoI is designated as nodal agency under Section 11 of FRA for implementation of the Act in the country. The State Government furnishes Monthly Progress Report (MPR) to MoTA under

Section 6(7) of FRA. Audit observed that the State Government had furnished erroneous reports on numerous occasions, as discussed below:

- There were discrepancies between figures reported by three¹⁹² sampled DLCs to SSD Department and those reported by the SSD Department to MoTA for March 2016, as detailed in *Appendix 2.3.12*.
- Adequate documentation of information furnished by DLCs to the SSD Department in MPRs was not done in five sampled districts. Documentary evidences in support of number of Gram Sabha meetings held, FRCs constituted, claims verified, approved, *etc.*, were not maintained, as detailed in *Appendix 2.3.13*. In absence of documentary evidences, the veracity of figures reported in MPRs could not be ensured.

2.3.22.2 Inadequate monitoring by SDLCs and DLCs

As per Rule 12A (5) of FRA, no petition of an aggrieved person is to be disposed of, unless he has been given reasonable opportunity to present anything in support of his claim. Audit examined the grievance petitions and review meetings conducted during 2011-12 to 2015-16 and observed the following:

- Grievance register was not maintained in any of the test-checked 10 SDLCs and 5 DLCs. The petitions were forwarded to the field functionaries like Welfare Extension Officer (WEO), Tahasildar to examine and report. However, final disposal of the petitions was not monitored.
- Against the requirement of conducting stipulated 300 meetings during 2011-16, only 92 meetings were conducted by 10 SDLCs. Only 54 meetings were conducted by five DLCs against required 150. Similarly, the SLMC conducted only three¹⁹³ meetings since September 2012 against the requirement of 13. Even in these meetings, timeliness in disposal of claims was not discussed. An instance is given below:
 - In presence of Audit, representatives of SDLC conducted interviews of villagers who have not received titles. Audit observed that not a single title had been distributed in 10¹⁹⁴ villages though in nine such villages, 118 villagers stated that they had filed their claims since 2009-10. In the remaining village (Katra), no FRC was found constituted.

The SSD Department stated (November 2016) that DLCs and SDLCs were repeatedly requested to do the needful. The fact is that the position had not been improved.

¹⁹² Deogarh, Koraput and Sundargarh

¹⁹³ 23 November 2012, 27 June 2013 and 21 July 2015

¹⁹⁴ 1. Damita, 2. Kendamal, 3. Patipar, 4. Gumka, 5. Jamlai, 6. Kansar, 7. Dakra, 8. Pithabhuin, 9. Salangbud, 10. Katra,

2.3.23 Conclusion

Special intervention programmes implemented in the State with financial assistance of GoI failed to achieve the desired results, as the incidences of left wing extremism activities continued to occur. Implementation of projects under developmental programmes were taken up without adequate planning, resulting in execution of inadmissible projects, delay/ non-completion of projects, non-prioritisation of most LWE affected areas as well as idling of completed projects/ equipment. Further, projects had not been selected and executed in convergence with other flagship schemes, despite instruction of the GoI. While skill development was not given due priority, there was near total absence of livelihood initiatives for increasing income of the local people of the LWE affected districts. Instances of irregular diversion of funds, non-refund of savings as well as interest earned by the executing agencies and loss of Central assistance, were observed. Programme implementation was marred by delays/non-execution of works, unfruitful expenditure on idle projects, avoidable extra expenditure due to time and cost overrun, execution of works deviating from the prescribed specification and execution of works of substandard quality.

For execution of security related projects by OSPHWC, the Department had not stipulated the timelines for completion, which led to non-completion of critical projects. Non-completion of projects had not only affected operational efficiency of the security personnel, but also compelled them to stay in armouries and incomplete barracks without electricity, toilet and other basic facilities. Delay in handing over of sites had also resulted in cost and time overrun. Anti-naxal support equipment were neither supplied nor were available in any of the test-checked fortified PSs. Moreover, the stipulated 40 police personnel were not posted in fortified PSs in line with the assurances given to GoI. Instances of delay/non-payment of *ex-gratia* to the families of the deceased security personnel and civilians victims were also observed. No mechanism was put in place to track the surrenderees to ascertain their integration with mainstream society.

Though GoI had emphasised effective implementation of FRA in the LWE affected areas/ districts, the implementation of the same in the State was inefficient. Data on claims received, disposed and titles allotted were not reliable, as basic records /documents in support of claims rejected/ remanded to Gram Sabha were not available. Inter-district variations in application of eligibility criteria and norm for selection/ rejection were observed.

2.3.24 Recommendations

The Government may consider the following recommendations:

- Identify projects properly considering their utility and to avoid unfruitful expenditure thereon.
- Ensure completion of all projects planned for execution under IAP/ACA/SRE/SIS in a time bound manner.
- Skill development and livelihood initiatives for unemployed youth may be taken up on priority and implemented through convergence approach.

- Ensure timely payment of *ex-gratia* and other benefits to the family members of civilians and security personnel killed in LWE incidences, besides ensuring rehabilitation and resettlement of surrendered naxals.
- Implement Forest Rights Act efficiently and transparently to cover all beneficiaries in a time bound and fair manner.

The Government, while accepting the recommendations, instructed (November 2016) the Collectors concerned to take appropriate measures for implementation of these recommendations.

FINANCE DEPARTMENT

2.4 Information Technology Audit on Implementation of Integrated Financial Management System

EXECUTIVE SUMMARY

Implementation of iFMS was running behind the schedule, as Government had not enforced the terms of agreement. SRS for 10 modules had not been finalised, even after three years of implementation. Hardware and software were procured in excess of need, rendering them idle. The decision to procure closed source Oracle suite contrary to NeGP guidelines, led to a situation of vendor lock-in. The Government had not exercised oversight over database administration by segregating duties or by putting compensating controls. The security features agreed to in SLA had not been provided with iFMS. Business Continuity Plan as well as Disaster Recovery Plan had not been prepared and critical financial operations of Government were at risk of disruption in case of disaster. The budgetary controls automated through iFMS could be bypassed. The purpose of reducing delays by using Teachers' Provident Fund module could not be achieved, as those were not relied on by users. Stamp module was incomplete. Cases of double payments through banks and treasuries were observed, indicating deficient controls. There were several issues of data integrity, as absurd time stamps existed in iFMS.

2.4.1 Introduction

Integrated Financial Management System (iFMS) is a suite of various independent applications developed under mission mode project of National e-Governance Programme (NeGP) with an objective to improve financial management and bring efficiency and effectiveness in decision making in Government. iFMS included 32 modules, as indicated in *Appendix 2.4.1*.

Directorate of Treasuries and Inspection (DTI) under Finance Department (FD) was the nodal agency for implementation of iFMS. The FD constituted an Empowered Committee (EC) to provide overall guidance to the project and decide policy and financial matters. Project e-Mission Team (PeMT) in DTI was responsible for implementation, roll out, operation and maintenance of the project. The project was scheduled to be implemented during 2013-18. As of 31 March 2016, ₹ 28.23 crore¹⁹⁵ had been spent out of the total project cost of ₹ 34.78 crore¹⁹⁶.

2.4.2 Audit objectives

An Information Technology (IT) Audit was conducted to assess whether:

¹⁹⁵ Expenditure: ₹ 25.87 crore during 2012-14 (NeGP-State Plan) plus ₹ 2.36 crore during 2015-16 (State Non-Plan).

¹⁹⁶ Total Provision: ₹ 31.78 crore during 2012-14 (NeGP-State Plan) plus ₹ 3 crore during 2015-16 (State Non-Plan)

- Planning and budgeting, including system development process and procedures followed at various stages were robust;
- The system met the Government's objectives;
- Controls in IT system are adequate and effective.

2.4.3 Audit Scope and methodology

Audit examined the implementation of iFMS through data analysis using computer assisted IT techniques. Audit also test-checked relevant records in FD and obtained their responses during July to September 2016. An entry conference was conducted on 29 June 2016 with the Financial Advisor-cum-Additional Secretary, FD and Director, DTI. The draft audit findings were discussed with the Special Secretary, FD in an exit conference, held on 26 December 2016. The views of the Department have been incorporated in the Report suitably.

2.4.4 Audit criteria

The IT Audit was conducted with reference to the provisions of IT Act, 2000 provisions of National e-Governance policies and standards, technical documentation of iFMS, Orissa Treasury Code, Orissa Budget Manual and other instructions issued by the State Government from time to time.

2.4.5 Acknowledgement

We acknowledge the cooperation and assistance rendered to Audit by the Finance Department, Government of Odisha during the conduct of the Audit.

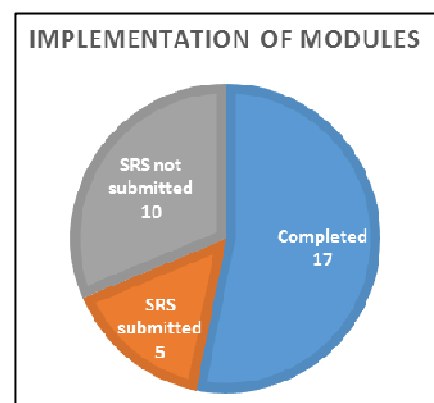
The Audit findings are discussed in the succeeding paragraphs.

Audit Findings

2.4.6 General Controls

2.4.6.1 Non-implementation of the envisaged modules in iFMS

The applications under iFMS were under the process of development by M/s CMC Limited (CMCL), who had been selected through an open tender. As per the work plan agreed in Service Level Agreement (SLA) between the DTI and CMCL (December 2013), 32 modules were to be implemented within 23 months *i.e.*, by February 2015. The remaining period up to 2018 was for help desk operations, maintenance and support of iFMS. However, only 17 modules were implemented as of July 2016. The status of completion of modules is depicted in the chart. Audit observed that:



- Out of 15 incomplete modules, Software Requirement Specifications (SRS) of 10 modules had not been submitted by CMCL, as of August 2016.

- SRS of three modules had been approved by FD in March 2014 and of two modules in July 2015. However, even after 30 months, CMCL had not implemented the modules.
- Inordinate delays ranging from 63 to 947 days, were observed in approval of SRS by PeMT, after submission of the same by CMCL. The details of delay in SRS submission and approval by PeMT are given in *Appendix 2.4.1*.

Due to such delays, usage of Budget Decision Support Module, meant for issuing final surrender orders based on available funds, tracking of Government expenditure outside budget, complete pension module for finalisation and preparation of pension payment orders, payment of taxes through mobile phones by the tax payers and use of sanction order module to ensure withdrawals in TPF module within available balance, *etc.*, could not be ensured, as discussed in subsequent paragraphs. In the Exit Conference (December 2016), Government, while attributing the delay to the ambitious scope of the project, assured of implementing all modules after fixing revised timelines.

2.4.6.2 Absence of technical design and documentation

Request for proposal (RFP) required that CMCL would prepare system and database design documents before implementation of modules. Audit observed that CMCL had not delivered the required technical documentation before implementing 17 modules. As such, absence of system and database design documentations had created vendor dependence and vendor lock-in. In the Exit Conference (December 2016), Government assured of obtaining the technical and design documents before release of final payment to CMCL.

2.4.6.3 Selection of closed source system software

National Policy on Information Technology, 2012 applicable to NeGP, envisaged adoption of open standards and promote open source and open technologies. The objective was to avoid vendor lock-in. However, DTI procured (May 2013) closed source Oracle stack at a cost of ₹ 12.08 crore along with Annual Technical Support (ATS) for 14 months on negotiation basis from CMCL.

After expiry of ATS in July 2014, CMCL submitted proposal for extension of ATS for complete Oracle stack for ₹ 0.99 crore per year. DTI negotiated to reduce the cost by limiting the ATS to database component of Oracle only. However, negotiation could not materialise, as Oracle denied to cover ATS for only database component. Finally, DTI placed (September 2014) work order for ATS of the complete Oracle stack on CMCL. However, Oracle again denied to provide ATS without first making payment at 150 *per cent* of normal ATS cost for the period since ATS had expired. The Government, however, did not procure ATS and the Oracle platform of iFMS was running without ATS since July 2014.

Thus, non-adoption of open technologies led to an avoidable situation of vendor lock-in. In the Exit Conference (December 2016), the Government, accepting the need to come out of the vendor lock-in situation, stated that

efforts would be made to migrate the existing software to an open source software.

2.4.6.4 Avoidable expenditure on excess procurement

Rule 9 (ii) of OGFR provided that the expenditure should not *prima facie* be more than the occasion demands. Audit observed that hardware and licenses for system software procured (June 2013) under iFMS at a cost of ₹ 3.57 crore remained unutilised as of August 2016 (**Appendix 2.4.2**). The summary of these idle software/hardware is given in table below:

Table 2.4.1 : Table showing cost of unutilised hardware/ software (₹ in lakh)

Description	Cost of Licenses/ items remaining unutilised	Payment towards ATS	Total
Hardware	17.86	3.51	21.37
System software	134.59	5.11	139.70
System software (Oracle)	157.20	38.98	196.18
Total	309.65	47.60	357.25

(Source : Records of DTI)

Thus, DTI incurred expenditure of ₹ 3.57 crore on procurement of hardware/ software, which were not required for immediate needs. In the Exit Conference (December 2016), the Government stated that the hardware and software procured in 2013, were being used and the delay in use of certain hardware and software happened due to issues relating to setting up of Business Continuity Plan (BCP) and Disaster Recovery (DR) site at National Data Center (NDC). The reply was not acceptable as decision of setting up of DR site at NDC, had been taken only in 2014. Further, the software like SAS Visual Analytics, HP Quick test professional, IBM Rational App Scan, HP Load Runner controller, End Point management solution, etc., were not meant to be used in the DR site and were lying unutilised.

2.4.6.5 Lack of Government control over Database Administrator

Database administrator (DBA) is responsible for performance, integrity and security of a database. DBA has tools to establish controls over the database and the ability to override these controls. Therefore, there is a need for exercising close control over the database administrator through segregation of duties, supervisory review of access logs and activities and detective controls over the use of database tools. In this connection, Audit observed the following:

- **Non-Segregation of duties:** Segregation of duties avoids the possibility that a single person could be responsible for diverse and critical functions in such a way that errors or misappropriations could occur and may not be detected in a timely manner and in the normal course of business processes. Therefore, DBA should not be given other responsibilities like system administrator, help desk, and data entry operations. Even after three years of implementation of iFMS, CMCL was continuing as database administrator, all rolled into one, with no segregation of the duties system administrator, system developer and security administrator. The Government had not even

planned to build up capacity to take over the database administration of iFMS.

- ***Inadequate compensating controls for DBA activities:*** Supervisory review of access logs and activities is essential to detect any suspicious activities of DBA or users. However, no compensating controls such as, DBA access, transaction logs, exception reporting, *etc.*, had been provided. Further, the logs to capture the activity of the users in iFMS database had been kept in the same server within the control of CMCL, as separate remote log server outside the control of the database administrator. Audit observed tampering and deletion of both transaction logs and audit logs, when two datasets¹⁹⁷ of logs of iFMS provided to Audit were compared. Overall, 137.49 crore audit logs, which contained transaction logs of all important records, had been deleted by DBA. Database analysis also showed updation in the audit trail of 23 records. In reply, DTI stated (November 2016) that DBA had removed the logs from the production server for archival purpose, which were being restored back after observation of Audit.

Thus, without segregation of duties and compensating controls, proper oversight over database administrator could not be ensured. In the Exit Conference (December 2016), the Government accepted the observation and assured of making provision for separate log server outside the control of DBA.

2.4.6.6 Information Technology Security

iFMS being a mission critical project, RFP required for strong security features like single-sign on using lightweight directory access protocol (LDAP), digital signature based authentication, strong password policy, *etc.* Besides, each data generated from the system, such as management reports or any other information, were to be time stamped and digitally signed to ensure non-repudiation. Audit, however, found that these features were not implemented, as discussed below:

- ***Non-provision of single sign-on:*** Analysis of database showed that unique identity of users had not been ensured in the system. Out of 29,124 total user records, more than one login ID had been given to the same user in 1,985 cases. Audit observed that on transfer of users from one treasury to another, the ID of the user got deactivated against the earlier treasury and a new user ID was created against the new treasury. Further, single sign-on was not provided across different modules to users. Instead, different login IDs were created for same individual for accessing different modules within iFMS. Authentication based on digital signature, had also not been provided to users, as provided in the RFP.
- ***Absence of Digitally signed and time-stamped MIS reports:*** Reports generated from the iFMS were without digital signature and time-stamp. This was not only in non-compliance with the RFP, but also

¹⁹⁷ First in February 2016 and the Second in August 2016

provided scope for repudiation of the information/ reports generated from iFMS.

- ***Password expiry, not enforced:*** Password policy of iFMS required the users to change their password after every 90 days. The system was to force the users to change passwords after expiry. Analysis of database showed that 3,340 users could log into the system after expiry of their passwords. This included cases of log-ins, even after lapse of five years of expiry of passwords.
- ***Confidentiality of user passwords:*** Password policy of iFMS provided that password should not be revealed by users to anyone. Analysis of help desk data showed that the users had freely shared their passwords, whenever they needed help for resolving issues. Moreover, the help desk personnel themselves had asked users to share their passwords, while troubleshooting. This information was visible to all other users.

In the Exit Conference (December 2016), the Government accepted the Audit observation and assured that adequate steps would be taken to ensure single sign-on.

2.4.6.7 Business Continuity and Disaster Recovery

Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) were to be implemented to resume the business within defined time-frame in case of disasters.

- ***Absence of BCP:*** BCP had not been framed and adopted for iFMS, even after lapse of more than three years of its implementation. In its absence, the staff/ users were unaware of the procedure to be followed in the event of disruptions/ disasters. They were also not trained in preventing, mitigating and responding to emergency situations. Thus, emergency response, user recovery, contingency plan and crisis management activities were missing from iFMS implementation.
- ***Non-setting up of Disaster Recovery (DR) site:*** As per SLA, CMCL was required to use datacentre at DTI as DR site. However, despite availability of required infrastructure, DR site had not been developed before the system was made live and critical financial transactions of Government were shifted to iFMS.
- ***Non-testing of data backup:*** Data backup was taken in DTI Data center, which replicated primary site database. Backup was also taken in tape drive. However, instead of keeping the tape drive backup at different geographical locations, it was kept at primary site itself. No test was ever carried out to restore the data and make the system operational from backup data.

Since Odisha is a disaster prone State, critical financial operations carried out through iFMS run the risk of disruptions in case of disaster. In the Exit Conference (December 2016), the Government stated that steps were being taken to set up DR site at National Data Centre and testing of backup data would henceforth be taken up periodically.

2.4.6.8 Absence of adequate change management

As per the industry best practices, a standard process for performing and recording changes in software applications and database designs is necessary. It ensures that system changes are appropriately authorised, documented, thoroughly tested and approved by the Government. Further, application developer should not be given access to live server. Audit observed the following:

- CMCL was making changes directly in production environment without testing, as the test server had not been made functional, despite availability of infrastructure. CMCL was also given privileges of data manipulation of the production data.
- Documentation of changes was not maintained. The SRS and user manual were not updated since last three years, though changes were regularly made in the system.

As a result of operations made by CMCL, integrity of production database could not be ensured and it contained inconsistent data, as discussed in the subsequent paragraphs.

2.4.7 Application Controls

2.4.7.1 Budgetary controls in iFMS

After the Budget is passed and the Appropriation Bill is enacted, the administrative departments, in consultation with the Finance Department, divide the appropriation against each head of account (HoA) between the Controlling Officers (COs) concerned. The aim of the Controlling Officers is to see that the expenditure under each unit does not exceed the appropriation. The controlling officers then allocate the appropriation to DDOs who are supposed to make expenditure within the released amount. This entire process had been automated using iFMS. Audit observed the following:

- **Deficient control of allotments to DDOs:** Analysis of HoA-wise allotment and expenditure by DDOs for the years 2011-16, showed that iFMS allowed booking of expenditure by DDOs in excess of allotment made by COs. Few instances are summarised in the following table:

Table 2.4.2: Showing expenditure incurred by DDOs in excess of allotment (in ₹)

Year	DDO Code	HoA ID	Amount allotted by COs to DDOs under HoA ID	Amount allowed by iFMS	Expenditure incurred by DDO	Excess expenditure over actual allotment
2014	DKLEDU010	97724	1748628	2286404	2189756	441128
2014	GJMEDU011	97724	1222084	1505488	1434637	212553
2014	JSPEDN001	97942	5609326	5689326	5632428	23102
2012	PLBEDN002	8938	154523	189523	171645	17122
2012	SBPFIN001	7239	20000	40000	40000	20000

(Source : Database of iFMS)

It was observed that iFMS also did not allow expenditure by DDOs under certain HoAs, even though COs had made allotments to those DDOs in 526 cases, during 2014-16.

Further, iFMS allowed COs to release allotment to DDOs even in cases where the Administrative Department had not made allotment to the COs.

Thus, due to absence of validation in the system to limit the expenditure within the allotment at different levels, excess expenditure could be incurred by the DDOs.

- ***Non-budgeted expenditure:*** iFMS allowed DDOs to book expenditure under service heads without checking the budgetary allotment, in case the expenditure is related to pension, refunds, remittances, adjustment bills, *etc.* It was, however, observed that iFMS allowed payments without checking budgetary allotment in other cases also, like abstract contingent, establishment pay, arrear salary, reimbursement of cost of medicine, office expenses/ other contingencies, *etc.*, which were irregular.
- ***Absence of control over expenditure:*** iFMS allowed DDOs to operate other major heads pertaining to other demands due to absence of required validation. This resulted in booking of expenditure in a major head, which did not pertain to the DDO. As an instance, Civil Supply Officer, Dhenkanal under Food Supplies & Consumer Welfare Department (Demand Number 09) booked (2015) ₹ 74,534 under an allotment meant for Finance Department (Demand Number 05).
- ***Irregular surrender:*** All initial accounts were furnished to the Accountant General (A&E) for further compilation through iFMS. The surrender details at the end of the year, were directly sent to Accountant General by Finance Department without reflecting the same in iFMS. As a result, incorrect year-end surrenders were made by Finance Department in excess of the savings.
- ***Mismatch in Demand for Grant and Budget figures fed into iFMS:*** Budget fed into iFMS was supposed to match with Demand for Grants passed by Legislatures. Comparison of these two for the financial year 2014-15 showed that budget data fed into iFMS was different from the budget passed by the Legislatures in respect of 23 heads of account. It was further seen that appropriation made during vote on account period, was more than the amount budgeted in the annual Budget. The system failed to control such situations, which created mismatch of figures between Budget and the database. This posed the risk of excess expenditure over budget.

During Exit Conference, the Government assured (December 2016) of putting appropriate controls in place to handle such inconsistencies. Regarding mismatch in Demand for Grants, the Government stated that it was due to lack of integration and sharing of information between budget preparation software

in BETA¹⁹⁸ and the iFMS. Government assured of incorporating appropriate controls in the software.

2.4.7.2 Lack of control on failed payments

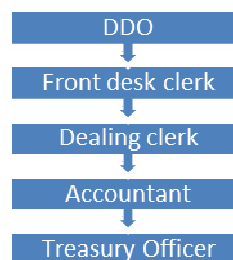
Under iFMS, Central Electronic Payment Center (CePC) of DTI centrally processes all the payments to beneficiaries through Electronic Clearing System (ECS)/ eKuber of RBI. However, if the payment is failed in ECS, the amount is booked into '8658-Suspense'. To make the payment again, concerned Treasury Officer generates another bill and adjusts it against suspense. The system should allow booking of failed payments only.

Audit observed that iFMS had generated two bills against failed payments on 2,044 occasions. Out of these, in 321 cases, bills amounting to ₹ 0.99 lakh had been processed for payment twice, indicating double payments. In remaining cases, Treasury Officers had cancelled the duplicate bills. Such system deficiency made the system vulnerable to misappropriation. In the Exit Conference, the Government stated that this had happened due to bug in the system, which had since been fixed and recovery process had either been initiated or completed by the DTI in respect of cases, where double payments had been made.

2.4.7.3 Inconsistent workflow

The bills are processed in iFMS by various treasury personnel chronologically as given in the chart.

Analysis of database for the year 2015 showed that the process timings were inconsistent in 1,309 cases. The inconsistencies included cases where the Accountant approved the transactions after Treasury Officer's approval. Thus, the integrity of the process flow in the system was not ensured. The inconsistency is shown in the photo below:



Snapshot showing inconsistent workflow

Search Bill Details										
Treasury *	0501-Bolangir District Treasury				DDO *	BLGEDN022-Block Education Officer,Bolangir Sadar				
Token From Date *	06/05/2015				Token To Date *	06/05/2015				
Voucher From Date					Voucher To Date					
Token Number	1496				Voucher Number					
Note: * Marked Fields are mandatory. The result is based on the last update of the Central Server. Amounts showing are in INR.										
Search		Refresh								
Show	10		entries		Search:					
Bill Details (No of Bills found : 1)										
Chart of Account	Description	Bill Number	Bill Date	Global Token No.	Global Token Date	Voucher Number	Voucher Date	Gross Amount	Net Amount	Bill Status
10-2202-01-101...	Arrear Salary...	05	24/04/2015	0501001496	06/05/2015	2202/79	07/05/2015	3135148	2118176	Approved
Showing 1 to 1 of 1 entries										
Bill Process History for Bill Number: 05 Bill Date: 24/04/2015 Token Number: 1496 Token Date: 06/05/2015										
Process Date	Process Status			User Name	Designation					
06/05/2015 01:36:58 PM	Receive at front office by Bill Receiving Clerk and passed to Dealing Clerk			Rasmita Mishra	Dealing Clerk - Receipt					
06/05/2015 02:02:53 PM	Forwarded by Dealing Clerk to Accountant without Objection			Rasmita Mishra	Dealing Clerk - Receipt					
06/05/2015 01:54:14 PM	Pay Order Approved by TO / Special TO			Sri Bibekananda Bhoi	Treasury Officer					
06/05/2015 01:54:38 PM	Advice List Approved by TO / Special TO			Sri Bibekananda Bhoi	Treasury Officer					
06/05/2015 02:27:20 PM	Advice List Generated Centrally by CEPC			Bibhu Ranjan Jena	DC - Cyber Treasury					
07/05/2015	Payment Complete			Bibhu Ranjan Jena	DC - Cyber Treasury					

(Source : Web-Report of iFMS)

¹⁹⁸ Software used by Finance Department for preparation of Budget Estimates

In the Exit Conference (December 2016), the Government stated that inconsistency in time occurred due to non-synchronisation of time between two servers.

2.4.7.4 Duplicate Bills

In the manual system, DDOs were allotting bill numbers serially under different categories like establishment, contingent and scheme expenditure, etc., within a financial year.

Test-check of database showed that duplicate bill numbers in the same DDO was permissible in iFMS. Thus, there was no validation control to avoid possible misappropriation/ fraud, though Audit had not found any such case in test-check of 171 bills with duplicate bill numbers. In the Exit Conference, Government assured of providing appropriate controls in the software.

2.4.7.5 Incomplete Teachers Provident Fund module

Teachers Provident Fund (TPF) management system was developed (January 2015), as part of iFMS, to store monthly subscription to the Provident Fund by the teachers of Government aided educational institutions and calculate the final payment amount at the time of their retirement. The Controller of Accounts (CoA) is responsible for maintenance of accounts of TPF and authorisation of final TPF payment. The system was expected to speedily dispose of the cases of adjustment of debit, credit and final payment with precise calculations. However, Audit found the following deficiencies:

- **Manual calculation of final payment:** Analysis of TPF database showed that despite availability of automated process, final payments were authorised manually. It was found that in 26 out of 83,523 cases, the authorisation amount generated by system did not match with final manual authorisation by CoA, as the system failed to work out the correct amount. The CoA did not rely on the system and authorised the amounts for final payment after calculating from manual records. This led to delays in processing of final payments, as discussed subsequently.
- **Deficient process of posting missing credits:** In case of mismatch of TPF account numbers or names of subscribers, the credits were posted to suspense. On rectification, correction was to be made in the ledger accounts of the subscriber by inserting a new entry. However, instead of a new entry, the account was affected by updating previous entries. Consequently, the entire account was updated after every such missing credit entry, making the reports generated in earlier period, inconsistent. Thus, there was no distinction between normal entry and missing credit entry.
- **Discrepancy between TPF figures submitted to AG and CoA:** The treasury submits TPF figures to AG (A&E) every month. In the computerised environment, AG also downloads the voucher details from the iFMS portal and compares it with the figures submitted by the treasury. Similarly, Teachers' Provident Fund (TPF) figures are captured from the iFMS portal at the end of each month by the CoA. Ideally, under these circumstances, both the figures should be tallied.

However, test-check of debit and credit data of two offices pertaining to eight months (January to August 2015) showed that there were discrepancies between the figures of AG and CoA. The discrepancies in credit figures ranged between (-) ₹ 0.20 lakh to ₹ 4.01 lakh and that of debit figures was between (-) ₹ 8.81 lakh to ₹ 16.04 lakh, as summarised in the table below:

Table 2.4.3: Showing comparison of figures of iFMS and AG (₹ in lakh)

Year	Month	Credit			Debit		
		IFMS TPF figure	AG's TPF figure	Difference (AG-IFMS)	IFMS TPF figure	AG's TPF figure	Difference (AG-IFMS)
2015	1	6894.11	6898.12	4.01	10982.66	10988.14	5.48
2015	2	7946.06	7951.09	5.03	9393.36	9384.55	-8.81
2015	3	9420.13	9421.21	1.08	9442.03	9455.36	13.33
2015	4	1409.09	1408.89	-0.20	5881.38	5890.10	8.72
2015	5	13975.14	13977.14	2.00	11602.89	11602.89	0.00
2015	6	12047.79	12049.07	1.28	8286.81	8280.28	-6.53
2015	7	9702.39	9702.65	0.26	7549.32	7545.62	-3.70
2015	8	9113.99	9114.14	0.15	6490.94	6506.98	16.04
Total			13.61	Total	24.53		

(Source: iFMS and VLC database)

Thus, in absence of reconciliation, there were short credit and debit postings of ₹ 13.61 lakh and ₹ 24.53 lakh, respectively in TPF management module, affecting the PF balances of employees.

- **Delay in processing final payment of TPF:** General Provident Fund (Odisha) Rules provides for the sanction of final withdrawal of Provident Fund immediately after the date of retirement of the subscriber. Accordingly, Government introduced TPF module under iFMS in order to bring down the burden on the State exchequer towards payment of interest, in cases of delay of TPF final payment.

Analysis of database showed that in respect of 173 out of 969 subscribers retired during 2015-16, CoA had not issued final payment authority letter as of 31 August 2016, despite lapse of 153 to 518 days from the date of retirement of the subscribers. In the remaining 796 cases, CoA had issued the authorisation letters with delays ranging from 28 to 475 days from the date of retirement of subscribers. The delays were due to systemic error in iFMS observed in generation of Account slips for 2014-15. In all these cases, interest of 8.1 per cent per annum was paid for delay, creating unnecessary burden on State exchequer.

- **Unreliable date of birth and superannuation:** Analysis of master table of TPF database showed that out of 2, 27,886 TPF subscribers, date of births of 7,605 subscribers had been shown as 'null' and superannuation date of 1,99,406 subscribers had shown as 'null'. In case of superannuation, retirement date should be the last day of the month of birth and if the date of birth is 1st of any month, it would be last date of previous month. However, in 309 cases, the date of

superannuation was not as per the rules, due to absence of the required validation in the system. Further, the date of birth of subscribers contained irrational dates viz. “11/11/1111” in 68,416 records and 927 cases contained the period of service i.e. date of superannuation minus date of birth, more than statutory service of 60 years.

Thus, the users of the system relied on manual records for referring to such data in calculation of the final payment cases and the system had become unreliable. Accepting the observations of Audit in the Exit Conference, the Government assured of revisiting the entire system logic and modifying the system to make it reliable.

2.4.7.6 Incomplete stamp module

The objective of stamp module was to automate indent, issue, sell and manage inventory of stamps in the State. Audit observed the following deficiencies in the stamp module:

- ***Non-inclusion of Central Strong Room in stamp module:*** Stamp is distributed from a central depot of Government of Odisha, (Central Strong Room) located in the DTI, Odisha, Bhubaneswar. The DTI, as the Superintendent of Stamps, had been entrusted with the functions of procurement of stamp papers and their distribution from the Central Strong Room to treasuries as per the requirements. However, DTI was excluded from the said module even though the module was implemented in District and sub-treasuries. Thus, the actual receipts, disbursement and balances at DTI could not be ascertained from iFMS.
- ***Inadequate usage of module by treasuries:*** Database analysis showed that 32 treasuries had not captured the invoice details in Stamp module despite lapse of 180 to 3586 days. Though the sales details of stamps were found captured, but the treasuries like Bissamkatak Sub-Treasury, Puri District Treasury and Hindol Sub-Treasury had not captured the sales details, even after lapse of 503, 262 and 356 days respectively.
- ***Inconsistent reports:*** The reports generated by treasury module were found inconsistent. For instance, the stock summary reports generated from iFMS depicted negative for receipts. Further, test-check of stamp reports relating to Puri district treasury showed that opening balance of stamps and respective previous closing balances were different.

Thus, the stamp module remained incomplete due to exclusion of Central Strong Room from its ambit and usage of stamp module was allowed to bypass in Puri treasury. In the Exit Conference, the Government stated that central stamp module was not a part of the mission mode project. As such, after all other modules were completed, the improvement of stamp module would be taken up.

2.4.7.7 Deficient design of pension module

The treasuries are responsible for payment of pension to State Government employees on their superannuation/ retirement. The pension payment process was automated in the pension module of iFMS. Analysis of database showed inconsistencies in the module, as discussed below:

- **Generation of duplicate pension bills resulted in double payment:** As per rules, the first pension of an employee is drawn in the treasury. The pensioner has the option to draw his/ her regular pension from public sector banks or through link banks of choice. In such cases, the pension papers are transferred to the concerned banks. Similarly, a pensioner can opt for changing the treasury. In case of such transfer of PPO, multiple bills against the same pensioner should not be processed and the system is to ensure that payment to pensioner is not activated simultaneously from bank and treasury or from two treasuries.

Database analysis showed that duplicate bills against the same pensioner were being prepared by the system due to introduction of centralised bill preparation without any process re-engineering. The Treasury Officers only processed the bills against the pensioners, whose PPOs were available with them. As a result, 37,73,263 (46 per cent) out of 82,48,606 pension bills were not processed. This not only inflated the size of the database, but also allowed double payment of pensions.

- **Non-provision for capturing life certificates:** Database analysis of iFMS pension module showed that provision for capturing annual life certificates of pensioners was not available. The Treasury Officers however, continued to maintain the manual register for managing the life certificates, which defeated the purpose of automation and computerisation.
- **Excess payment due to failure of control in bill preparation:** The gross amount of the pension bill must be equal to the break-up amounts like Basic Pension, Dearness Relief, other dues and net amount was calculated as gross amount *minus* recoveries towards commutation of pension, *etc.* Database analysis showed that there were discrepancies between the gross and total breakup amount in 33 cases, which resulted in excess payment of ₹ 6.30 lakh and short payment of ₹ 0.58 lakh to the pensioners.

In the Exit Conference (December 2016), the Government accepted the Audit observations and assured of providing controls to prevent generation of more than one pension bill against a pensioner.

2.4.7.8 Database integrity and data quality

- **Inconsistent bank account list:** List of bank account numbers along with bank IFSC codes, beneficiary name, address, *etc.*, in respect of 35,32,133 beneficiaries were maintained in iFMS for making payment directly to bank accounts through RBI. Database analysis showed inconsistent account numbers, as discussed below:
 - There were 1,04,611 duplicate account numbers, which included duplicate account numbers along with IFSC code in 28,325 cases. There were 127 occasions, where payments were also shown made to such duplicate bank accounts under single bills.

- There were meaningless account numbers containing only alphabets like 'x','xxxx','0','00000', 'State Bank of India', *etc.*, in 326 cases.
- The same bank account number had been allotted to more than one DDO on 95 occasions.
- Bank accounts of DDOs were stored separately and mapped with the list of bank account numbers. In both the places, the names of DDOs were captured. In 3,751 cases, the names entered in these two records were different. Out of these, 3,000 cases were test-checked and it was found that the bank accounts of 1,932 employees and 10 vendors were entered in the beneficiary list as bank accounts of 344 DDOs.
- As per Finance Departments circular (July 2012), all payments were to be made to the bank accounts of beneficiaries. Accordingly, all the pension payments were being disbursed to the pensioners' bank accounts. However, test-check of the pension data of 2015, showed that ₹ 3.09 crore was credited to the bank accounts of DDOs.
- ***Inconsistent break-up amounts in payments:*** In a bill, the deductions like GPF/ LIC/ TPF, *etc.*, (gross amount – net amount) are termed as the “AG By-transfer” or “Treasury By-transfer” and are stored separately. The difference between gross and net amounts should be equal to the sum of the “By Transfer” (BT) amounts. However, in 18 cases (2010-15) differences between gross amount and net amount of the bills were not equal to the BT amounts.
- ***Inconsistent dates in voucher processing:*** A pension bill prepared in a Treasury was scrutinised by Dealing Clerk and Accountant before it is approved by the Treasury Officer for payment. The paid bills, thus, become vouchers and the voucher numbers are marked on it for reference. Thus, as per the chronology of events, bill date should precede approval date, which should invariably precede the voucher date in all cases. In case of other bills *viz.* pay bills, contingent bills, *etc.*, received from DDOs, treasury provides a token number for each such bills in acknowledgement of receipt of bills. Normal processing of the said bills follows thereafter as pension bills. After payment is complete, the RBI/ bank returns scrolls along with scroll date, which are processed to generate the voucher number and updated against the related bills.

Analysis of iFMS database related to 2010-15, showed that in 347 cases, the voucher dates were before approval dates by 1 to 60 days and 652 bills relating to 2008-16 had voucher dates recorded before their bill dates. Similarly, there were 1,280 cases (during the years from 2008 to 2015), where the bill dates were after the token dates for 1 to 181 days. Further, in two cases, bill dates were recorded as 23 February 2015 and 13 January 2016. Thus, integrity of the transactions was not ensured.

- **Pension bills shown prepared after approval:** As per the workflow in iFMS, the pension bills are first prepared and then approved by the Treasury Officer. However, database analysis showed that in eight cases, the approval dates were before the respective bill dates.
- **Absence of validation in pension module:** The PPO records were vital in the database, as these contained details like date of birth, date of retirement, basic pension amount, *etc.* Audit observed that the records were incomplete making the database unreliable, as the users had to use manual PPO/ registers for such information. The disintegrated data in this PPO master table are summarised below:
 - **Incorrect and absurd dates:** Date of birth field was null in 41,190 out of 3,15,827 records of active pensioners. In 84 records, the dates of births were same as retirement dates. Even in 20 more records, the dates of retirement were shown before dates of births. In 16 records, the start dates were earlier to the dates of births of pensioners. In 58 records, dates of deaths were recorded as before dates of births. In 10 records, pension start dates were shown before dates of births. Thus, the system failed to manage the additional pension payable after the pensioners reach 80, 85, 90, 95 and 100 years of age.

The date of birth of family members i.e. son/ daughter was required for determining the eligibility of getting pension. Database analysis showed that in 2,858 cases, the date of birth fields of family members had not been filled in. Further, in five cases, where dates of birth were captured, family pension amounting to ₹ 11.51 lakh appeared to have been paid to ineligible son/ daughter, after they attained 25 years of age, confirming lack of validation control in iFMS.

- **Inconsistent family names:** There were 1,048 records where the family name in the family master table was different from that of payee name in case of family pension. This indicated that the family table was not reliable. These 1,048 records included 163 cases where there were spelling mistakes in the names of the payee, and names of the PPO master table. In the remaining 885 cases, the names were different.
- **Inconsistent and unreliable allotment date:** As per system design, allotment could be made to an active DDO in the system. Such control was necessary to avoid incorrect release of allotment to inactive DDOs. Analysis showed that in 4,775 cases pertaining to the years 2010-16, inactive DDOs were extended allotment.

In the Exit Conference (December 2016), the Government assured of providing appropriate controls to prevent such inconsistencies in the data.

2.4.8 Conclusion

Implementation of iFMS has been running behind the schedule, as Government had not enforced the terms of agreement. Software Requirement Specifications for 10 modules had not been finalised even after three years of

implementation. Hardware and software had been procured in excess of need, rendering them idle. The decision to procure closed source Oracle suite, contrary to NeGP guidelines, led to a situation of vendor lock-in. The Government had not exercised oversight over database administration by segregating duties or by putting compensating controls. The security features agreed to in Service Level Agreement had not been provided within iFMS. Business Continuity Plan as well as Disaster Recovery Plan had not been prepared and critical financial operations of Government were at risk of disruption in case of disaster. The budgetary controls automated through iFMS could be bypassed. The purpose of reducing delays by using Teachers' Provident Fund module, could not be achieved, as the module was not relied on by the users. Stamp module was incomplete. Cases of double payments through bank and treasury were observed, indicating deficient controls. There were several issues of data integrity, as absurd time stamps existed in iFMS.

2.4.9 Recommendation

- System design and database design documents may be prepared and iFMS may be shifted to open source software platforms to avoid situation of vendor lock-in.
- Segregation of duties of Database administration and System administration may be ensured and compensating controls like remote log servers may be established to ensure security of IT system.
- Business Continuity Plan and Disaster Recovery mechanism for iFMS should be put in place.
- Appropriate input and validation controls along with adequate access controls may be established.
- Manual processes, which are still in place, may be abolished in a time bound manner.

Chapter III

Compliance Audit

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Chapter III

Compliance Audit

Health and Family Welfare Department

3.1 Neonatal/ paediatrics care in Government run hospitals

3.1.1 Introduction

Paediatrics care is for infants and children up to 18 years of age whereas neonatal care is up to 28 days from the day of birth. As per the last Sample Registration System bulletin, 2013, the Infant Mortality Rate (IMR) in the State was 51 per thousand in comparison to the national average of 40 and Neonatal Mortality Rate (NMR) was 37 per thousand against national average of 29. In the State, there are three¹ Government Medical College and Hospitals (GMCH), 30 District Headquarter Hospitals (DHH) and two other Government hospitals such as Capital hospital, Bhubaneswar and Government hospital, Rourkela where Sick Newborn Care Units (SNCUs) exist to provide neonatal health care. Sardar Vallabhbhai Patel Post Graduate Institute of Paediatrics (SVPPGIP), Cuttack which is attached to SCB Medical College and Hospital, Cuttack is the only institute in the State which is exclusively meant for neonatal/ paediatrics care. Since Odisha is the third highest State in IMR and first in NMR in the country, effective preventive and curative interventions are of paramount importance to address the neonatal mortality.

The hospitals are administered by the Health and Family Welfare (H&FW) Department of the Government. The Department is headed by the Principal Secretary who is assisted by the Director of Health Services and Director of Medical Education and Training in administering the Government hospitals including hospitals attached to Government Medical Colleges. The Chief District Medical Officers (CDMOs) are responsible for administering the health care at DHHs. Audit was conducted between May and August 2016, covering the period 2013-16, in seven sampled DHHs² and three GMCHs of the State to assess the effectiveness in the administration of neonatal/ paediatrics care, utilisation of physical infrastructure and human resources. The Audit findings are discussed in the succeeding paragraphs.

Audit findings

3.1.2 Planning

Government of Odisha framed (2002) Odisha Integrated Health Policy, 2002 which *inter alia* envisaged that a strategic planning should be made with new

¹ Shri Ramachandra Bhanja Medical College and Hospital (SCB), Cuttack, Veer Surendra Sai Institute of Medical Sciences and Research (VIMSAR), Burla and Maharaja Krishna Chandra Gajapati Medical College & Hospital (MKCG), Berhampur

² Balasore, Baripada, Bargarh, Jharsuguda, Kandhamal, Puri and Rourkela

ways of looking at the organisation to achieve its objectives. However, no specific strategy for the improvement of paediatric/neonatal care was formulated in the said policy. In absence of any clear cut policy, target and performance indicators were also not set to enhance the quality of neonatal/paediatric care. So, necessary procurement of equipment as well as increase in infrastructure and manpower was also not contemplated.

3.1.3 Financial Management

During 2013-16, the State had made budget outlay of ₹ 10,317.16 crore for Health Sector, out of which it could spend ₹ 8,931.23 crore (87 per cent) and surrendered ₹ 1,385.93 crore. Out of total available funds of ₹ 1,014.30 crore under NRHM (Reproductive Child Care and Immunisation), an amount of ₹ 1,005.35 crore was spent as shown in the table below.

Table 3.1.1 Statement showing receipt and utilisation of funds under NRHM (₹ in crore)

Year	OB	Total fund under NRHM		Other funds	Total available fund	Expenditure	Closing Balance
		GoI	GoO				
2013-14	108.18	202.36	28.62	1.53	340.69	309.65	31.04
2014-15	31.04	212.22	72.13	2.29	317.68	317.94	(-) 0.26
2015-16	(-)0.26	179.65	176.11	0.43	355.93	377.76	(-)21.83
Total		594.23	276.86	4.25	1014.30	1005.35	8.95

(Source: Mission Director, NRHM)

Though the State Government had utilised 99 per cent of funds available during the period 2013-16, there were several shortfalls in the health care services of the State and in the test-checked units as discussed in the succeeding paragraphs.

- **Utilisation of user fee towards inadmissible purposes:** As per the guidelines framed (1997) by the H & FW Department, user fees were to be charged on some specified services and the amount collected was to be spent on patient care *i.e.*, on medical investigation, transportation, sanitation, security and radio-diagnosis, *etc.* The list of services for charging of user fees and utilisation of the same were revised in November 2006 and November 2011. The utilisation of user fees for purposes not related to extending quality health care services to the patients had been reported in Paragraph 3.8.4 of CAG's Report No.4 of 2015. Audit observed that the hospitals of the State had been collecting user fees from the patients.
- During 2013-15, SVPPGIP, Cuttack collected ₹ 5.34 crore towards user fees and utilised ₹ 5.18 crore out of which the Superintendent, SVPPGIP spent ₹ 13.54 lakh during 2013-15 towards payment to beneficiaries under Rastriya Swasthya Bima Yojana (₹ 13.25 lakh) and purchase of furniture (₹ 0.29 lakh), which were not admissible as per the above guidelines.
- **Parking of funds:** As per Rule 171(2) of Orissa General Financial Rules, any portion of the amount which is not ultimately required for expenditure, should be duly surrendered to Government. Audit observed that the Department allotted (January 2016) an amount of

₹ 1.16 crore to the SVPPGIP for procurement of equipment during 2015-16. After drawal of the amount, the Superintendent had utilised only ₹ 0.16 crore and the balance amount of ₹ 1.00 crore had been parked in saving bank account of SVPPGIP.

3.1.4 Service Delivery

The attached hospitals of the Government Medical College and DHH were set up for rendering health care services including special neonatal and paediatric health care services. However, Audit observed certain deficiencies in providing health care services to sick children, which are discussed in the following paragraphs.

3.1.4.1 Inadequate hospital infection control standards

As per Hospital Infection Prevention and Control guidelines, Health Care Associated Infection is one of the most common complications of health care management. This increases patient morbidity and mortality, length of hospital-stay and cost involved in it. Effective infection prevention and control is essential for providing high quality health care to the patients and a safe working environment for those working in healthcare establishments. Hospitals were required to minimise the risk of spreading infection to patients and staff in hospitals by implementing sound infection control programme. The hospital infection control policies were needed to be framed and practised and monitored by the Hospital Infection Control Team (HICT) and Hospital Infection Control Committee (HICC).

Audit observed that none of the test-checked units had HICC and HICT. As a result, establishing and maintaining infection prevention and control, its monitoring, reporting and educating the officials involved, could not be ensured. During 2013-16, 427 neonates out of 27,804 babies born in sampled hospitals, succumbed to infectious diseases like sepsis, pneumonia, etc. Overcrowding of wards, unlimited entry of attendants and inadequate training to health personnel were the causes of infectious diseases as discussed in subsequent *Paragraphs 3.1.5.1* and *3.1.6.3*.

Confirming the fact, the ADMOs stated (July 2016) that steps would be taken to prevent hospital associated infection.

3.1.4.2 Shortage of life saving drugs in central store of the MCH and DDHs

The State Government launched (June 2013) 'Free Medicine Distribution Scheme' under which life saving drugs are to be distributed to the patients free of cost.

As per the Odisha State Drug Management (OSDM) Policy, 80 per cent of total funds allotted for procurement of medicines is provided to Odisha State Medical Corporation Limited (OSMCL) for bulk purchase of medicines and the remaining 20 per cent is allotted to the GMCHs and DHHs for procurement at their level. Further, the GMCHs and DHHs could purchase medicines from the user fees at the time of exigency. Audit observed that

despite availability of funds, eight out of 10 test-checked units did not have stock of life saving drugs for periods ranging from one (DDH, Puri) to 80 months (DHH, Kandhamal) during 2013-16. Medical Officers/ storekeepers had not conducted periodical verification of stores to assess the stock position of life saving drugs. Audit interviewed 41 mothers in the presence of departmental officials in test-checked hospitals, out of which 15 mothers stated that they procured essential drugs from outside agencies as the hospitals did not supply the same. Audit also checked the stock registers and observed that these medicines were not available in the hospitals.

The ADMOs stated (July-August 2016) that the matter would be referred to OSMCL for supply of medicines in time.

3.1.4.3 Non-conduct of quality testing of medicines administered to patients

As per OSDM Policy, random sample of 20 *per cent* of medicines procured is to be collected from each batch at supply/ distribution/ storage points. The samples are to be sent to the State Drug Management Unit³ (SDMU) for quality testing within three days of receipt of medicines.

Audit observed that the test-checked hospitals had purchased medicines worth ₹ 12.37 crore including medicines for neonates and paediatrics during 2013-16. However, none of the test-checked hospitals had collected samples during 2013-16 for conducting quality test at SDMU, due to which medicines were administered to children without quality test.

ADMOs of the test-checked hospitals stated (June-July 2016) that necessary steps would be taken to send the drug samples for quality test.

3.1.4.4 Inadequate laboratory services

Laboratory services are an integral part of disease diagnosis, treatment, monitoring, response to treatment, disease surveillance programme and clinical research. Laboratory tests are used to support patient care. The test results, therefore, should be reliable, accurate and reproducible for appropriate and prompt intervention to reduce the overall burden and promote health.

As per the guidelines for Good Clinical Laboratory Practices (GCLP), the laboratories in hospitals were to be equipped with appropriate infrastructure and qualified and trained staff. However, Audit observed in the laboratories of seven DHHs that different types of tests were either not conducted or inadequately conducted due to non-availability of equipment and re-agents as shown below.

Table 3.1.2: Availability of laboratory services in the hospitals test-checked

Test facilities relating to	Number of test-checked DHHs		
	Available	Partial available	Not available
Biochemistry	1	5	1
Microbiology	1	4	2
Pathology	3	4	0

(Source: Test-checked DHHs)

³ State Drug Management Unit was the Government agency managing pooled procurement of drugs and medical consumables till March 2015. OSMCL is acting as procurement agency for the H&FW Department from April 2015 onwards

During joint physical inspection of seven DHHs, the following deficiencies were observed.

- Three DHHs did not have re-agents (a substance used to produce a chemical reaction) for conducting laboratory tests. In all sampled DHHs, Flow Cytometer Electro Process (used to analyse the physical and chemical characteristics of particles in a fluid when it passes through the laser) and machines for PT and PTT test (blood clotting factor activities) were not available in the laboratory.
- In six⁴ out of seven sampled DHHs, equipment like Electrolyte Analyser, Semi Auto Analyser, Auto Analyser and Flow Cytometer, Microscope and Centrifuge machines were lying defunct for periods from 6 to 60 months. Further, none of the test-checked DHHs had entered into any Annual Maintenance Contract for timely repair and maintenance of the equipment.
- In the laboratories of all sampled DHHs, critical equipment such as Sodium Potassium Analyser, Incubator, QBC count machine and Auto Biochemistry Analyser, *etc.*, were not available.

Thus, the neonatal and paediatric patients could not avail pathological investigation facility in the test-checked DHHs during 2013-16 due to want of adequate resources.

The Chief Medical Officers of Rourkela and Balasore stated (August 2016) that the proposal would be sent to the Government for filling up the posts of technicians and procuring the equipment.

3.1.4.5 Non-validation of laboratory reports by external laboratory

The Indian Public Health Standard (IPHS) stipulates that external validation of laboratory report is to be done on a regular basis. Validation of results of laboratory reports is an important measure to ensure that the patients are given accurate reports on which treatment by doctors would be based. Audit observed that in three⁵ out of seven test-checked DHHs, the laboratory results were not validated by external laboratories. In absence of validation of test reports, the credibility of results remained unestablished.

3.1.4.6 Shortage of medical equipment

Schedule-III of the 'Minimum Standard Requirements for Medical Colleges Regulations (MSRR), 1999 for 250 admissions annually, prescribes the minimum requirement of equipment for GMCHs and IPHS prescribes norms for requirement of equipment for SNCUs of DHHs.

From scrutiny of records and information furnished, Audit observed that 11⁶ out of 40 essential equipment were not available in these hospitals and in spite

⁴ Bargarh, Baripada, Jharsuguda, Kandhamal, Puri and Rourkela

⁵ DHHs at Jharsuguda, Kandhamal and Rourkela

⁶ Horizontal laminar flow (8), Electronic weighing scale (one), Infanto meter (2), Procedure trolley (4), Spot lamp (4), Portable x-ray machine (6), Room thermometer (3), Vertical autoclave (one), Disinfectant sprayer (7), Formaline vaporizer (5) and Power generator (3)

of that, eight test-checked hospitals had not sent the requisition for these equipment to the Department during 2013-15. Though two medical colleges had sent the requisition during 2013-16, the Department did not take steps for procurement and supply of these equipment. Audit observed that Department had released ₹ 115.90 crore⁷ to the Odisha State Medical Corporation Limited (OSMCL) in February, November and December 2015 for procurement of equipment and instruments for 32 DHHs and three GMCHs. However, neither the CDMOs submitted their requirements in time nor did the Department take initiative to assess the requirements of the districts, before procurement and supply of equipment. Subsequently, OSMCL placed (April 2016) purchase orders for equipment of ₹ 13.22 crore only based on the requirements received in 2015-16. The balance amount of ₹ 102.68 crore had been retained by OSMCL as of August 2016 without any utilisation.

The General Manager (Finance and Accounts), OSMCL stated that (September 2016) tender would be floated by first week of October 2016 for procurement of equipment.

3.1.4.7 Ineffective service delivery by grass-root level health workers

The Anganwadi Centres (AWC) under Women and Child Development (W&CD) Department is the focal point for all health and nutrition services. Anganwadi Worker (AWW) working in the AWC is to provide supplementary nutrition to the pregnant women and lactating mothers and immunisation for ensuring healthy babies from pregnant women and proper nurturing of infants by lactating mothers. Under H&FW Department, ASHA works with communities at village level for social mobilisation and improving access to services. ASHA serves as a depot holder for package of basic medicines. The unit closest to the community is the Sub-Centre (SC) staffed with an Auxiliary Nurse Midwife (ANM), who provides services for primary health care interventions which are substantially focused on maternal and child health.

Audit observed that there were substantial deficiencies of infrastructure of AWCs in the State. There was shortfall of 644 ANMs in the State as 7,263 ANMs were in position against 7,907 ANMs. Similarly, in test-checked units, 3,125 ANMs were available against 3,426 ANMs. Further, 253 out of 6,688 SCs of the State were functioning without ANM. Such deficiencies led to shortfall in safe maternal and child health as discussed below.

- During 2013-16, Iron Folic Acid and other vitamin tablets which are critical for improving the immunisation power of the pregnant women, were not provided to 6.37 lakh (26 *per cent*) out of 24.43 lakh registered pregnant women in the State. This was one of the major causes of malnutrition and Low Birth Weight (LBW) babies. Audit observed that 1,752 neonatal deaths were registered due to Low Birth Weight (LBW) out of 27,804 babies born in nine out of 10 test-checked hospitals, during 2013-16.
- Further, 20.58 lakh children (80 *per cent*) were immunised against the target of 25.82 lakh in the State and in 10 test-checked districts, 8.55

⁷ 2014-15 : ₹ 35.90 crore and 2015-16 : ₹ 80.00 crore

lakh (79 *per cent*) were immunised against the target of 10.83 lakh children.

The CDMOs attributed (July-August 2016) the reason of malnutrition of mothers to inadequate and ineffective health care services of field level health workers like ANM and AWW.

3.1.4.8 Non-conduct of Death Review/ Prescription Audit

The objective of the death review is to analyse the circumstances which led to death of patient, to identify the reasons and to take remedial measures in future. The Department had constituted (August 1984) a committee to review the causes of death occurring in the GMCHs, which was to meet regularly at least once in a month and submit the proceedings to DMET. Subsequently, the Department directed (September 2013) clinical departments of all GMCH to conduct death review once in a month.

Prescription audit ensures rational use of medicines and discourages promotion of any particular brand or manufacturer. As per H&FW Department orders of September 2012, prescription audit should be conducted at State level by Director of Health Services annually engaging professional organisations and at the institutional level, by both internal and external sources (peer doctors).

Though the neonatal mortality rate (37 per thousand) of the State was highest in the country and there were 16,651 deaths of neonatal and paediatric patients in the test-checked GMCHs and DHHs during 2013-16, the GMCHs had not conducted any death review to identify the causes of death. During 2013-16, the committee did not meet at all. The State Government did not ensure sitting of the committee at regular intervals.

Audit observed that prescription audit was not conducted in any of the test-checked units as of July 2016.

ADMOs of five test-checked hospitals stated (June-July 2016) that steps would be taken to conduct death review and prescription audit, while ADMOs/ Superintendents of remaining test-checked hospitals stated (May and August 2016) that death review was conducted. However, they failed to provide any document in support of the same.

3.1.5 Infrastructure

As per the IPHS norm, hospitals should be adequately equipped with required physical infrastructure, human resources and equipment for ensuring minimum health care services to public at minimum affordable charges. Deficiencies observed in the test-checked Government-run hospitals are discussed below.

3.1.5.1 High Bed Occupancy Ratio (BOR)

As per clause B.1.1 and B.1.8 of MSRR 1999, the minimum bed occupancy rate of the teaching hospital should be 75 *per cent*. According to the Indian

Standard (IS): 13808, the BOR should not exceed 90 *per cent* for providing quality service to in-patients. As per IPHS, all hospitals providing service to neonates should have a 10-bedded Newborn Care Ward (NCW). Neonates requiring minimum support should be put therein along with their mothers. The critical patients were to be shifted to SNCUs. Audit observed the following in the 10 test-checked hospitals:

- There were no NCWs in any of the test-checked hospitals. As per MCI/ IPHS guidelines, the distance between the beds in the SNCUs should be one and a half meter. However, the actual distance between the beds of all test-checked hospitals was less than one and a half metre. In SVPPGIP, the sanctioned bed strength of 200 was increased to 356 without increasing the floor area. The over-occupancy of SNCUs was due to absence of mother-child hospitals which were to be constructed with the funds released under National Health Mission.
- During 2013-16, the BOR in paediatric and neonatal wards of three out of ten test-checked hospitals⁸ ranged from 121 to 393 *per cent* and 121 to 190 *per cent* respectively.



View of a new born child treated on the floor of SNCU, DHH, Balasore

ADMOs of test-checked hospitals stated (July-August 2016) that after completion of new mother child health care building and increase in bed strength, the problem would be sorted out. However, high BOR affected quality health care provided to the neonatal and paediatric patients.

3.1.5.2 Inadequate physical infrastructure in the hospitals

As per the MSRR, 1999, there should be a well equipped and updated Intensive Care Unit (ICU) for paediatric/ neonatal care in GMCHs.

Audit observed the following shortfalls in availability of ICU in three sampled GMCHs:

- In SVPPGIP, there were 12 beds in Paediatric ICU, which were insufficient. During test-check of records for the month of August 2015, Audit observed that 15 paediatric patients got admission after waiting for four to 56 hours due to non-availability of beds in ICU.
- Non-availability of ICU beds in the Paediatrics Department at MKCG Medical College, Berhampur was reported in Paragraph 2.1.7.2 of the Report of C&AG of India, Government of Odisha for the year ended March 2014. Audit observed that 858 out of 39,143 neonatal/ paediatric patients admitted during 2013-16 in this hospital were referred to outside hospitals for specialised emergency health care.

⁸ SVPPGIP, Cuttack: 121 to 153 *per cent* (31 months), GMCH, Berhampur: 126 to 190 *per cent*; DHH, Baripada: 150 to 393 *per cent*

- **Duty room for Doctors/Nurses:** IPHS stipulates that the SNCU should have a duty room of 100 square feet each for duty doctors and nurses to attend to the critically ill neonates. In none of the SNCUs of the test-checked DHHs, duty rooms for doctors and nurses were available. In absence of duty rooms, staff nurses failed to maintain ancillary formalities and had to remain inside the SNCUs along with patients. During interview with 27 nurses, all of them stated that they had been facing difficulties in discharging their duties and maintaining records of SNCU patients.
- **Step Down Unit (SDU):** This is an additional 6 to 10 bedded unit where recovering neonates *i.e.*, neonates who don't need intensive monitoring, can stay. On joint physical inspection of test-checked hospitals, it was observed that six test-checked hospitals⁹ did not have SDUs, resulting in over occupancy in SNCU of these hospitals.
- **Day and night shelter:** As per the IPHS norm, there should be day and night shelter room for the attendants of the patients in SNCU. In the SNCUs of test-checked hospitals, day and night shelter rooms were not available. Attendants of the patients used different corridors for taking shelter at night.
- **Provision of Power laundry:** IPHS stipulates for provision of power laundry in each hospital for ensuring cleanliness and disinfection. Audit observed that none of the test-checked hospitals had power laundry, due to which they had to depend on outside sources for supply of clean linens to patients. Thus, cleanliness and disinfection could not be achieved to the desired extent.



Parents of newborn taking rest in the corridor of the hospital

The ADMOs/ Superintendents of test-checked hospitals stated (June-July 2016) that matter would be moved to Government for improvement of infrastructure.

3.1.6 Human Resources

3.1.6.1 Shortage of specialists/ doctors/ nurses in SNCUs

As per the IPHS, there should be four Medical Officers in SNCU of a DHH to provide health care services round the clock. In the test-checked hospitals, Audit observed that against the requirement of 40 doctors in the SNCUs, only nine doctors were posted. In six¹⁰ out of 10 test-checked hospitals, no doctor was posted in the SNCUs. In these hospitals, the available paediatric specialists were attending all the patients of OPD (paediatric), IPD and SNCU.

⁹ VIMSAR, Burla, DHH, Balasore, DHH, Baripada, DHH, Kandhamal, DHH, Puri and Government Hospital, Rourkela

¹⁰ SVPPGIP, Cuttack, MKCG Medical College, Berhampur, VIMSAR, Burla and DHHs (Bargarh, Kandhamal and Puri)

Thus, the objective of providing special medical care to sick new born babies at SNCUs remained unachieved.

In SVPPGIP, Cuttack, Audit observed that against the sanctioned strength of 54 posts of doctors, there was vacancy of 34 (62 *per cent*) posts. Similarly, in the sanctioned strength of 257 nursing staff, there was a vacancy of 10 *per cent*. In case of attendants (sanctioned strength-95), the vacancy was 28 *per cent*. Further, H&FW Department, instead of filling up the existing vacancies, had sanctioned (March 2015) 29 posts (Doctors: 15 and Staff Nurses: 14). However, the same were not filled up as of July 2016.

Thus, in the absence of adequate medical and paramedical staff, neonatal and paediatric care was compromised.

The ADMOs/ Superintendents of test-checked hospitals stated (June-August 2016) that the matter would be moved to Government for posting of requisite staff in the SNCU.

3.1.6.2 High nurse-baby ratio in SNCU

As per IPHS norm for SNCU, the required nurse-baby ratio is one to three/ four neonates per shift. Audit observed in 10 test-checked hospitals that against the requirement of 315 Staff Nurses, only 99 (31 *per cent*) were available. This shortage of Staff Nurses led to high nurse-baby ratio (ranging from 1:7 to 1:10) in the SNCUs, denying the sick neonates of getting the required nursing care in the hospitals. Government had not taken enough steps to fill up the vacancies of staff nurses in the SNCUs.

3.1.6.3 Inadequate training to medical/ para medical staff

As per Facility Based Newborn Care (FBNC) Operational Guidelines, trainings like *Navjaat Shishu Suraksha Karyakram* (NSSK), Facility based Integrated Management of Neonatal and Childhood Illness and FBNC are required to be imparted to doctors, staff nurses for development of skill for providing appropriate level of neonatal health care.

Audit observed that during 2013-16, out of 2018 doctors targeted for training, 906 doctors (45 *per cent*) were imparted training. Similarly, against the target of 15,305 paramedical staff for training, 10,106 (66 *per cent*) staff personnel were covered. The reasons for not achieving the target of training were less nomination of staff for training, non-availability of suitable venue, *etc.* Due to inadequate training, the purpose of skill development of medical/ para medical staffs remained unachieved, which affected health care in the State.

3.1.6.4 High mortality rate in SVPPGIP, Cuttack

As mentioned in preceding paragraphs, in SVPPGIP, there was 62 *per cent* vacancy in the post of doctors and 10 *per cent* vacancy in the post of nurses. Compared to inflow of patients, there were insufficient beds in ICU. In the month of August 2015, SVPPGIP was in news due to death of 53 paediatrics and neonatals in one month.

Audit checked Enquiry Report of Technical Committee relating to 30 death cases and observed that 14 out of 30 deaths occurred due to sepsis/septicemia¹¹, three deaths due to Birth Asphyxias¹² and three due to prematurity with Respiratory Distress Syndrome. The causes attributed by the Committee for the increased mortality rate included over-burden of work of doctors, inadequate infrastructure, non-availability of residential doctors, *etc.*

This indicated that the gaps in the human resources and infrastructure were not filled in by both the Government as well as by the hospital authorities to arrest the paediatric and neonatal death rate.

3.1.7 Inspection and monitoring

- There was no system or prescribed procedure for monitoring in the Department. The Directorate had not put in place a monitoring cell to monitor activities of the hospitals.
- In seven out of 10 test-checked hospitals, there was shortfall in holding Governing Body and Executive Committee meetings to monitor the activities and addressing the issues in the district hospitals.
- Internal Control Mechanism (ICM) is an integrated process by which an organisation governs its activities so as to give reasonable assurance for achieving its objectives. In the absence of adequate ICM, the deficiencies in service delivery, equipment and drugs management, *etc.*, persisted in test-checked units.
- Rule 111 of OGFR provides physical verification of store, at least once in a year by Head of the office or his nominee. It was observed that no physical verification of store had been carried out in any of the test-checked hospitals during 2013-16. Had periodical verification of equipment and drugs been done, the demand and utilisation of essential drugs and inadequacy of equipment could have been assessed and corrective action taken.

3.1.8 Conclusion

The Government did not have a clear vision for enunciating specific perspective and annual plan to address the issue of alarming Neonatal Mortality Rate and Infant Mortality Rate in the State in spite of substantial expenditure incurred on health sector. Further, the district authorities were also not proactive for effective service delivery in health care to achieve the objectives on neonatal and infant mortality rate. The availability of physical infrastructure and human resources was not in conformity with the prescribed guidelines. Government-run hospitals did not enforce and adhere to the instructions and guidelines relating to neonatal and infant health issues. Monitoring and inspection by State and District level authorities were absent, as a result of which due importance could not be given to the health component of neonatal and paediatrics care.

¹¹ Sepsis involves causes like Bronchopneumonia, Meningitis Aspiration, Preterm, Very Low Birth Weight, Acute Kidney Injury, *etc.*

¹² Asphyxias: Deprivation of oxygen during birth causing damage of brain

The issues discussed in the report were referred (September 2016) demi-officially to the Government; their reply is awaited (December 2016).

Law Department and Home Department

3.2 Modernisation of Judicial Infrastructure in the State

3.2.1 Introduction

Judicial infrastructure includes court complexes, court buildings, residential buildings for judicial officers/ judges, furniture and fittings, computers, *etc.* The primary responsibility of infrastructure development for the subordinate judiciary rests with the State Government. The Central Government also augments the resources of the State by releasing financial assistance under the Centrally Sponsored Scheme (CSS) for development of judicial infrastructure. The Law Department sanctions establishment of new courts and the Home Department releases funds for creation and maintenance of judicial infrastructure.

During 2013-16, the infrastructural projects were executed through the Public Works Department and Odisha State Police Housing and Welfare Corporation Limited (OSPHWC). In order to examine efficiency and economy in utilisation of funds, adequacy of planning for creation of infrastructure and timeliness in execution of projects, an Audit was conducted during April-June 2016, covering the period 2013-16. Audit test-checked records of Home Department, Law Department, Odisha Judicial Academy, Odisha State Legal Services Authority (OSLSA), Registrar (Judicial), Orissa High Court (OHC) and District Courts/ Gram Nyayalayas of five sampled districts¹³. Audit also test-checked records of the executing agencies *i.e.*, Roads and Building Divisions of Public Works Department in the sampled districts and two Divisions¹⁴ of OSPHWC.

Audit Findings

3.2.2 Receipt and utilisation of funds

The receipt and utilisation of funds pertaining to the State Plan and 13th FC grants during the year 2013-16 are given in **Table 3.2.1** below:

Table 3.2.1: Statement showing Receipt and Utilisation of funds during 2013-16

(₹ in crore)

Source	OB	Receipt	Total availability	Expenditure	Percentage of expenditure
State Plan	24.49	268.41	292.90	192.66	66
13 th FC	14.53	19.17	33.70	10.50	31
Total	39.02	287.58	326.60	203.16	62.20

(Source: CE, Building; CMD, OSPHWC and Member Secretary, OSLSA)

¹³ Cuttack, Ganjam, Jharsuguda, Khurda and Sambalpur

¹⁴ Sambalpur and Koraput

Besides the above, an amount of ₹ 24.67 crore had also been received under 13th Finance Commission (FC) grant during 2010-13.

Audit observed the following:

- The overall percentage of utilisation of funds received during 2013-16 was 62.20 and the percentage of utilisation of funds received under State Plan was nearly 66. However, utilisation of funds under 13th FC up to the stipulated period *i.e.*, March 2015 was only 31 *per cent*. The reasons for low utilisation of funds were absence of proper planning (**Paragraph 3.2.3.1**), non-identification of suitable land in advance for projects, non-sanction of revised estimates in time (**Paragraph 3.2.4.1**), *etc.*, as discussed in the succeeding paragraphs.
- During 2013-16, the Home Department released ₹ 82.41 crore to OSPHWC for execution of 38 projects. Unspent funds of ₹ 34.01 crore (balance of ₹ 24.49 crore as on 31 March 2013 and interest of ₹ 9.52 crore) were also available with OSPHWC. Out of the total funds of ₹ 116.42 crore, OSPHWC had utilised ₹ 78.98 crore (68 *per cent*) as on 31 March 2016. Though OSPHWC earned interest amounting to ₹ 9.52 crore on unspent funds, it neither refunded the amount to the Department nor sought approval from the Department for utilisation in other projects.

The Home Department stated (October 2016) that utilisation of interest amount in other approved projects was under active consideration.

3.2.3 Deficiency in Planning

3.2.3.1 Non-preparation of Court Development Plan

The report of the ‘Sub-committee of the National Court Management System’ set up by the Apex Court on ‘Court Development Planning System’ had emphasised (September 2012) the need for preparation of short term (annual plan), medium term (five year plan) and long term (ten year) plans by the concerned High Courts. Further, it was decided in the Chief Justices’ Conference, held in April 2013, that Vision Statements and Court Development Plans (CDP) should be drawn up for all High Courts and District Courts, covering matters relating to infrastructure, computerisation, human resources development, *etc.*

Audit observed that the Registry of the OHC had submitted (May 2015) a CDP to the State Government proposing establishment of 391 new courts. The new courts would, *inter alia*, cover 194 Blocks, where no courts had been established. The High Level Committee of the State Government approved the CDP in January 2016 with the decision to open new courts in a phased manner. During 2013-16, 180 new courts¹⁵ were also sanctioned. Out of these 180 new courts, construction of buildings for 140 courts were taken up, out of which 125 projects were completed and 15 were under progress. However, no action was taken for creation of infrastructure in respect of the remaining 40 new courts, as discussed in **Paragraph 3.2.3.3**.

¹⁵ 2013: 60, 2014: 38, 2015: 55 and 2016 (up to June 2016): 27

3.2.3.2 Non-provision of funds for Gram Nyayalayas

The Gram Nyayalayas Act¹⁶, 2008 envisaged establishment of the Gram Nyayalayas (GNs) at grassroot level for providing access to justice at doorsteps at low cost. GN was to be established for every Panchayat or a group of contiguous Panchayats at intermediate level in a district. OHC had proposed (4 January 2010) to Law Department for establishing 30 GNs in different districts of the State.

Audit observed that 16 GNs were sanctioned during 2011-15 out of which 13 GNs were made functional as of March 2016. However, no provision of funds was made to build infrastructure for these GNs and the GNs were operating from buildings of existing courts (3), other Departments (9) and hired building (1). The remaining three sanctioned GNs could not be made functional due to non-posting of officers and non-availability of buildings. Audit test-checked three¹⁷ out of 13 functional GNs and observed that two GNs were functioning in dilapidated houses provided by Block Development Officers, while one was functioning in a Government quarter. In one case¹⁸, the court was functioning in a dilapidated asbestos roofed house, with no public transport facility and drinking water supply.

The Law Department stated (November 2016) that less thrust was given for setting up of GNs, as OHC had resolved (April 2014) to establish new courts only. However, since GNs had already been sanctioned, the Department should have ensured necessary infrastructure to make them functional.

3.2.3.3 Absence of plan for constructing building for courts

As of March 2016, out of 612 subordinate courts functioning in the State, 80 courts did not have own buildings¹⁹. In five test-checked districts, 12 out of 144 courts did not have own building²⁰. Besides, the Law Department had sanctioned 180 new courts during 2013-16. Audit observed the following:

- Out of 80 courts of the State, which did not have own buildings, construction of buildings for 41 courts had been undertaken during 2011-15 and the works were in progress as of March 2016. Further, no plan had been prepared for construction of the buildings for the remaining 39 courts though interest of ₹ 9.52 crore was available with OSPHC as of March 2016.
- For the 180 new courts sanctioned during 2013-16, 125 court buildings were constructed, out of which only 89 courts were made functional

¹⁶ A Central Act

¹⁷ 1) Gram Nyayalaya, Lakhanpur, District Jharsuguda, 2) Gram Nyayalaya, Tangi, District Khurda and 3) Sankhemundi, District Ganjam

¹⁸ Gram Nyayalaya, Lakhanpur, District Jharsuguda

¹⁹ Five courts functioning in rented building for 1 to 10 years; 55 courts functioning in buildings of other Departments; three courts functioning in ADR building; one court functioning in building provided by Railways and 16 courts were functioning in accommodation provided by local Bar Associations

²⁰ Functioning in rented building: one; building provided by local bar council: three ; in buildings of other departments: eight

and 36 courts could not be made functional due to non-posting of judicial officers, as of March 2016. Out of the remaining 55 courts, constructions of buildings for 15 courts were under progress and no plan had been started in respect of the remaining 40 buildings.

The Home Department stated (November 2016) that selection of projects for creation of infrastructure was subject to plan outlay. The reply was not acceptable, as plan for phase-wise construction of buildings for these 40 courts had not been framed (November 2016).

3.2.3.4 Absence of plan for providing adequate physical infrastructure

The Report of the ‘Sub-committee of the National Court Management System’ set up by the Hon’ble Chief Justice of the Supreme Court of India, in consultation with the GoI, had recommended (September 2012) norms for new court buildings. Audit observed that availability²¹ of infrastructures was not in conformity with the norms recommended by the above Sub-Committee. Despite this, Government had not chalked out any plan for mitigating the same.

Audit examined citizen-centric infrastructure requirements in 144 courts of five sampled districts and observed the following deficiencies:

- 104 sampled courts had no utility rooms/ space for the public and other stakeholders.
- 88 out of the 144 sampled courts were not barrier-free to cater to the needs of the persons with disabilities, senior citizens and infirm persons. Further, security or surveillance equipment were also lacking in 82 courts.
- Fire safety equipment were not available in 106 courts, while judicial lock ups were not available in 27 courts.

Despite these shortcomings, the Government had not framed any plan for up-gradation of the basic facilities in subordinate courts across State, thereby, depriving the citizens of hassle-free justice.

The Home Department stated (November 2016) that the report of the ‘Sub-committee of the National Court Management System’ was under their consideration.

3.2.4 Creation and maintenance of judicial infrastructure

3.2.4.1 Delay in completion of projects

During 2013-16, the Home Department released ₹ 268.41 crore in favour of two executing agencies viz., Works Department and OSPHWC for execution of 831 projects²². As of March 2016, 755 projects were completed utilising

²¹ Power back up, security and surveillance, IT enable court building, fire safety equipment, judicial lock up, etc.

²² Court building: 43; Staff quarters: 428; others: 360

₹ 59.32 crore. Out of the remaining 76 projects, 55 projects were under progress and 21 projects, sanctioned during 2013-14 to 2015-16²³, had not been taken up. In this connection, Audit observed the following:

- The R&B Divisions of the Works Department had not completed 27 major projects (*Appendix 3.2.1*), which accounted for about 31 per cent of allocation. These 27 incomplete works included 9 buildings for which scheduled completion date (May 2015 to April 2016) had already expired while in remaining 18 cases, scheduled completion dates had not been fixed by the Department. On test-check of five cases, it was seen that slow pace in execution of works by the contractors was the reason for non-completion. Besides, seven projects had not been started by the Executive Engineers (EEs) due to want of revised estimate (1), non-release of funds (1), proposal to replace the projects (2) and no recorded reason (3). This resulted in surrender of ₹ 72.33 crore released to R&B Divisions.
- Similarly, the OSPHWC completed only 2 out of 38 projects entrusted to it, utilising ₹ 19.04 lakh against the released amount of ₹ 82.41 crore²⁴. Scheduled completion dates were not fixed by the Department while according administrative approval to the projects. Besides, 14 projects were not taken up, despite release of funds due to non-handing over of site (6), want of revised estimate (4), non-release of funds (2), and no recorded reason (2). This resulted in blockage of the funds of ₹ 13.35 crore.
- Though the reasons for delay in completion of 10 projects executed by EEs were attributable to the contractors, penalty/ compensation amounting to ₹ 2.98 crore was not levied/ recovered from them.

The Home Department stated (November 2016) that they had been monitoring the progress of works for timely completion. The reply was not acceptable, as effective steps were not taken for timely completion of buildings, resulting in non-commencement of 21 projects and non-completion of 55 projects.

3.2.4.2 Inadequate number of quarters for judicial officers

Out of 129 Judicial Officers in the 144 test-checked courts, 81 were provided with Government quarters, 22 were residing in common pool quarters and the remaining 26 Judicial Officers were residing in hired buildings. Thus, adequate numbers of quarters were not available for the judicial officers.

3.2.5 Non-utilisation of Thirteenth Finance Commission grant

GoI guidelines (September 2010) on Thirteenth FC grant had prescribed that funds should not be utilised for creation of any permanent structure except Alternative Dispute Resolution Centre (ADRC) buildings.

²³ 2013-14: 2, 2014-15:18 and 2015-16:1

²⁴ 2013-14: ₹ 55.89 crore for 10 projects; 2014-15: ₹ 13.39 crore for 27 projects and 2015-16: ₹ 13.13 crore for one project

The Home Department had released ₹ 42.52 crore²⁵, received under 13th FC grant, to the Member Secretary, Odisha State Legal Services Authority (OSLSA) during 2010-15. The funds were to be utilised by 31 March 2015 for construction of one ADRC in each district (₹ 30 crore) and providing training to mediators (₹ 12.52 crore). OSLSA released ₹ 17.89 crore to the R&B Divisions for construction of ADRCs in 19 districts. As of March 2016, ADRCs in 11 districts had been completed.

Audit observed the following:

- Out of the remaining 11 districts, OSLSA had proposed (August 2014) construction of additional floors in the existing court buildings, instead of independent ADRC buildings. However, no action was taken by Home Department to place the matter before the High Level Monitoring Committee, which met in November 2014, for utilisation of Thirteenth FC funds. Thirteenth FC period was over in March 2015. As a result, ADRC buildings could not be taken up in these districts and an amount of ₹ 23.19 crore remained idle with OSLSA.
- OSLSA allowed *pro rata* supervision charges of ₹ 26.85 lakh on construction of three ADRC²⁶ buildings to the concerned R&B Divisions, though the same was not permissible under the guidelines. The Member Secretary, OSLSA stated that necessary instructions would be issued to R&B Divisions for refund/ adjustment of *pro rata* charges.
- Finance Department had instructed (October 2012 and November 2014) retention of unspent scheme funds in flexi accounts with banks, instead of saving bank accounts, to fetch higher interest. OSLSA had received Thirteenth FC grants amounting to ₹ 42.52 crore during 2010-15. It retained unutilised amounts, ranging from ₹ 12.43 crore to ₹ 24.56 crore, in one saving bank account during 2013-16 and earned interest of ₹ 2.02 crore. Had the amount been kept in flexi accounts, it could have earned ₹ 4.40 crore²⁷ as interest. This resulted in loss of interest amounting to ₹ 2.38 crore. On being pointed out in Audit, OSLSA transferred (October 2016) the funds to flexi accounts.

3.2.6 Other points of interest

As per the provisions of OPWD Code, execution of works having estimated cost above ₹ 50,000 (revised to ₹ 5 lakh from 31 August 2015) were to be put to open tender. Estimates for works were not to be split up to avoid wide publicity and sanction of higher authority.

Audit test-checked 78 out of 105 works executed by two Divisions²⁸ of OSPHC (13) and five R&B Divisions²⁹ (92) and observed the following:

²⁵ 2010-11: ₹ 8.16 crore; 2011-12: ₹ 8.15 crore; 2012-13: ₹ 8.37 crore; 2013-14: ₹ 8.21 crore; 2014-15: ₹ 9.63 crore

²⁶ Berhampur: ₹ 13.36 lakh, Bargarh: ₹ 9.75 lakh and Sambalpur: ₹ 3.74 lakh

²⁷ Calculated on the minimum balance retained for each year during 2013-16

²⁸ Koraput and Sambalpur

²⁹ Berhampur, Cuttack, Jharsuguda, Khurda and Sambalpur

- In 58 works³⁰ executed by two R&B Divisions, works with individual estimated cost ranging from ₹ 0.85 lakh to ₹ 5.00 lakh were split up during July 2014 to August 2015 into 2 to 10 reaches each, with estimated cost below ₹ 50,000 to avoid wide publicity. However, all reaches of each work were awarded to the same contractor. Similarly, during September 2015 to March 2016, 16 works each with estimated cost above ₹ 5 lakh were split up to reaches below ₹ 5 lakh to avoid the tender process.
- Estimate for the work ‘District Court building at Deogarh’ was prepared (July 2014) by OSPHWC considering transportation cost of building materials from quarries situated at 55 to 65 km. However, as per the lead chart of Rural Works Division, Deogarh, the materials were available in the nearest quarries situated at 10 to 45 km. Thus, provision of excess lead in the estimate led to extra cost of ₹ 23.95 lakh. OSPHWC stated (October 2016) that stone products and sand had been procured from distance places as good quality materials were not available in the nearby quarries. The reply was not convincing as there were no recorded evidences like transit pass, royalty paid, *etc.*, on procurement by the contractors from distant quarries.
- Paragraph 4.2 of Coastal Regulation Zone (CRZ) notification, 2011 stipulated that necessary CRZ clearance should be obtained from Ministry of Forest and Environment before undertaking construction of project, which was undertaken in coastal High Tide Zone. Contrary to this, R&B Division, Berhampur, awarded the work of construction of Court Guest House at Gopalpur for ₹ 2.45 crore on 30 November 2015 without obtaining CRZ clearance. As of July 2016, expenditure of ₹ 57.65 lakh was incurred in the work. Construction of guest house violating the CRZ Regulation was irregular. In reply, Law Department stated (November 2016) that action would be taken to obtain the CRZ clearance.

These are indicative of deficiencies in preparing estimates, site survey and ineffective contract management.

3.2.7 Conclusion

No action was taken by the Home and Law Departments to plan and provide required infrastructure in new courts and fill the infrastructure gaps in existing courts to upgrade the same to the level prescribed by the sub-committee of the National Court Management System. Building projects were not completed in time. Estimation and contract management remained deficient, leading to extra expenditure and non-recovery of compensation for delayed execution. Management of 13th FC funds by OSLSA remained deficient, leading to loss of interest, blockage of funds and non-construction of ADRC buildings in 11 districts. Adequate quarters for judicial officers were not available while citizen-centric infrastructure remained absent in existing courts.

³⁰ Cuttack Division-I: 21 and Berhampur: 37

Home Department

3.3 Fire Services in the State

3.3.1 Introduction

The Orissa Fire Services (OFS) Act was enacted in December 1993 with the objective of making fire fighting services *viz.*, fire prevention, fire extinction, and disaster mitigation more efficient and effective in the State. The other objectives of OFS are to save life and property from fire and rescue people during natural/ unnatural disasters. OFS is the first responder in all types of emergencies in addition to its role in fire fighting and its prevention. As of March 2016, there were 290 Fire Stations (FSs) located in 30 districts of the State. During 2011-16, 79,788 fire incidents and 58,792 other emergencies were reported³¹ in the State, in which 3,808 lives³² and properties worth ₹ 395.28 crore were lost.

The Director General of Home Guards, Fire Services and Civil Defence {DG (FS)} is the operational head of the OFS which functions under the administrative control of Principal Secretary, Home Department. DG (FS) is assisted by one Chief Fire Officer (CFO), three Fire Officers (FOs) in range offices and 30 Assistant Fire Officers (AFOs) posted at district headquarters.

An Audit was conducted during April to August 2016, covering the period 2011-16, to assess planning, funds management, efficiency in creation of infrastructure, procurement of equipment, operational efficiency and preparedness of OFS. Audit test-checked records of the DG (FS), CFO, three FOs and 45 FSs in nine districts. Besides, two divisions (Sambalpur and Koraput) of Odisha State Police Housing & Welfare Corporation Limited (OSPHWC) were also covered to examine the economy and efficiency in execution of civil works relating to OFS. The Audit findings are discussed in the following paragraphs.

Audit findings

3.3.2 Absence of comprehensive plan for revamping Fire Service

The State Government decided (October 2010) to open FSs in all uncovered blocks by 2014 and take advance action to identify land for construction of infrastructure for these FSs. Subsequently, the National Disaster Management Authority (NDMA) had issued (April 2012) guidelines recommending to all States to assess requirement of manpower, equipment and FSs taking into consideration the States' vulnerabilities, classifications of hazardous industries in rural and urban areas as per the norms laid down by the Standing Fire Advisory Council³³ (SFAC) and plans for funding. On the basis of this

³¹ As per the information furnished by the Chief Fire Officer

³² 282 human beings and 3,526 animals

³³ A standing committee constituted by the Ministry of Home Affairs comprising of representatives of all States and Union Territories, who issues recommendations for taking various measures in the matter of civil defence

exercise, the States were to prepare a comprehensive plan for revamping of fire service. In this context, Audit observed the following:

- SFAC and NDMA guidelines prescribed the norm for setting up FS based on population, area, forest cover, etc., i.e. one FS per 50,000 population or for 50 Sq km area in rural areas and 10.36 Sq km in urban areas. Prior to issue of NDMA guidelines, the State had 180 FSs. Based on NDMA norm, requirement of the State was 840 FSs. Thus, there was a shortage of 660 FSs. Against this, the Government sanctioned 155 new FSs during 2012-16 as per its 1993 decision. Out of 335 FSs sanctioned, 290 had been made functional as of March 2016. No step was taken by the Department to identify areas vulnerable to fire and make good the shortfall in FSs in the State as well as deficiencies in existing FSs to match the same with the SFAC and NDMA norms on manpower, equipment and FS. Further, database on hazardous industries was not prepared. As such, no comprehensive plan was prepared for revamping OFS and setting up FSs as per SFAC norm in a phased manner. Due to inadequate number of FSs, 40 out of 45 test-checked FSs had to cover area ranging from 100 Sq km to more than 500 Sq km³⁴. This had adversely affected the operational efficiency of OFS, as discussed in **Paragraph 3.3.6**.

The Department stated (November 2016) that FSs were being set up as per the criteria fixed by the Government in April 1993 and December 1998. The fact, however, remained that the criteria, so fixed, had not been reviewed after issue of guidelines by NDMA.

- As of March 2016, 290 FSs had been set up in 271 out of 314 Blocks and urban areas of the State. In the remaining 43 Blocks, construction works for FSs had not been started, despite sanction and allocation of funds during 2009-14³⁵. Moreover, delay in finalisation of land had also contributed to non-completion of infrastructure for FSs, as discussed in **Paragraph 3.3.4.1**.

The Department assured (November 2016) that areas vulnerable to fire would be identified and database of hazardous industries would be maintained. It also stated that in the meantime eight more FSs including six in six blocks had been made functional.

3.3.2.1 Deficient institutional arrangements

SFAC had recommended creation of adequate institutional arrangements to increase the operational efficiency of fire services. Audit observed the following in the existing organisational structure:

Table 3.3.1: Institutional arrangement required as per SFAC and that available in the State

Requirement as per SFAC	Existing institutional arrangement
Six bureaus to be created to act as operational wing of Fire Services, i.e., Headquarters Bureau, Communications and	No operational wing was created in the OFS, except a

³⁴ Above 500 sq km: 13 FSs, less than 500 and more than 100 sq km: 27 FSs

³⁵ 2009-10: 1, 2011-12: 4, 2012-13: 16 and 2013-14: 22

Requirement as per SFAC	Existing institutional arrangement
Alarm Bureau, Fire Prevention Bureau, Community Relation Bureau, Training Bureau and Research and Development Bureau.	Fire Prevention Wing in the Directorate.
State should be divided into several Zones, each Zone being termed as a "Fire Service Command". Each Fire Service Command should be commanded by a Director who should be assisted by a Chief Fire Officer and a Deputy Chief Fire Officer. At the Division level, the Officer-in-charge of a Division should be of the rank of Deputy Chief Fire Officer and he/ she should be assisted by Divisional Fire Officer and Assistant Divisional Fire Officer.	There was no Fire Service Command in the State. Instead of Zones, the State was divided into three ranges and only Fire Officer was in-charge of each range instead of CFO. Districts were headed by AFO instead of FO.

(Source: SFAC recommendation and Audit analysis)

In absence of adequate institutional arrangements, mandatory fire prevention measures could not be enforced and violators could not be prosecuted as discussed in *Paragraph 3.3.6.4*.

The Department assured (November 2016) of creating separate Bureaus in the OFS as per the recommendation of the SFAC in due course.

3.3.2.2 Deficient legal framework

Section 26 (1) of OFS Act provided for making rules for carrying out provisions of the Act. SFAC also recommended the States to enact legislation on fire prevention covering all aspects of fire safety. However, even after 23 years of enactment of OFS Act, Rules for enforcement of its provisions had not been approved by State Government. Audit observed that DG (FS) had prepared and submitted Draft Odisha Fire Service Rules and Draft Odisha Fire Prevention and Safety Rules to the Home Department several times (latest in March 2015), which had not been approved by the Department as of October 2016.

As a result, neither the provisions of National Building Code (NBC) regarding fire safety measures could be made mandatory nor required enforcement powers could be given to the fire service personnel as discussed in *Paragraph 3.3.6.4*. In absence of legal authority, fire service personnel have been seeking consent of occupiers/ builders/ owners to enter into their premises even to inspect and assess compliance with fire prevention and safety measures.

The DG (FS) confirmed (November 2016) the fact. Response of the Department had not been received (December 2016).

3.3.3 Funds Management

Details of receipt of funds and expenditure incurred by the DG (FS) during 2011-16 are indicated in the following table:

Table 3.3.2: Receipt and utilisation of funds during 2011-16

Year	Receipt of funds					Utilisation of funds
	State Plan	State Non-Plan	13 th Finance Commission Award	Centrally Sponsored Plan	Total	
2011-12	6.73	5.20	37.50	0	49.43	49.42
2012-13	20.00	1.68	35.10	8.24	65.02	65.02
2013-14	20.81	2.44	38.99	0	62.24	62.24
2014-15	27.06	3.90	38.41	0	69.37	68.92
2015-16	41.00	2.10	0	0	43.10	43.08
Total	115.60	15.32	150.00³⁶	8.24	289.16	288.68

(Source: Information furnished by DG (FS) and Audit scrutiny)

Out of ₹ 289.16 crore released during 2011-16, ₹ 212.06 crore³⁷ was released for building new infrastructures and ₹ 77.10 crore³⁸ for procuring equipment. Audit observed the following:

- **Loss of Central assistance:** Out of ₹ 150 crore recommended by the 13th Finance Commission (FC) for up-gradation of fire services in the State, GoI had released ₹ 135 crore during 2011-15. The balance amount of ₹ 15 crore was to be released on submission of completion certificate (CC) for all infrastructure projects by the State Government by 31 March 2015. In anticipation of receipt of Central assistance, the State Government also released (2014-15) the remaining fund of ₹ 15 crore from its own resources. DG (FS) released ₹ 110.82 crore during 2011-15 to OSPHWC for creation of infrastructure and purchased equipment and fire tenders at ₹ 39.05 crore³⁹. OSPHWC utilised only ₹ 64.76 crore by March 2015, as it could not complete 153 out of 244 projects due to non-finalisation of site, land dispute, identified site not suitable, etc., as discussed in **Paragraph 3.3.4**. As a result, the Department could furnish utilisation certificates (UCs) for only ₹ 111.59 crore up to March 2015 and could not furnish any CC. Due to non-utilisation of full amount released and non-submission of CCs, GoI did not release the remaining funds. Since the 13th FC period expired on 31 March 2015, the possibility of release of the remaining quantum of funds was remote. Thus, delay in utilisation of funds deprived the State of Central assistance of ₹ 15 crore.

The Department, while accepting the fact, stated (November 2016) that 56 projects were completed and 23 projects were not started while 74 were under construction and the delay was due to non-availability of suitable land, land dispute, unwillingness of contractors, etc. The fact, however, remained that due to delay, CCs could not be submitted to GoI and the State was deprived of Central assistance of ₹ 15 crore.

³⁶ Including ₹ 15 crore released by the State Government anticipating release of withheld amount by GoI

³⁷ 13th FC: ₹ 110.82 crore, State Plan: ₹ 91.60 crore and State non-Plan: ₹ 9.64 crore

³⁸ 13th FC: ₹ 39.18 crore, Centrally Sponsored Plan: ₹ 8.24 crore, State Plan: ₹ 24 crore and State non-Plan: ₹ 5.68 crore

³⁹ Remaining ₹ 13.00 lakh had been surrendered

- **Submission of inflated UC:** Out of ₹ 111.59 crore for which UC was submitted to GoI, the actual expenditure was ₹ 103.81 crore⁴⁰. This resulted in submission of excess UC for ₹ 7.78 crore by the State Government.
- **Non-refund of interest by OSPHWC:** Out of the interest of ₹ 17.05 crore earned during 2011-16 on unspent fund by OSPHWC, only ₹ 9.83 crore was refunded to the Department. The balance amount of ₹ 7.22 crore was not refunded as of October 2016.

The Department stated (November 2016) that the interest would be utilised in 10 old projects for which revised estimates had been called for (March 2015 to August 2016) from OSPHWC.

3.3.4 Creation of infrastructure

3.3.4.1 Delay in completion of construction

Government had allocated ₹ 212.06 crore to OSPHWC under State Plan and 13th FC for construction of 127 FS buildings, 1,178 residential quarters (377 projects) and 16 other non-residential buildings⁴¹ during 2011-16. The year-wise projects taken up and their status as on 31 March 2016 are indicated in the table below:

Table 3.3.3: Year-wise status of projects as on 31 March 2016 (Figures are no. of Projects)

Category of infrastructure	2011-12	2012-13	2013-14	2014-15	2015-16	Total	Status as on 31 March 2016		
							Completed	Under construction	Not yet started
Fire Station Buildings	30	51	39	3	4	127	35	73	19
Residential Buildings	53	86	88	45	105	377	121	125	131
Other Non-Residential Buildings	4	0	0	10	2	16	2	1	13
Total	87	137	127	58	111	520	158	199	163

(Source: Information furnished by DG, FS and OSPHWC)

It can be seen from the above table that 163 projects (31 per cent) were not commenced as on 31 March 2016 despite availability of funds with OSPHWC, mainly due to non-availability of site, delay in preparation of estimate, tendering and non-fixation of timeline for completion by the Department, as discussed below:

- The Government had instructed (October 2010) that advance action be taken for identification of land for FSs so that construction could be taken up as and when the FSs were sanctioned. However, the said instruction was not complied with, leading to time and cost overrun, as discussed in **Paragraph 3.3.4.3**. In case of 16 projects⁴², which had

⁴⁰ OSPHWC: ₹ 64.76 crore and DG (FS): ₹ 39.05 crore

⁴¹ Range Office building, Control room, Transit hostel and Workshops

⁴² FSs at Jharbandha, Kanasa, Baliana, Belaguntha, Bahanaga, Bijatola (Rairangpur), Kuliana, Shyamakuntha and Morada; Staff quarters at Hinjilikatu (2), Krushnaprasad (3) and Ghasipura (2)

been sanctioned and funds had been received during 2013-15, lands were not allotted up to June 2016 even after 15 to 27 months of release of funds.

- In case of 10 projects⁴³ sanctioned during 2011-12 (2) and 2014-15 (8), the works could not be taken up in time due to delay in finalisation of land leading to cost escalation and revision of the estimates. In case of two projects (2011-12), OSPHWC submitted revised estimate in October 2015 and the approval was awaited (May 2016). Regarding the remaining eight projects (2014-15), OSPHWC had not submitted revised estimates.
- Even after issue of work orders for 26 projects⁴⁴ sanctioned during 2012-15⁴⁵, works had not been started (March 2016) due to delay in handing over of site (Bijepur and Chandrapur), non-receipt of permission to cut standing trees (Kashipur), non-sanction of revised estimates, etc.
- Further, 199 projects (38 per cent) were under construction as of March 2016 even after lapse of one to five years since the date of sanction. These included 73 FSs, 125 residential buildings and one non-residential building.
- In none of the cases, timeline for completion was fixed by the DG (FS) while according administrative approval.

The Department stated (November 2016) that OSPHWC had been requested to complete the projects at the earliest. The fact, however, remained that no timeline for completion of the projects had been fixed by the DG (FS) for completion of projects by OSPHWC.

3.3.4.2 Idling of FS buildings due to absence of approach road

OSPHWC had completed construction of FS buildings at 19 different Blocks at a cost of ₹ 11.38 crore during June 2014 to July 2015 (*Appendix 3.3.1*). However, the DG (FS) did not take over these buildings as approach roads were not available. Audit observed that non-preparation of composite estimate for buildings along with approach road by OSPHWC led to these completed buildings remaining idle, apart from not fulfilling the intended objective. Audit test-checked six such projects completed (April 2015 to April 2016) at ₹ 2.48 crore and observed that:

- Estimates for five⁴⁶ projects for ₹ 1.64 crore for site development, approach road, etc., were submitted (June 2015) by the Joint Manager,

⁴³ Sambalpur: Transit hostel, Range Office, Berhampur: Transit hostel, Range Office, Control room and Workshop, Cuttack: Range office, Central Workshop, Control room and Auditorium at OFDRA

⁴⁴ FSs at Chandrapur, Loisingha, Mathili, Bijepur, Kashipur and Tarava; Quarters at: Kasinagar (3), Boriguma (3), Bamuru (3), B.Maharajpur (3), Rampur (3), One barrack, One hostel, Library hall, Laboratory, Class room at Orissa Fire Disaster Response Academy, Bhubaneswar

⁴⁵ 2012-13: 3, 2013-14: 2 and 2014-15: 21

⁴⁶ Lahunipada (₹ 37.80 lakh); Kolabira (₹ 39.06 lakh); Laikera (₹ 15.64 lakh), Gurundia (₹ 49.42 lakh) and Kirimira (₹ 22.38 lakh)

Sambalpur to the Chief Engineer, OSPHWC for onward submission to Fire Services Directorate for sanction. However, administrative approval of the same was not accorded as of May 2016. The expenditure of ₹ 2.98 crore incurred on these completed FS buildings remained unfruitful. For the remaining project, *i.e.*, Koida FS, estimate for approach road was not prepared as of June 2016.

- In respect of two FSs (Narayanpatna and Dasamantapur), taken up in December 2011 and February 2014, estimates for approach roads were submitted belatedly and were not sanctioned as of June 2016, though civil works had been completed (March 2016) at a cost of ₹ 1.41 crore.
- In absence of approach roads, FSs could not be made functional in eight Blocks⁴⁷ and the FSs continued to function from buildings of the other Departments/ hired premises in seven Blocks,

The Department stated (November 2016) that buildings and approach roads for 7 out of these 16 FSs had since been completed and taken over during July-October 2016 and OSPHWC had been requested for early completion of approach roads of remaining nine FSs. However, construction of FS buildings without approach roads was indicative of improper planning.

3.3.4.3 Cost escalation due to time overrun

The Finance Department had instructed (July 2005) to prepare the design and estimate of projects carefully and meticulously in order to maintain strict financial discipline, as required under the provisions of the Fiscal Responsibility and Budget Management (FRBM) Act, 2005 read with Paragraph 3.7.1 (a) of OPWD Code Vol-1. It was also instructed to freeze the project cost as soon as the design and estimate was technically sanctioned and the project was administratively approved by the competent authority.

Audit test-checked construction of FS buildings and staff quarters in two test-checked divisions (Koraput and Sambalpur) of OSPHWC and observed that during 2008-14, 24 projects with estimated cost of ₹ 8.97 crore remained incomplete as of June 2016 after incurring expenditure of ₹ 5.18 crore (*Appendix 3.3.2*). The reasons for non-completion were delay in handing over of land, improper site survey leading to revision of drawing and design, slow pace of execution by the executants, *etc.* Meanwhile, due to upward revision of Schedule of Rates (SoR), the estimated project cost was revised to ₹ 14.32 crore leading to cost overrun by ₹ 5.35 crore. However, administrative approval to the revised estimate submitted by OSPHWC during March 2010 to March 2016 was yet to be given by the DG (FS). Some instances are discussed below:

- In case of FS building at Attabira, sanctioned at a cost of ₹ 39.51 lakh, the design and specification of the work was changed (April 2016) by OSPHWC after commencement (December 2010) of the work by the contractor, as the site was in a low-lying area. The revised estimate for

⁴⁷ Lahunipada, Kolabira, Laikera, Gurundia, Kirimira, Koida, Narayanpatna and Dasamantapur

₹ 65.29 lakh submitted in April 2016 was not approved by DG (FS) as of October 2016 and the building remained incomplete.

- Construction of FS building at Bijepur was sanctioned in 2013-14 for ₹ 58.30 lakh and land was handed over to OSPHWC on 16 August 2013. However, the sanctioned amount was found (February 2014) to be insufficient by OSPHWC. The revised estimate of ₹ 70.30 lakh was submitted to DG (FS) only in December 2015, *i.e.*, after about two years. DG (FS) stated (November 2016) that approval of the Home Department for the same had not been received.
- Construction of six 'F' type quarters at FS, Bisamkatak with estimated cost of ₹ 39.26 lakh was approved (August 2010) based on SoR 2010. The work was, however, commenced in April 2013. OSPHWC stopped (March 2015) further execution after utilising ₹ 40.75 lakh on the ground of increase in cost. The revised estimate of ₹ 75.53 lakh was prepared in March 2016 and the approval by DG (FS) was pending as of May 2016.

Thus, preparation of improper estimates without proper site survey led to delay in completion of projects and cost escalation.

The Department stated (November 2016) that 9 out of 24 projects had been completed, six not started and nine were under construction. It also stated that OSPHWC had been requested to expedite completion of the projects.

3.3.4.4 Deficient contract management

Paragraph 3.5.18 of OPWD Code Vol. 1 read with Paragraph 2.3.1 of Government instructions (December 2005) as well as Clause 2 of contracts executed with the contractors envisaged that the contractor shall be liable to pay as compensation an amount equal to 1.5 *per cent* of the amount of the estimated cost per month computed on day basis for the work remained un-commenced or un-finished after the stipulated date of commencement/ completion subject to maximum 10 *per cent* of the tendered value. Audit observed the following deviations from the Codal provisions:

- Contractors of two works⁴⁸ left the works incomplete after executing works valued at ₹ 18.33 lakh against the contract value of ₹ 1.43 crore. Though the contracts were rescinded (August 2014 and August 2015) with penalty of ₹ 26.48 lakh, only ₹ 0.30 lakh was recovered. Against Government dues of ₹ 26.18 lakh, only ₹ 0.51 lakh was available with OSPHWC. No action was taken to recover the balance amount of ₹ 25.67 lakh from the contractor (July 2016). The work remained incomplete (April 2016).
- Construction of FS building at Mathili was awarded (February 2013) to a contractor for completion by February 2014. The contractor did not commence the work and, therefore, the contract was rescinded (July

⁴⁸ FS building at Gudari; Construction of one D type, two E type and six F type quarters at Naktideul FS

2014) with penalty of ₹ 9.64 lakh. However, no action was taken to recover the penalty. The work has not commenced (April 2016).

- Construction of FS building at Kudumuluguma was awarded (April 2013) to a contractor for completion by April 2014. The contractor executed work valued at ₹ 19.89 lakh up to March 2016 and did not turn up despite repeated requests. However, against compensation of ₹ 5.67 lakh recoverable from the contractor, only ₹ 1.32 lakh was recovered. This resulted in short realisation of compensation of ₹ 4.35 lakh. The work was stopped since March 2015 and was not recommenced.

Thus, non-recovery of penalty of ₹ 39.66 lakh for the failure of the contractors in completing the works in time resulted in undue favour to them.

3.3.5 Purchase and utilisation of equipment

3.3.5.1 Irregular selection of supplier

As per the Finance Department instructions (February 2012), goods with estimated value of ₹ 5 lakh and above should be procured through open tender.

Audit observed that DG (FS) while purchasing equipment, clothing, *etc.*, at a cost of ₹ 3.18 crore during 2015-16, did not resort to open tender. Instead, repeat purchase orders were placed on different agencies at rates finalised with them during 2014-15 and also without obtaining approval of the Purchase Committee (*Appendix 3.3.3*), which was irregular.

The Department confirmed (November 2016) that purchase of equipment during 2015-16 without convening Purchase Committee meetings at rates finalised in 2014-15 was irregular.

3.3.5.2 Idling of equipment

Under 13th FC award, ₹ 39.18 crore was provided for purchase of equipment for 100 new FSs. Equipment were purchased for 100 new FSs at a cost of ₹ 39.05 crore. Audit test-checked 45 out of 290 FSs and observed the following:

- In 10 FSs, fire tenders and equipment purchased at a cost ₹ 3.92 crore under 13th FC award were lying idle for one to two years due to non-completion of FS buildings. In absence of garage, these vehicles were kept in open making them prone to wear and tear. The Department accepted (November 2016) that the vehicles had been procured prior to completion of buildings of FSs, rendering them idle.
- One vehicle mounted with Hydraulic Platform (Bronto-sky lift) valued at ₹ 9.79 crore purchased in July 2014 was not repaired after it met with an accident in August 2015. The Department stated (November 2016) that the vehicle had to be sent to Finland for repair and the estimated cost of repair would be ₹ 7 crore.

- During 2013-16, 174 vehicles which had completed 16 to 29 years of their life span were declared as unserviceable. Out of these, 115⁴⁹ unserviceable vehicles had been declared condemned (2013-14 to October 2016) and auctioned by October 2016. The remaining 59 vehicles were lying in the office of the CFO, Cuttack as of June 2016.

3.3.6 Operational efficiency

SFAC had recommended a maximum response time of five minutes for built up urban areas and 20 minutes for non-built up open/ rural areas. As per the norm prescribed by SFAC, one central Control Room at FS Headquarters, Command Control Rooms in each Fire Service Command Headquarters and Divisional Control Rooms in each district FS headquarters were required to be established. The Control Room should be equipped with auto-telephones, automatic recorders for recording all communications which may be transmitted/ received, PBX for internal communication and high frequency 100W radio telephone set for instant communication.

3.3.6.1 Higher response time

Audit test-checked fire call reports of two months (March 2015 and March 2016) in 45 test-checked FSs and observed that 1,005 Fire Calls were received during these two months. In 355 cases (35 per cent), calls were attended within the prescribed time; while in 650 cases (65 per cent), there was delay ranging from 1 to 62 minutes⁵⁰. However, in absence of automatic recorders, authenticity of fire call time recorded in the Station Diary could not be assessed.

Audit observed that higher response time was due to inadequacies in infrastructure/ equipment as well as coverage of larger geographical area than the norm specified by SFAC.

The Department assured (November 2016) that steps would be taken to attend the Fire Calls promptly.

3.3.6.2 Deficient infrastructure in existing FSs

Out of 290 FSs functioning in the State as of March 2016, 59 FSs were functioning from rented (9) and other departmental buildings (50), which were not suitable for FS. The deficiencies in infrastructure in 45 test-checked FSs are discussed below:

- Seven FSs functioning from rented or other Government buildings had no garage to house the vehicles and, hence, were unsuitable for FS. The Department stated (November 2016) that after construction of buildings, three out of above 59 FSs were made functional during April-October 2016 in own buildings.

⁴⁹ 2013-14: 46, 2015-16: 32, 2016-17 (up to October 2016): 37

⁵⁰ 1 to 10 minutes - 537 calls, 11 to 30 minutes - 105 calls and 31 to 62 minutes - 8 calls

- Static water tank and first aid kits were not available in any of the test-checked 45 FSs. The Department stated (November 2016) that water vat, overhead tank and bore well were provided in each new FS. The reply was not acceptable as water vats and static water tanks were not available in 45 test-checked FSs, as observed during joint inspection and the same were confirmed by the Station Officer concerned.
- No rest room required for staff positioned round the clock duty was available in 38 out of 45 test-checked FSs.
- **Non-establishment of Control room:** Control rooms for speedy dissemination of fire call messages and monitoring the fire fighting operations, was not available at State, Range, District and FS levels. The Department stated (November 2016) that out of three control rooms planned to be set up, construction of control room building at Sambalpur had been completed while the same at Cuttack and Berhampur were not started due to land problem.

3.3.6.3 Shortage of equipment

SFAC had prescribed⁵¹ the minimum requirement of equipment for State Headquarters, Divisional Headquarters and Fire Stations. Audit observed shortfalls in availability of equipment in 290 functional FSs in the State, as indicated in the following table:

Table 3.3.4 Availability of facility/ equipment at FSs vis-a-vis norm

Name of the equipment	Required as per SFAC norm	Available	Shortfall (Percentage)
Water tender	878	806	72 (8)
Ambulance	293	12	281 (96)
Motor cycle based potable water mist system	592	12	580 (98)

(Source: Compiled from records and information furnished to Audit)

Besides above, equipment like Turn Table Ladder, Hazmat Van, Water Bouser, Lighting Van, Control Post Van, Canteen Van, Mobile Workshop for telecommunication equipment and Breakdown Van were not available in the State, which are required for fire fighting in high rise buildings, industries, petroleum depots, etc.

Thus, the FSs were deficient in the required equipment as prescribed by SFAC.

The Department assured (November 2016) that action would be taken in this regard.

3.3.6.4 Deficient enforcement and prosecution

Section 17 of the OFS Act, 1993 empowered the Director or Officer-in-Charge of FS to prosecute persons/ owners who failed to comply with the preventive

⁵¹ 33rd Meeting of SFAC

measures notified by the State Government. State Government, through a notification (1997), had made it mandatory for owners and occupiers of certain types of premises⁵² to adopt specified precautions for fire prevention and fire safety measures. As per the notification, High Rise Buildings (HRBs)⁵³ were to comply with National Building Code (Part V). Further, Occupancy Certificate (OC) was to be given by concerned Development Authority only after obtaining Fire Safety Certificate (FSC) from the DG (FS). In case of clinical establishments (CE), it was mandatory to have necessary equipment and facilities for extinguishing fire, as prescribed under Rule 3 (3), Schedule A (2) of the Orissa Clinical Establishments (Control and Regulation) Rules, 1994 read with Section 38 (1) of the Factories Act, 1948. In this context, Audit observed the following:

- During 2013-16, 282⁵⁴ applications for FSC in respect of HRBs were received and six FSCs were issued. For the remaining 276 HRBs, FSC was not issued due to absence of adequate fire safety measures. These HRBs were being used for offices, residences, commercial establishments, clinical establishments, hotels, educational institutions, etc.

In one such HRB, a hospital⁵⁵, to which FSC was not issued, a fire accident occurred on 17 October 2016 resulting in casualty of patients. However, no action was taken to prevent clinical establishments from running without FSC.

- As of March 2016, out of 623 HRBs in Bhubaneswar, only 32 HRBs had obtained Occupancy Certificates from the Bhubaneswar Development Authority. This indicated that the mechanism of Occupancy Certificate was not being enforced.
- Besides, there was no mechanism for coordination between the DG (FS), Development Authorities, Director of Medical Education and Training, Director of Higher Education, Director of Technical Education and Training for dissemination of information while issuing/ renewing licenses/ permissions for setting up and running HRBs, clinical establishments, educational and professional institutions.
- Audit test-checked records at the office of DG (FS) and also conducted joint physical inspection of 11 HRBs, 10 HRBs housing CEs and 7 CEs and found that 22 premises did not have facilities/ equipment for fire safety, as detailed in **Appendix 3.3.4**. Audit observed the following in these 22 premises:
 - Though FSCs had been denied to 13 HRBs/ CEs on the ground of inadequate facility/ equipment, no action was taken against them under Section 17 of OFS Act.

⁵² High rise buildings and Clinical establishments

⁵³ Buildings having height of 15 metre or above

⁵⁴ Bhubaneswar-132, Cuttack-90, Puri-27, Berhampur-10, Rourkela-13, Jagatsinghpur-7, Bargarh-1, Kendrapara-1 and Angul-1

⁵⁵ SUM Hospital in Bhubaneswar

- FSCs had been issued to seven HRBs/ CEs, despite finding deficiencies in the availability of facilities for fire safety measures.
- Two HRBs⁵⁶ had not applied for FSC though these were being used for commercial/ educational institution.
- In case of four⁵⁷ CEs at Bhubaneswar, selected for joint physical inspection to assess their fire preventive measures, the CE authorities concerned declined permission on the plea that their fire safety system work was under progress and AFO would be informed of a suitable date for joint physical inspection after completion of the work. This established the fact that CEs had been allowed to function without proper fire safety measures in place.

Despite deficiencies in complying with requirements of fire safety measures, DG (FS) had not taken action against the owners of these HRBs under Section 17 of the OFS Act.

The Department stated (November 2016) that though Orissa Fire Services Act, 1993 provided for enforcement of the provisions of the said Act, there was no scope for Fire Services wing to enforce the said provisions as Rules defining the modalities of enforcement and prosecution had not been framed. The reply indicated the lackadaisical approach of the Department to fire safety and fire prevention measures in the State.

3.3.7 Inspection and monitoring

No norm was fixed by the DG (FS) for periodic inspection of different FSs by the higher officers to detect the deficiencies and take action for rectification thereof. However, during 2015-16, DG (FS) allotted FSs for inspection by Inspector General {IG (FS)}, CFOs, FOs and AFOs. Audit reviewed the inspection reports and observed shortfall in inspections and absence of monitoring the follow-up action on such inspections, as indicated below:

- Only two inspections were conducted by DG (FS) during the period 2013-16 while 47⁵⁸ FSs were inspected by IG (7) and CFO (40).
- Out of 48 inspections conducted, Audit test-checked 10 inspection reports and found that in seven cases (70 per cent), no corrective measures had been taken to overcome the deficiencies pointed out by the inspecting officers.
- Out of 62 deficiencies like non-conducting of regular drills, non-repair of fire fighting equipment, *etc.*, pointed out by the inspecting officers, corrective measures had been taken only in four cases (6 per cent).
- Three Range FOs, conducted 105 inspections⁵⁹ against 291 fixed by DG (FS) to be conducted during 2015-16 (up to June 2016). Out of 166

⁵⁶ Ajay Binay Institute of Technology, Cuttack; Residential building of Bhusan Power and Steel Limited, Sambalpur

⁵⁷ Vivekananda Medical Mission Limited, Pradyumna Bal Memorial Hospital (KIMS), Capital Hospital, Hi-tech Medical College and Hospital, Bhubaneswar

⁵⁸ 2013-14: 16, 2014-15: 9 and 2015-16: 22

⁵⁹ RFO, Sambalpur: 64, RFO, Berhampur: 6 and RFO, Cuttack: 35

deficiencies pointed out by the inspecting officers, corrective measures were taken in only 15 cases.

3.3.8 Conclusion

Though Odisha Fire Service is the first responder in all types of emergencies, a long term plan to progressively increase the number of Fire Stations based on specific vulnerabilities of areas of State and to match the same with Standing Fire Advisory Council and National Disaster Mitigation Authority norm within a definite time frame was not prepared. Even after sanction of Fire Stations in each block and provision of funds for building infrastructure, majority of projects remained incomplete or were not even taken up for years together due to non-finalisation of site, selecting unsuitable site, *etc.*, resulting in cost escalations and loss of Central assistance. Besides, lack of promptitude in preparing and approval of revised estimates and preparation of improper estimates also contributed to delays in completion of buildings. Procurement of equipment without readying civil infrastructure ready not only rendered the procured equipment idle but also affected the operational efficiency of fire service. Enforcement of the provisions of Orissa Fire Service Act for fire safety and prevention was lacking as rules defining the modalities of enforcement and prosecution had not been framed even after 23 years of enactment of the Act.

3.4 Idle expenditure on incomplete jail building

Execution of work without taking over of possession of land and without resolving environmental issues led to non-completion of the works, thereby rendering the entire expenditure of ₹ 1.08 crore unfruitful and blocking of ₹ 3.09 crore.

Paragraph 3.7.4 of OPWD code Volume-1 stipulates that no work should be commenced by officers in charge of execution of works on land which has not been duly handed over to him by a responsible public officer.

Audit observed that the Site Selection Committee⁶⁰ of the district had selected and recommended (June 2009) a site admeasuring 226.20 acre at Jujomura in Sambalpur district for construction of new open air jail and allied facilities. Based on this, the Home Department entrusted execution of the work to the Odisha State Police Housing and Welfare Corporation (OSPHWC) Limited. The Additional Director General of Police (ADG) (Prison) requested (September 2009) the Divisional Forest Officer (DFO) to give necessary permission for clearing the bushes except big and valuable trees. On inspection of the site, the officials of the Forest and Environment Department, found (September 2009) forest growth and existence of valuable species and requested (October 2009) the Collector for considering environmental

⁶⁰ Headed by the Sub-Collector, Sambalpur and comprising of Tahasildar, Jujomura; Superintendent of Police, Sambalpur; Executive Engineer (Rural Works), Sambalpur, Executive Engineer, RWSS, Sambalpur, Medical Officer, PHC, Jujomura and Senior Superintendent of Circle Jail, Sambalpur as members

parameters as per the Forest Conservation Act, 1980 before taking up any construction work. However, without examining the issues raised by the DFO and without taking over possession of the site from the Collector, the Directorate of Prisons and Correctional Services accorded (November 2009) administrative approval for construction of administrative building and compound walls at an estimated cost of ₹ 1.82 crore. The amount was deposited with OSPHWC without fixing date for completion of the work.

OSPHWC commenced construction from March 2010, executing certain works valued at ₹ 1.08 crore⁶¹ up to December 2012 and stopped further construction for want of permission for cutting down trees. It was in March and July 2014 that OSPHWC requested the DFO, through the Superintendent of Circle Jail, for permission to cut 127 live trees⁶². However, the permission had not been received till June 2016. In response to an Audit enquiry, the Tahasildar, Jujomura clarified that 73.79 out of 226.20 acre land was reserved for allotment to Jawans⁶³. Thus, the construction of civil structure by the OSPHWC was not permissible on this stretch of land.

Despite stopping the work due to want of forest clearance, ADG (Prison) accorded (February 2013) administrative approval for other seven components of works with the estimated cost of ₹ 2.35 crore on the same site and deposited (March 2013 and March 2014) the amount with OSPHWC



Incomplete boundary wall of Jujomura jail

without resolving the environmental issues. As a result the projects could not be taken up for execution. During joint physical inspection of the site (May 2016) by the concerned Engineer of OSPHWC in the presence of Audit, the half completed building and compound walls were found in dilapidated condition.

Thus, execution of work without taking over possession of land and resolving environmental issues led to non-completion of the works, thereby rendering the entire expenditure of ₹ 1.08 crore unfruitful and blockage of ₹ 3.09 crore⁶⁴ with OSPHWC.

The ADG (Prison) stated (July 2016) that the administrative approval had been accorded in anticipation of receipt of permission for removal of bushes and small plants from the land and accordingly, construction work had been taken up. It was also stated that the said permission from DFO was not received, despite request of Prison Directorate. The DFO, however, attributed (August 2016) such delay to non-conducting of joint verification and

⁶¹ Works: ₹ 98.64 lakh and supervision charges: ₹ 9.86 lakh

⁶² Sal:15, Arjun: 40, Jamun: 22 and Kendu: 50

⁶³ Category of remaining 152.41 acre land was 'Patit'

⁶⁴ ₹ 4.17 crore (released amount) less ₹ 1.08 crore (utilised amount)

enumeration of trees, despite his request since July 2010 and non-pursuance of the same by the jail authorities. The fact, however, remained that commencement of works without obtaining necessary permission had led to stoppage of the works.

The matter was reported (September 2016) to the Government; their reply is awaited (December 2016).

Housing and Urban Development Department

3.5 Idle investment in drinking water project

Non-completion of pre-execution formalities before commencing the drinking water supply project in Vyasaganar Municipality delayed its use for over five years, despite incurring expenditure of ₹ 8.22 crore.

Government of India (GoI) guidelines require selection of dependable and reliable raw-water source by the concerned State department to ensure the long term sustainability of water supply projects. Guidelines also require obtaining of clearance/permission from Ministry of Railways and Ministry of Environment and Forest, GoI during the preparation of Detailed Project Report.

The Public Health & Engineering Organisation (PHEO), Odisha took up (June 2009) the project 'Augmentation of water supply to Vyasaganar Municipality' under the Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT) of GoI with the objective of supplying 135 litres per capita per day (lpcd) water to the urban population of the municipality. The project was to be completed by December 2011. The Housing and Urban Development Department had accorded (June 2009) administrative approval and the Chief Engineer (CE), Public Health (PH-Urban), Odisha had technically sanctioned (October 2009) the project for ₹ 14.51 crore⁶⁵. Subsequently, the project was split into seven packages. GoI and Government of Odisha released 80 and 20 *per cent* of the project cost respectively. Accordingly, the Executive Engineer (EE), PH Division-II, Cuttack had received ₹ 14.30 crore during 2009-10 and 2013-14 for the purpose.

Audit observed that there was inordinate delay in execution of projects in three out of seven packages due to non-completion of pre-execution formalities⁶⁶ in time. The delayed execution of work in package-2 led to cost escalation of ₹ 15.61 lakh. The details of delayed execution involving ₹ 2.55 crore in three packages are shown in the following table:

⁶⁵ Water supply: ₹ 14.30 crore and incentive at 1.5 *per cent* of approved cost: ₹ 0.21 crore

⁶⁶ Clearance from the Forest and Environment Department, road cutting permission from municipality and Railway authority and possession of land

Table 3.5.1 showing status of implementation of three packages as of September 2016

Sl. No.	Name of the work	Estimated cost (₹ in crore)	Date of award of work	Stipulated date of completion	Expenditure made (₹ in crore)	Remarks
1.	Package-1: Construction of intake well with pump chamber seven Million Litre per Day Water Treatment Plant, four Over Ground Reservoirs and two Elevated Storage Reservoirs	5.73	July 2010	June 2011	2.21	The land allotted for the project was forest land and forest clearance was obtained in September 2012. Land was handed over in December 2012. Though extension of time was given thrice, the work was incomplete as of August 2016.
2.	Package-6: Laying of pipeline including raw water rising main, clear water rising main and distribution of pipeline	1.70	February 2011	August 2011	0.22	The permission for road cutting was obtained from Vysanagar Municipality in June 2013 and Railway authorities in April 2015. The work is still under progress.
3.	Package-2: Construction of pump house and staff quarters	0.33	July 2010 (Re-awarded in January 2016)	November 2010 May 2016	0.12	The work was not taken up due to non-possession of land. The agreement was rescinded and work re-awarded (January 2016) to another contractor at ₹ 49.04 lakh. Thus, there was cost escalation of ₹ 15.61 lakh due to non-possession of land prior to award of work.
	Total	7.76			2.55	

The third, fourth and fifth packages were of procurement of certain items such as ductile iron pipes, valves and fittings and pump sets, involving expenditure of ₹ 5.62 crore, which were to be used in other construction packages. The

items, after procurement, were kept idle as the construction works were delayed. The guarantee periods of these equipment had already lapsed as the validity for the same was 12 to 18 months from the date of supply. The external electrification including installation of substation was included in the seventh package but no expenditure was incurred till the date of Audit.

Despite spending of ₹ 8.22 crore over a period of five years, the expected outcome of providing drinking water supply to 0.53 lakh beneficiary population⁶⁷ could not be achieved.

Accepting the facts, the Chief Engineer, PH (Urban) stated (July 2016) that the project would be made functional very soon. However, the fact remained that the huge investment had failed to yield any result over a long period.

The matter was reported (September 2016) to the Government; their reply is awaited (November 2016).

Labour and Employees' State Insurance Department

3.6 Assessment, collection and utilisation of labour cess

The Government of India (GoI) enacted (August 1996) the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (BOCW Act) which provided for constitution of a Welfare Board in each State to undertake social security schemes for safety, health and welfare of the construction workers. The State Government framed the Orissa Building and Other Construction Workers (Regulation of Employment and Conditions of Service) (OB&OCW) Rules, 2002 and constituted the Orissa Building and Other Construction Workers' Welfare Board (OB&CWWB) in January 2004. As per the notification (February 2004) of Labour & Employees' State Insurance Department (L&ESI), it is the responsibility of OB&CWWB to collect labour cess at a rate of one *per cent* of the cost of construction⁶⁸ through the District Labour Officers (DLOs) at district level. The cess, so collected, shall be used to carry out welfare schemes for construction workers by providing loans and advances for construction of houses, financial assistance for education of children, marriage, medical assistance, pension, personal accident scheme, *etc.* The Board functions under the administrative control of L&ESI Department. The Labour Commissioner, Odisha is the *ex officio* Member Secretary of the Board and is responsible for registration of establishments and workers along with assessment and collection of cess.

During 2011-16, the Board collected cess amounting to ₹ 838.10 crore and utilised ₹ 155.01 crore. As of 31 March 2016, the unutilised balance with the Board was ₹ 965.06 crore⁶⁹. Audit test-checked the records of OB&CWWB

⁶⁷ The projected population of the town for the design year 2041 is 1.14 lakh

⁶⁸ Cost of construction excludes cost of land and any compensation paid or payable to worker or his/ her kin under the Workmen Compensation Act, 1923

⁶⁹ Opening Balance: ₹ 98.96 crore + Cess Collected: ₹ 838.10 crore + Interest: ₹ 183.01 crore = ₹ 1,120.07 crore - ₹ 155.01 crore (utilisation) = ₹ 965.06 crore

and eight⁷⁰ out of 32 DLOs and seven⁷¹ Development Authorities covering the period 2011-16 and conducted Audit during November-December 2015 and May-July 2016. Audit observed instances of improper assessment, collection and remittances of cess as well as inefficient utilisation, as discussed in the following paragraphs.

3.6.1 Assessment and collection of cess

Section 7 of BOCW Act, 1996 requires that an employer of an establishment⁷² is to be registered with the DLO and Rule 22 (2) of OB&OCW (RE&CS), Rules 2002 requires the Board to maintain a register showing the particulars of establishments to which the certificate of registration has been issued. Rule 6 of Building and Other Construction Workers Welfare Cess Rules, 1998 provides that every employer⁷³, within thirty days of commencement of his work or payment of cess, as the case may be, should furnish to the Assessing Officer (AO) *i.e.* DLO, information like name and estimated cost of the work, number of employees engaged, date of commencement of work, *etc.* Under Rule 7, the AO is required to make an assessment order within a period of six months. In eight test-checked districts, 3,760 establishments were registered as of March 2016 and an amount of ₹ 251 crore was collected towards labour cess during 2011-16. Audit observations are as follows:

- **Absence of database of registered establishments:** The Board did not maintain database of establishments engaged in construction works and status of their registration to ensure that all establishments were registered. As a result, enforcement of the provisions of the Act in respect of all eligible establishments could not be ensured. The Board stated (May 2016) that instructions were issued to DLOs to monitor the construction works carried out by various establishments.
- **Non-assessment of cess:** Neither the registered establishments had furnished information to the AOs as required under Rule 6 nor the AOs issued notices, as required under Rule 7 (3) to them. As a result, the actual amount of cess due and realised from the eligible establishments could not be ascertained. The Board stated (March 2016) that assessment of cess in different establishments could not be carried out due to acute shortage of staff.
- **Non-collection of cess:** As per Rule 4 (4) of Building and Other Construction Workers Welfare Cess Rules, 1998 where approval for

⁷⁰ Angul, Berhampur, Bhadrak, Deogarh, Jagatsinghpur, Kendrapara, Khurda, Nabarangpur, which were selected through Stratified Random Sampling Without Replacement method

⁷¹ Development Authorities of Berhampur, Bhubaneswar, Cuttack, Puri-Konark, Talcher-Angul-Meramundali, Sambalpur and Rourkela

⁷² Any body corporate or firm, Public Health Engineering/ Public Works Division, individual or association or other body of individual which/ who employs building workers in any building or other construction works and includes an establishment belonging to a contractor, but does not include any individual who employs such workers in any building or construction work in relation to his own residence and the total cost of such construction not being more than ₹ 10 lakh

⁷³ In case of Government department and local authority where construction is done directly without any contractor, the Head of the Department and Chief Executive Officer, respectively is the employer. In other cases, the contractor is the employer

construction work by a local authority is required, every application for such approval is to be accompanied by a crossed demand draft in favour of the Board for an amount of cess payable on the estimated cost of construction. In the Standard Building Regulations (SBR) of seven⁷⁴ Development Authorities (DAs), there was no provision either for calling for estimated cost of the building or for deposit of labour cess, along with application for approval. It was further observed that furnishing of estimated cost of the building as envisaged in the Resolution (December 2008) of the L&ESI Department, was not insisted upon by the DAs. Audit observed that seven DAs had approved 9,656 building plans during 2011-15. However, no cess was collected in the absence of enabling provision in the SBR. Audit test-checked 443 approved building plans and worked out the estimated cost of these buildings as ₹ 3,170.44 crore⁷⁵, on which labour cess amounting to ₹ 31.70 crore (*Appendix 3.6.1*) was payable. Thus, the provisions of the said Rules were not followed by the DAs and the Board was deprived of cess amounting to ₹ 31.70 crore.

The DAs (except Bhubaneswar Development Authority) attributed (January 2016 - August 2016) reasons for non-collection of cess to non-receipt of instructions from L&ESI and Housing & Urban Development (H&UD) Departments. The reply was not acceptable as the L&ESI Department had already notified the same in December 2008.

- **Non-remittance of cess to the Board:** The DLOs are required to collect cess and deposit the same within 30 days with the Board. Seven⁷⁶ DLOs did not deposit 42 cheques amounting to ₹ 22.26 lakh received during March 2013 to March 2014, from 16 establishments. These cheques were returned (July-August 2014 and October-November 2015) to the respective organisations for revalidation. However, the same were not received back as of March 2016. Further, in four Panchayat Samitis⁷⁷ and one urban local body (Bhubaneswar Municipal Corporation), labour cess amounting to ₹ 33.74 lakh collected during 2010-14, was retained by the local authorities without remitting to the Board.

The Board stated (March 2016) that draft charges had been framed against the concerned DLOs and steps had been taken for revalidation of the cheques.

⁷⁴ Berhampur Development Authority, Bhubaneswar Development Authority, Cuttack Development Authority, Puri-Konark Development Authority, Sambalpur Development Authority, Talcher-Angul-Meramundali Development Authority and Rourkela Development Authority

⁷⁵ Calculated by Audit on the basis of plinth area approved by Development Authorities and by adopting the minimum rate prescribed by the Revenue and Disaster Management Department and Works Department for construction of buildings

⁷⁶ Cuttack, Gajapati, Khurda, Jajpur, Koraput, Mayurbhanj (one Establishment each) and Sambalpur (10 Establishments)

⁷⁷ Bissamkatak, Brahmagiri, Delanga and Tureikela

3.6.2 Utilisation of labour cess

As per the provisions of the BOCW Act, 1996, construction workers aged between 18 to 60 years, who have completed 90 days of service as a building worker during the preceding 12 months and after registration and receipt of identity cards, are eligible as beneficiaries for various welfare schemes of the Board. Audit observed the following:

- **Low outreach of the welfare scheme:** Out of available funds of ₹ 1120.07 crore⁷⁸, the Board utilised only ₹ 114.56 crore in welfare schemes (10.23 per cent) during 2011-16. Further, out of 14.25 lakh eligible workers, only 3.44 lakh (24.14 per cent) were covered under various welfare schemes as of March 2016. The main reason for low coverage was absence of any long term/ perspective/ annual plan for efficient utilisation of funds.
- **Non-payment of assistance:** The Board had no database of total number of applications received for assistance, in absence of which, Audit could not ascertain the actual number of applications received and rejected. During 2012-16, 58 applications⁷⁹ recommended by four DLOs for payment of assistance, were pending with the Board for sanction. Similarly, 80 applications were pending with the DLOs for further enquiry and process.
 - The DLOs stated (June 2016) that delay was due to verification of the applications in case of death assistance. The fact however, remained that the Board had failed to extend timely assistance even after lapse of one to four years.
- **Non-construction of labour sheds:** The Board had released ₹ 78.92 lakh (between February 2014 and December 2014) to three Urban Local Bodies (ULBs)⁸⁰ for construction of labour sheds for the benefit of construction workers. However, only lands were identified for construction of labour sheds as of October 2016 and construction is yet to commence. The Board had not fixed any timeline for completion of the projects.

The Board stated (October 2016) that the works would be started shortly by the District Administration.
- **Skill development training:** As per Rule 278 of OB&OCW Rules, 2002 the Board is to extend ₹ 2,000 per month subject to a maximum training period of six months, as stipend, to the registered beneficiary undergoing training for skill development. The Board, however, had not scheduled any training programme during 2011-16.
- **Non-receipt of Utilisation Certificate (UC):** The Board had not received utilisation certificates for ₹ 2.35 crore released to DLOs

⁷⁸ Opening balance: ₹ 98.96 crore, Cess collected: ₹ 838.10 crore and Interest earned: ₹ 183.01 crore

⁷⁹ 2012: Five; 2013: Four; 2014:Two; 2015: 26; 2016: 21

⁸⁰ Dhenkanal Municipality: ₹ 32.30 lakh; Kamakhyanagar NAC: ₹ 28.71 lakh; Jharsuguda Municipality: ₹ 17.91 lakh

during 2012-16 against the grants released for welfare schemes. In absence of UC and non-monitoring of status of utilisation of grants, extension of benefits to the beneficiaries could not be ascertained.

3.6.3 Conclusion

The objective of the BOCW Act, 1996 to bring all the labourers to an organised set up had not been achieved as the Board had not identified all establishments engaged in civil construction. The failure of the DAs to adopt the provisions of the OB&OCW Rules, 2002 resulted in non-payment of labour cess by the establishments. The outreach of the welfare measures was not commensurate with the amount of cess collected, as only 10.23 *per cent* of available funds were utilised for the purpose. The Board failed to extend timely assistance to the beneficiaries.

The matter was reported (September 2016) to the Government; their reply is awaited (December 2016).

Rural Development Department

3.7 Unfruitful expenditure in construction of bridge without approach road

Award of work without ensuring availability of land led to unfruitful expenditure of ₹ 3.46 crore as well as depriving connectivity to the people even after completion of bridge.

The Rural Development (RD) Department, Government of Odisha (GoO) is responsible for construction of roads in rural areas. The funds are received under Pradhan Mantri Gram Sadak Yojana (PMGSY) from Government of India (GoI) as well as under various State schemes. Paragraph 3.2.3 of OPWD code stipulates that administrative approval for a work shall be obtained in two stages; first for preparation of Detailed Project Report (DPR) and the second after land acquisition, forest clearance, preparation of detailed alignment drawings, submission of detailed estimate, *etc.* Further, Paragraph 3.7.4 of OPWD code stipulates that the work should be commenced only after the land is duly handed over by a responsible Civil Officer to the implementing agency.

Audit observed (March 2016) that the DPR prepared (September 2008) by the Executive Engineer (EE), Rural Works Division, Nimapara for construction of High Level bridge over Dhanua river at 8/53⁸¹ km on Bhanpur-Toriabandha road stipulated requirement of Government land for construction of the bridge and approach road. Thereafter, the estimate prepared by the EE, after conducting survey and investigation, was approved for ₹ 4.03 crore by the Superintending Engineer in September 2008. The Ministry of Rural Development, GoI accepted the proposal in February 2009 and sanctioned ₹ 3.44 crore. The RD Department of GoO granted administrative approval in

⁸¹ A milestone mark on the road

February 2009 and the work was awarded (August 2010) to a contractor for ₹ 4.13 crore for completion by February 2012.

The contractor, however, could not complete the work within the stipulated period due to presence of electrical line over the bridge alignment and non-availability of Government land for building the approach road. The EE requested the Collector, Puri in January 2013 for acquisition of private land after lapse of 10 months. In the meantime, the Chief Engineer sanctioned (July 2012) ₹ 2.28 lakh for shifting of electrical lines, which had not been deposited with electrical authorities as of June 2016. The contractor completed the construction of bridge in March 2015 and was paid ₹ 3.46 crore. As there was no immediate possibility of land acquisition for the approach road from the private parties, the contract was closed in October 2015 on the request of the contractor. In the absence of approach road, the bridge remained unused.

Audit observed that the field survey and investigation was not proper as it had failed to identify availability of Government land without any encumbrance for constructing approach road before preparing estimate and submitting the proposal to the GoI. This necessitated requirement of private land for building the approach road to the bridge. Thus, the preparation of the proposal, estimate and grant of administrative approval was not as per the provisions of the Paragraph 3.2.3 of OPWD code. Further, commencement of the work, without ensuring availability of land for approach road, violated the provisions of Paragraph 3.7.4 of OPWD Code. This resulted in non-completion of work despite expenditure of ₹ 3.46 crore.

The EE stated (March 2016) that the work was taken up on the assurance of the local people to provide land, which was denied later and that private land would be acquired as per the land acquisition policy. The reply was not acceptable, as there were no minutes of Transect Walk⁸² indicating consent of the land owners to provide land for constructing the approach road. Moreover, requirement of private land had neither been spelt out in the DPR nor acquired prior to commencement of execution of work as per the codal provisions.

Thus, improper field survey and commencement of execution without handing over the required land resulted in non-completion of work, leading to unfruitful expenditure of ₹ 3.46 crore. Besides, the objective of providing connectivity to the village Toriabandha having population of 1,451 could not be fulfilled.

The matter was reported (September 2016) to the Government; their reply is awaited (December 2016).

⁸² As per the PMGSY guidelines, it is a process of consultation with the local community through the mechanism of the Gram Panchayat in order to determine the most suitable alignment, sort out issues of land, elicit necessary community participation in the project, etc.

Housing & Urban Development Department, Women & Child Development Department and Rural Development Department

3.8 Loss of interest due to imprudent fund management

Parking of funds in saving bank accounts instead of flexi accounts violating instructions of the Finance Department, resulted in loss of interest of ₹ 3.65 crore.

The Finance Department (FD) had instructed (October 2012) all the departments of the State Government to keep the scheme funds in flexi accounts so that higher interest accruals can be ploughed back to expand the coverage of the scheme, without affecting fund flow of the scheme.

Flexi deposit accounts are offered by banks which provide high returns on deposits in addition to the liquidity associated with savings account.

Audit observed that Government organisations/ authorities sustained loss of interest of ₹ 3.65 crore during 2011-16, due to non-adherence of the above instructions of FD, as discussed below:

- The District Social Welfare Officer (DSWO), Mayurbhanj had maintained two current accounts⁸³ for transaction of the scheme funds received from the Government. During 2013-16, funds ranging from ₹ 0.09 crore to ₹ 35.60 crore had been lying in these accounts, which did not earn any interest. The unutilised fund in the current account could have earned interest of ₹ 2.50 crore in flexi account. On being pointed out in Audit, the W&CD Department /DSWO intimated (November 2016) that the funds had been transferred from the current account to saving bank accounts. The fact, however, remained that non-observance of instructions of FD had resulted in loss of interest of ₹ 2.50 crore.
- The Odisha State Water and Sanitation Mission, Bhubaneswar had retained the unutilised programme funds of Water and Sanitation Support Organisation (WSSO) and Swachh Bharat Mission (*Gramin*) ranging from ₹ 0.59 crore to ₹ 419.10⁸⁴ crore in two saving bank accounts during 2013-16, in disregard of instructions of FD. This resulted in loss of interest amounting to ₹ 0.72 crore. The Chief Engineer, RWS&S (Sanitation) and the Director, WSSO, Odisha stated (August 2016) that funds had been kept in flexi accounts from July 2016.
- During 2011-16, the Cuttack Development Authority (CDA) had retained unutilised Grants-in-aid ranging from ₹ 2.59 crore to ₹ 3.55 crore in current/ savings account⁸⁵ and had earned interest of

⁸³ State Bank of India, Baripada and Axis Bank, Baripada

⁸⁴ 2013-14: Minimum- ₹ 2.96 crore; Maximum- ₹ 14.51 crore; 2014-15: Minimum- ₹ 0.92 crore; Maximum- ₹ 5.26 crore; 2015-16: Minimum- ₹ 0.59 crore; Maximum- ₹ 419.10 crore

⁸⁵ Odisha State Cooperative Bank, Cuttack (1 April 2013 – 6 September 2013); HDFC Bank Limited, Cuttack (7 September 2013-31 March 2016)

₹ 0.27 crore. Had the amount been kept in flexi account, interest of ₹ 0.70 crore could have been earned. The Finance and Accounts Member, CDA stated (August 2016) that non-operation of flexi deposit account was not intentional and efforts would be made to convert all the accounts to flexi accounts from August 2016.

Thus, failure of the Government organisations/ authorities⁸⁶ to adhere to the instructions of the FD resulted in loss of interest of ₹ 3.65 crore during 2011-16.

The matter was reported (September 2016) to the respective departments; replies from Housing and Urban Development and Rural Development Departments are awaited (December 2016).

Scheduled Tribes & Scheduled Caste Development, Minorities & Backward Classes Welfare Department

3.9 Follow-up Audit on Micro Projects for development of Particularly Vulnerable Tribal Groups

3.9.1 Introduction

There are 62 tribal communities in the State of which 13 communities⁸⁷ belong to Particularly Vulnerable Tribal Groups (PVTGs) having low level of literacy, declining or stagnant population, pre-agricultural level of technology and economically backward. The population of PVTGs was 89,208 in 21,802 households (2015⁸⁸) spread over 12 districts of the State. The State Government had no scheme exclusively for PVTGs as of March 2016. However, Government of India (GoI) has launched a scheme *viz.*, Conservation-*cum*-Development (CCD) Plan⁸⁹ for them. Besides, two other schemes *viz.*, Special Central Assistance (SCA) to Tribal Sub Plan (TSP) and Grants under Article 275 (1) of GoI, to extend benefits to PVTGs in addition to other categories of STs. All these three schemes are implemented by the Scheduled Tribes & Scheduled Caste Development, Minorities & Backward Classes Welfare (SSD) Department of the State Government. The schemes for PVTGs are implemented through 17 Micro Projects (registered societies). Each Micro Project is governed by a Governing Body (GB) headed by the Collector and a Special Officer, who is the chief executive.

A Performance Audit on Micro Projects for development of Primitive Tribal Groups⁹⁰ in the State was conducted and incorporated in the Report of the C&AG of India, Government of Odisha for the year ended March 2009, wherein four recommendations had been made. The SSD Department had

⁸⁶ OSWSM- ₹ 0.72 crore, CDA- ₹ 0.43 crore, and DSWO, Mayurbhanj- ₹2.50 crore

⁸⁷ Bonda, Chuktia Bhunjia, Didayi, Dongaria Kandha, Hill Kharia, Mankirdia, Birhor, Juang, Kutia Kandha, Lanjia Saora, Lodha, Paudi Bhuyan and Saora

⁸⁸ As per the survey report (2015) of Scheduled Castes and Scheduled Tribes Research & Training Institute, Government of Odisha

⁸⁹ A scheme implemented by Government of India for socio-economic development of PVTGs

⁹⁰ Earlier named as Primitive Tribal Group (PTG), which has been renamed as PVTG

accepted (November 2012) all the recommendations. A Follow-up Audit was conducted to assess the extent of implementation of assurances against the recommendations. Audit test-checked the records of SSD Department and six out of 17 Micro Projects⁹¹, during April to July 2016, covering the period 2013-16. Out of the four recommendations accepted by the Government, only one recommendation was partially implemented, while the remaining three were not implemented at all. The Audit findings are discussed in the following paragraphs.

Audit findings

Recommendations not implemented

3.9.2 Non-inclusion of PVTGs in CCD Plan

Recommendation-1: The State Government and the Governing Bodies should plan to provide special care programmes for stepping up the sources of livelihood and socio-economic conditions needed for the PTGs.

As per the guidelines issued (April 2008 and April 2015) by the Ministry of Tribal Affairs, GoI, each State has to prepare a long term Conservation-cum-Development (CCD) Plan on the basis of requirement assessed through baseline and other specific surveys. For implementation of the scheme, Micro Project located in or near the habitation was to be created, if not already existing. Audit examined CCD Plan for the period 2012-17 and observed the following deficiencies.

A mention had been made in Paragraph 2.4.2.2 of Audit Report (AR) for the year ended March 2009 on non-inclusion of 4,241 households with 15,243 population of Hill Kharia, Mankirdia and Lanjia Saora PVTGs in CCD Plan. The Department had stated (November 2012) that Hill Kharia, Mankirdia and Lanjia Saora tribals were outside the boundary area of Micro Projects and had been covered under other schemes/ programmes.

Audit observed that the Department had decided (January 2011) to identify additional villages adjacent to the Micro Project areas for their inclusion in the CCD Plan. Accordingly, four out of six sampled Micro Projects submitted (January 2012 to December 2015) proposals to the Department for inclusion of additional 260 villages with 40,241 population (8,202 households) comprising Juang, Lodha and Paudi Bhuyan PVTGs. However, these PVTGs were not included in CCD Plan 2012-17 in four⁹² Micro Projects. Suggestion of the Secretary, Ministry of Tribal Affairs (MOTA), GoI (March 2014) to examine reasons for non-inclusion of Juang tribe in the CCD Plan and submission of a proposal to GoI for their inclusion, was not addressed by the Department. Non-coverage of PVTGs in CCD Plan had adverse impact on

⁹¹ Paudi Bhuyan Development Agency (PBDA), Jamardihi; Juang Development Agency (JDA), Gonasika; Chuktia Bhunjia Development Agency (CBDA), Sunabeda (Nuapada); Lodha Development Agency (LDA), Morada; Paudi Bhuyan Development Agency (PBDA), Khuntagaon and Lanjia Saora Development Agency (LSDA), Puttasing. These units are selected through stratified random sampling without replacement method

⁹² JDA, Gonasika; LDA, Morada; LSDA, Puttasing and PBDA, Khuntagaon

their population as was evident from the decline in population of two categories of PVTGs, as indicated in Table 3.9.1 below:

Table 3.9.1: Census/Year-wise Birhor and Mankirdia Population in Odisha

Sl. No.	Name of the PVTG	1991	2001	2011	Decadal change (2001-11)
1	Birhor	825	702	596	-15.10
2	Mankirdia	1150	130	31	-76.15

(Source: Census 2011)

Despite decline in their population, excluding them on the ground that they were living outside the boundary of Micro Projects, was unjustified and against the spirit of the scheme.

The Department stated (October 2016) that the proposals of Micro Projects for inclusion of additional villages inhabited by PVTGs in CCD Plan, had been sent to MoTA, GoI for consideration.

3.9.3 Human Resource Management

Recommendation-3: Government may provide adequate technical manpower support to Micro Projects on priority.

3.9.3.1 Inadequate manpower support to Micro Projects

A mention was made in Paragraph 2.4.8 of the AR for the year ended March 2009 that the percentage of vacancies to sanctioned strength was 25 in 17 Micro Projects and there were vacancies in some key posts, which had adversely affected implementation of the programmes. The Department had stated (November 2012) that cadre restructuring at Micro Project level was under active consideration.

Audit observed that against the sanctioned strength of 85 in sampled six Micro Projects, men in position were 39, registering vacancy of 54 *per cent* as of March 2016. The vacancy included critical posts like Junior Agriculture Officer, Project Manager, Social Mobiliser (100 *per cent* each), Junior Engineer (33 *per cent*) and Welfare Extension Officer (67 *per cent*). This indicated that no action had been taken by the Government to fill up the vacant posts.

The Department stated (October 2016) that steps were being taken to fill up the vacant posts.

3.9.4 Monitoring and Evaluation

Recommendation-2: Government may ensure timely review meetings of GB of all Micro Projects to plan and monitor proper implementation of special care programme for PTGs.

Deficiencies in monitoring, evaluation and internal audit were mentioned in Paragraph 2.4.9 of the AR for the year ended March 2009. The Department had stated (November 2012) that meetings of Governing Body (GB) were held at regular intervals. However, Audit observed the following shortcomings:

- **Annual General Meetings (AGM):** The Micro Projects were required to hold AGM once in a year to discuss the Audit Report on Annual

Accounts. However, none of the sampled Micro Projects had prepared Annual Accounts and no AGM was conducted during 2013-16.

- **GB Meetings:** GB⁹³ of a Micro Project was required to meet quarterly and give approval to Annual Action Plans, besides reviewing the progress and performance of Micro Projects. In three sampled Micro Projects, against the requirement of 72 GB meetings during 2013-16, 16 meetings were held, registering a shortfall of 56 meetings. The GBs, however, did not discuss the performance of Micro Projects.
- **District Level Committee:** As required under CCD Plan, a committee comprising Chief District Medical Officer, District Forest Officer, Executive Engineer (PWD) and one representative from NGO of the district was required to supervise implementation of programmes and submit a report to the District Collector by April after the end of the financial year. However, the committee was not constituted in any of the Micro Projects.
- **Monitoring by Odisha Tribal Development Society (OTDS):** OTDS, the State Level Nodal Society, was required to monitor and evaluate the schemes implemented for development of tribal areas of the State. Though ₹ 40 lakh was received by OTDS (2013-14) for project management and monitoring, the funds remained unutilised as of March 2016. The decision of the Governing Council⁹⁴ to chalk out a specific action plan for saturating housing needs of PVTGs in a convergence mode, was also not acted upon. Thus, there was no improvement in Monitoring.

The Department stated (October 2016) that review of schemes/ programmes had been taken up periodically by the Department and the Collectors and assured of complying with the same.

Recommendation partially implemented

3.9.5 Implementation of projects

Recommendation-4: With primitive techniques of agro-based production, PTGs require special attention and extension of various social welfare schemes in concerted manner with enhanced scale of various interventions. The State Government may also consider supplementing the GoI provisions.

3.9.5.1 Implementation of Income Generating Schemes (IGS)

The guidelines of the Department (December 2006) for utilisation of SCA to TSP grants, *inter alia*, envisaged that only activities, which would increase employment/ income generation of tribal and infrastructure incidental thereto, should be taken up. It further stipulated that SCA to TSP was an additive to the State Plan and not an open ended scheme, under which funds could be utilised in violation of the guidelines, prescribed for implementation of IGS and infrastructure projects.

⁹³ Comprised of Collector as Chairperson and Special Officer as Member Secretary

⁹⁴ Decided in second meeting of Governing Council held on 15 May 2015

Mention had been made in Paragraphs 2.4.4.1, 2.4.4.2 and 2.4.4.3 of AR for the year ended March 2009 about shortfall in execution of projects, non-monitoring of economic activities of Self Help Groups and non-establishment of marketing facilities, *etc.* In this connection, Audit observed the following:

- As per the work orders issued by the Micro Projects, the stipulated period of completion of activities/ works ranged from 1 to 10 months. Under three schemes, 3,757 activities/ works were targeted for execution in 17 Micro Projects during 2013-16. Out of these, only 1,948 activities/ works (52 *per cent*) were executed during the same period. In six sampled Micro Projects, out of 1,371 activities/ works planned for execution, 836 activities/ works (61 *per cent*) were completed. Out of 535 incomplete⁹⁵ activities/ works in six sampled Micro Projects, 404 remained incomplete, even after lapse of more than two years. Despite delay in completion, the Special Officers of sampled Micro Projects had not taken up the matter with the executing agencies for completion. The reasons for non-completion of works were delay in approval of Annual Action Plans (AAPs) and failure of the executing agencies (*i.e.*, line Departments) in completing the works in time.
- On scrutiny of records of 296 activities/ works Audit observed that, in 43 projects (15 *per cent*), an amount of ₹ 1.27 crore was utilised in projects like construction of roads, boundary walls, *etc.*, which were not incidental to income generation. Further, 1,258 agricultural implements (iron ploughs) procured by Paudi Bhuyan Development Agency, Jamardihi at a cost of ₹ 8.30 lakh during 2013-14, were not used by the beneficiaries, as reported by them during beneficiary interviews by Audit.
- Marketing centres were constructed only in four⁹⁶ Micro Projects with expenditure of ₹ 17.38 lakh, which covered only 3 out of 129 villages of six sampled Micro Projects.
- Neither the sampled Micro Projects nor the Department had set sector-wise target for implementation of various projects and achievement. Further, the Department had not fixed any benchmark for development of each PVTG to assess/ measure improvement in socio-economic condition/ human development indices of PVTGs due to intervention of the schemes/ programmes, though this had been recommended (August 2011) by the Committee on Welfare of SCs & STs, GoI.
- During survey of 120 beneficiaries, Audit observed the following:
 - 87 beneficiaries (73 *per cent*) stated that they were not provided with any irrigation facilities;
 - 87 beneficiaries (73 *per cent*) stated that they did not get assistance for setting up of poultry farms; and
 - 38 beneficiaries (32 *per cent*) stated that they did not get assistance for taking up horticulture activities.

⁹⁵ 2013-14: 228, 2014-15: 176, 2015-16: 131

⁹⁶ Sunabeda, Jamardihi, Khuntagaon and Morada

Audit further observed that in 17 Micro Projects, 1,479 PVTG youth were trained in different trades like masonry, preparation of phenyl/ bleaching powder, incense sticks, mushroom cultivation, *etc.*, during 2013-16 and employment was provided to 796 youth⁹⁷ (54 *per cent*). In six sampled Micro Projects, though training was imparted to 105 youth, incurring expenditure of ₹ 14.37 lakh, no placement service was rendered for ensuring their employment. In KKDA, Belghar, PVTG youths were not identified for skill development trainings.

The Department stated (October 2016) that the Special Officers, Micro Projects had been instructed to follow the guidelines.

3.9.5.2 Infrastructure development

As required under CCD guidelines, Micro Projects were required to coordinate with line Departments for creation of infrastructural facilities like, housing, connectivity, electrification, drinking water, *etc.*, in areas falling under Micro Projects, in addition to their own responsibility to create infrastructural facilities under CCD Plan, SCA to TSP and Grants under Article 275(1).

Mention had been made in Paragraph 2.4.5 of the AR for the year ended March 2009 that the physical achievement in various components of infrastructure development fell short by 1 to 23 *per cent* due to lack of aggressive approach by the implementing authorities. The Department had stated (November 2012) that infrastructure was developed in respect of connectivity to villages, AWCs, literacy, drinking water, health care, fire proof houses, electricity, *etc.*, in a phased manner.

Audit observed the following deficiencies in creation of infrastructural facilities:

- Connectivity to 165 out of 541 PVTG villages in the State, including 35 villages of six sampled Micro Projects, was not established as of March 2016. During beneficiary interviews, 31 out of 120 beneficiaries stated that connectivity to 11 villages was not available.
- Drinking water facilities were not available in 43 out of 541 villages of 17 Micro Projects as of March 2016. This included seven⁹⁸ villages in two sampled Micro Projects. Out of this, in four villages under PBDA, Khuntagaon, the solar pumps became defunct during July 2015 to February 2016 and no steps were taken to repair these. In the remaining three villages, water supply facility was not created. In the absence of drinking water facilities, the villagers were using '*Chua water*'⁹⁹.
- In 17 Micro Projects, 246 villages were not electrified as of March 2016. This included 40 (31 *per cent*), out of 129 villages in six sampled projects.
- The Special Officers of the sampled Micro Projects did not take up the matter with the line departments for providing required road and

⁹⁷ Locally employed: 464 and self-employment: 332

⁹⁸ Koked (CBDA, Sunabeda); Sareikela, Tilkuda, Phuljhar Bhuyansahi, Bhatiasahi, Pattamund school sahi, Sanjalbhudhandishi (PBDA, Khuntagaon)

⁹⁹ *Chua water* means water obtained from digging sand/ earth

electricity connection as well as ensuring availability of safe drinking water to the PVTG habitats. Only in February 2016, the Department took up the matter with the line Departments for creation of different infrastructural facilities in these areas.

- Out of 21,802 households in 17 Micro Projects, 5,365 (including 1,438 in six sampled Micro Projects) were not provided with any kind of *pucca* house. Scrutiny of 117 case records indicated that 49 houses remained incomplete as of March 2016, after incurring an expenditure of ₹ 11.55 lakh, even after lapse of three to nine years since these were taken up. Funds of ₹ 17 lakh received (October 2012) for construction of *pucca* houses remained unutilised by PBDA, Khuntagaon as of March 2016. However, the Micro Projects had not extended any technical support to them to complete the houses.

The Department assured (October 2016) that steps would be initiated to take up these works on priority basis.

3.9.5.3 Health

The guidelines framed by the GoI for implementation of CCD Plan, *inter alia*, envisaged that health, immunisation and nutritional needs of all pregnant and nursing mothers would be provided under the plan. Anganwadi Centres (AWCs), functioning under the Women & Child Development (W&CD) Department are focal points for addressing malnutrition through providing supplementary nutrition¹⁰⁰. Audit observed the following:

- AWCs were not set up in 226 PVTG villages under 14 Micro Projects as of March 2016. In absence of AWCs, beneficiaries of 16 villages of six sampled Micro Projects were tagged to the nearest AWCs located at a distance of 1 to 8 km. The SSD Department had not taken up the issue with the W&CD Department for setting up of AWCs in these villages.
- To address health and nutritional needs of PVTGs, W&CD Department had released (July 2014) ₹ 56.17 lakh to the SSD Department for implementation of different activities in convergence with facilitating non-Government organisations (FNGO). The SSD Department refunded (April 2015) the amount citing shortage of manpower and non-engagement of FNGOs in Micro Projects. Thus, nutritional needs of malnourished children remained unaddressed.
- In six sampled Micro Projects, out of 216 children identified as severely underweight and Severe Acute Malnourished, 60 children were not referred to hospitals. During 2012-13, 19 infant deaths occurred due to malnutrition under PBDA, Khuntagaon Micro Project. However, no remedial measures were taken by Micro Projects to eradicate malnutrition.
- Health care services were delivered through 41¹⁰¹ Health Centres across all the Projects in the State including 13 Health Centres in the

¹⁰⁰ Children in the age group six months to six years and pregnant & lactating mothers

¹⁰¹ 33 Primary Health Centres (PHCs)/ 8 Community Health Centres (CHCs) under all the Micro Projects and 11 (PHCs)/ 2 (CHCs) in sampled Micro Projects

sampled Micro Projects, covering a population of 32,475. However, delivery of health care services was affected as the beneficiaries had to cover a distance of 5 to 80 Kms to a PHC/ CHC. In six sampled Micro Projects, against the sanctioned strength of 30 Doctors, 26 were available and the remaining four posts were lying vacant for more than one to four years. In two PHCs of two projects¹⁰², health services were delivered by Pharmacists due to absence of Doctors since 2014-15. In absence of health care services and lack of transportation facilities, PVTG habitants were deprived of timely health care facilities.

- During 2013-16, a provision of ₹ 4.28 crore was made for mobile health unit, organising health camps, *etc.*, in test-checked Micro Projects, against which ₹ 16.38 lakh was released. Out of this, only ₹ 6.25 lakh were utilised in conducting 13 health camps. Due to non-utilisation of funds, mobile health units/ assistance to serious patients, creation of village herbal gardens, *etc.*, could not be addressed.

The Department stated (October 2016) that health camps had been organised periodically and Supplementary Nutrition was being supplied through AWCs. The reply was not acceptable as adequate number of health camps were not organised, as reported by the test-checked Micro Projects.

3.9.5.4 Education and social security

The guidelines framed by the GoI for implementation of CCD Plan stressed on ensuring 100 *per cent* physical enrolment, improving literacy rate and arresting dropout rate, particularly of girl students, as well as providing social security to the needy. Audit observed the following:

- The sampled Micro Projects did not maintain data of number of children at school going age *vis-a-vis* actual enrolment in primary schools. In 19 educational institutions, 849 girl students dropped out from schools during 2013-16. The average literacy rate of male and female in 17 Micro Projects was 44.10 and 34.26 respectively in 2015-16, against the State average of 82.40 and 64.36.
- Odisha Model Tribal Education Society, the nodal agency for promoting education for tribals in the State, procured (August 2013) 190 computers at a cost of ₹ 74.13 lakh for installation in 19 educational institutions. However, in absence of modules/ course contents as well as teachers trained in computers, all the computers remained idle in six sampled Micro Projects.
- As of March 2016, 1,758 eligible beneficiaries in the State and 511 beneficiaries in sampled Micro Projects did not get assistance under Old Age Pension (OAP). The BDOs stated (July 2016) that the left-out beneficiaries would be covered in subsequent years.

The Department stated (October 2016) that the existing teachers would be provided training in computers and steps had been taken to cover all eligible beneficiaries under OAP.

¹⁰² Juang Development Agency, Gonasika and Lodha Development Agency, Morada

3.9.5.5 Non-implementation of Forest Right Act

A mention had been made in Paragraph 2.4.4.4 of AR for 2009 that record of rights of forest land had not been recorded in the names of heads/ spouses of PTG families, who were in occupation of the forest land prior to 13 December 2005, under Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006. The Department had stated (November 2012) that individual forest right titles had been issued.

Audit observed that titles to land were distributed to 17,884 out of 21,459 claimants across Micro Projects in the State leaving 3,575 claimants (17 per cent). In six sampled Micro Projects, 1,186 out of 9,571 claimants, were not given titles to land.

The Department attributed reasons for non-distribution of titles to want of evidences of occupation and non-awareness among claimants to fill up the claim form properly. The fact, however, remained that the Department had neither conducted awareness campaigns nor surveys, as required under the Act, to sensitise and identify beneficiaries.

3.9.6 Other observations

A mention had been made in Paragraph 2.4.3.1 of AR for 2009 regarding deficiencies in Financial Management. The Department had stated (November 2012) that the delays in release of funds were due to belated receipt of funds from GoI and had also assured of adjusting outstanding advances as well as timely submission of UCs. Audit, however, observed that there was no improvement in these issues, as discussed below:

- During 2013-16, the Department had delayed release of ₹ 69.81 crore to 17 Micro Projects by 16 to 146 days¹⁰³ from the dates of receipts of grants from GoI. The Department attributed (July 2016) the delay to obtaining approval of higher authorities and shortage of manpower.
- Advances amounting to ₹ 1.92 crore¹⁰⁴ given to 273¹⁰⁵ officials/ NGOs in the sampled Micro Projects during November 1990 and March 2016 remained unadjusted, even after lapse of more than two months to 25 years. The Department assured (October 2016) of taking steps to adjust/ recover the advances.
- Against utilisation of ₹ 33.14 crore by six sampled Micro Projects during 2013-16, UCs for ₹ 17.28 crore (52 per cent) were not furnished to Government as of March 2016, despite stipulation in the sanction orders to submit the same by the end of the concerned financial year. The Department stated (October 2016) that Micro Projects had been instructed to submit UCs timely.

3.9.7 Conclusion

Performance Audit was conducted in the year 2009 on Micro Project for development of Particularly Vulnerable Tribal Groups. Audit highlighted the

¹⁰³ 16 to 60 days: 6 cases (₹ 51.34 crore); 61 to 90 days: 2 cases (₹ 5.72 crore); 91 to 120 days: 2 cases (₹ 8.04 crore); 121 to 146 days: 2 cases (₹ 4.71 crore)

¹⁰⁴ Including unclassified amount of ₹ 0.02 crore

¹⁰⁵ Including advances pending against 13 retired staff: ₹ 5.08 lakh and four deceased employees : ₹ 0.77 lakh

deficiencies in implementation of various schemes for development of PTGs in earlier Performance Audit. Though the Government had accepted all the recommendations, none of the recommendations have been fully implemented, even after a lapse of 7 years.

Audit verified the records of the SSD department along with six test-checked Micro Projects and observed that shortage of manpower still persisted, which affected implementation of various projects. Supervision and monitoring was not adequate to address the bottlenecks in implementation of projects. Targeted numbers of projects under Income Generation Scheme were not completed. Facilities like provision of road connectivity, drinking water, electricity, *etc.*, were not created adequately. Besides, there were deficiencies in addressing malnutrition, healthcare services, education, *etc.*

Finance Department

3.10 Lack of response to Audit

Regulation 197 of Regulations on Audit and Accounts, 2007 requires that the officer-in-charge of the audited entity should send the reply to Inspection Report (IR) paragraphs to the respective Audit Offices within four weeks of their receipt.

Review of IRs issued up to March 2016 pertaining to 24 departments showed that 41,586 paragraphs relating to 9,858 IRs were outstanding at the end of June 2016. Year-wise position of outstanding IRs and paragraphs are detailed in *Appendix 3.10.1*. Of these, 4,075 IRs containing 12,450 paragraphs were outstanding for more than 10 years (*Appendix 3.10.2*). Of the above outstanding IRs, even the first reply from the Heads of offices was not received in respect of 1,624 IRs. The departments from which majority of replies were awaited were Panchayati Raj, Housing & Urban Development (H&UD), School & Mass Education (S&ME), Women & Child Development (W&CD) and Revenue & Disaster Management (R&DM).

The Finance Department stated (November 2016) that the annual programme for holding Triangular Committee meetings had been chalked out for discussion of outstanding paragraphs.

3.10.1 Follow-up action on earlier Audit Reports

Major irregularities observed in Audit are included in the Audit Reports of the Comptroller and Auditor General of India that are presented to the State Legislature. According to the instructions (December 1993) of the Finance Department (FD), the Administrative Departments are required to furnish the explanatory notes on the transaction paragraphs, Performance Audits (PA), *etc.*, included in the Audit Reports within three months of their presentation to the State Legislature.

As of September 2016, 10 out of 24 departments did not submit explanatory notes in respect of 33 paragraphs (25 individual and 8 PAs) featured in the C&AG's Audit Reports from the years 2007-08 to 2013-14 (*Appendix 3.10.3*).

The Finance Department stated (November 2016) that all departments had been instructed to submit compliances within three months which would be monitored through the Departmental Monitoring Committees.

3.10.2 Response to the recommendations of the Public Accounts Committee (PAC)

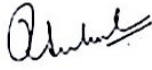
The Odisha Legislative Assembly constitutes PAC every year to examine the Reports of C&AG and the reports of such examination are presented to the Assembly. On the basis of the recommendation of a High Powered Committee headed by Shri S.L. Shakhder, Finance Department had instructed (December 1993) all the departments to submit Action Taken on the recommendations of PAC within four months after presentation of the reports to the Legislature.

It was observed that out of 630 recommendations (*Appendix 3.10.4*) made by the PAC from the 3rd Report of tenth Assembly (1990-95) to the 4th Report of fifteenth Assembly (2014-19), final actions taken on 19 recommendations from five departments (Higher Education, Law, Panchayati Raj, Revenue & Disaster Management and Rural Development) were awaited (September 2016).

The Finance Department stated (November 2016) that all departments had been instructed to submit compliances on the Action Taken Notes, without further delay.

Bhubaneswar
The

11 MAR 2017


(R. Ambalavanan)
Accountant General (G&SSA)
Odisha

Countersigned

New Delhi
The

2 MAR 2017


(Shashi Kant Sharma)
Comptroller and Auditor General of India

APPENDICES

Appendix 2.1.1
(Refer Paragraph 2.1.7.6)

**Statement showing allocation and lifting of wheat and rice under Supplementary Nutrition Programme
(Quantity in MTs)**

Year	Rice			Wheat				
	Allocated	Lifted	Quantity utilised	Quantity not lifted	Allocated	Lifted	Utilised	Quantity not lifted
2011-12	46494.00	35622.43	35622.43	10871.57	89981.00	72087.58	72087.58	17893.42
2012-13	43379.00	38052.63	38052.63	5326.37	95964.12	89056.27	89056.27	6907.85
2013-14	43100.00	41113.34	41113.34	1986.66	94028.00	89389.79	89389.79	4638.21
2014-15	42142.00	39172.53	39172.53	2969.47	91763.00	89478.59	89478.59	2284.41
2015-16	37876.00	36281.80	36281.80	1594.20	91070.00	90118.04	90118.04	951.96
Total	212991.00	190242.73	190242.73	22748.27	462806.12	430130.27	430130.27	32675.85

(Source: Compiled by Audit from the records/ data furnished by the Department)

Appendix 2.1.2
(Refer Paragraph 2.1.8.1)
Statement showing details of children enrolled and covered under pre-school education

Year	Child population as per MPR	Children shown eligible	Children enrolled	Children attended	Shortfall	Percentage of shortfall
2011-12	2057921	1967308	1625630	1514062	111568	7
2012-13	2018007	1910728	1588449	1497715	90734	6
2013-14	2019242	1902434	1624362	1531740	92622	6
2014-15	2040532	1892741	1630310	1535827	94483	6
2015-16	2000075	1907413	1734516	1567575	166941	10
Total	10135777	9580624	8203267	7646919	556348	7

(Source: Compiled by Audit from the records/ data furnished by the W&CD department)

Appendix 2.1.3
(Refer Paragraph 2.1.9)
Statement showing details of beneficiaries provided health check-up services

Year	0 to 6 years children			Pregnant women		Lactating mothers	
	Total children	Health check-up done	Percentage	Total women	Health check-up done	Percentage	Total mothers
2011-12	4504293	1105606	25	395697	193414	49	444969
2012-13	4488063	1221493	27	374087	203534	54	419045
2013-14	4465407	1237261	28	398029	203946	51	426021
2014-15	4455184	1518734	34	380943	234140	61	417259
2015-16	4392393	1685449	38	384422	245337	64	410692
Total	22305340	6768543	30	1933178	1080371	56	2117986
							Health check-up done
							189173
							203170
							195253
							235219
							240802
							1063617
							Percentage
							43
							48
							46
							56
							59
							50

(Source: Compiled by Audit from the records/ data furnished by the W&CD department)

Appendix 2.1.4
(Refer Paragraph 2.1.9.1)
Statement showing details of referral cases during 2011-16

Year	Total number of children	Growth monitoring of children			Children referred	Shortfall	Percentage of shortfall
		Normal	Moderate	Severely malnourished			
2011-12	4504293	2474652	1428844	141905	38123	103782	73
2012-13	4488063	2750923	1129115	107909	49993	57916	54
2013-14	4465407	2879674	1025690	73348	41780	31568	43
2014-15	4455184	2948548	933827	55576	31865	23711	43
2015-16	4392393	2941570	784824	41979	33349	8630	21
Total	22305340	13995367	5302300	420717	195110	225607	54

(Source: Compiled by Audit from the records and data furnished by the W&CD Department)

Appendix 2.1.5
(Refer Paragraph 2.1.11.4)

Statement showing details of funds sanctioned by Women and Child Development Department for construction of AWCs during 2010-16

Sl. No.	Name of the Scheme	Year of sanction	No. of AWC buildings Sanctioned	Sanctioned cost (₹ in lakh)	No. of AWC buildings completed	No. of buildings not completed/ not-commenced	Percentage of incomplete/non-commencement of buildings
1	State Plan	2010-11	177	887.74	3349	1157	25.68
2	State Plan	2011-12	2000	10000.00			
3	State Plan	2012-13	2000	10000.00			
4	State Plan	2013-14	198	990.00			
5	State Plan	2013-14	131	655.00			
6	13 th FC	2011-12	8000	10000.00	6416	1584	19.80
7	13 th FC	2012-13		10000.00			
8	13 th FC	2013-14		10000.00			
9	13 th FC	2014-15		10000.00			
10	Nutritional Operation Plan (NOP)	2011-12	247	1235.00	600	394	39.64
11	NOP	2012-13	371	1855.00			
12	NOP	2013-14	376	1880.00			
13	MGNREGS (convergence)	2013-14	2184	6006.00	1318	6316	82.74
14	MGNREGS	2014-15	1368	3762.00			
15	MGNREGS	2015-16	4082	18369.00			
16	CSP	2013-14	5556	27780.00	2376	3180	57.24
	Total		26690	123419.74	14059	12631	47.32

(Source: Compiled by Audit from the records and data furnished by the W&CD Department)

Appendix 2.1.6
(Refer Paragraph 2.1.12.1)
Statement showing persons-in-position and sanctioned strength during 2011-16

Name of the post	Sanctioned strength	March 2012		March 2013		March 2014		March 2015		March 2016	
		Persons-in-position	Vacancy	Persons-in-position	Vacancy	Persons-in-position	Vacancy	Persons-in-position	Vacancy	Persons-in-position	Vacancy
CDPO	338	309	29	310	28	318	20	306	32	317	21
Supervisor	2808	2052	756	2051	757	1998	810	1976	832	1950	858
SA	284	127	157	115	169	115	169	106	178	105	179
AWW	71306	65920	5386	66816	4490	68400	2906	68954	2352	69354	1952
AWH	60918	57651	3267	58403	2515	59337	1581	59572	1346	59851	1067
Total	135654	126059	9595	127695	7959	130168	5486	130914	4740	131577	4077

(Source: Compiled by Audit from the records and data furnished by the W&CD Department)

Appendix 2.1.7
(Refer Paragraph 2.1.12.2)

Statement showing person-in-position and target fixed for training in refresher course during 2011-16

Year	CDPO		Supervisor		Anganwadi Worker	
	Persons-in-position	Target	Persons-in-position	Target	Persons-in-position	Target
2011-12	-	-	2052	200	65920	7200
2012-13	310	153	2051	200	66816	14960
2013-14	318	135	1998	275	68400	10560
2014-15	306	117	1976	175	68954	10560
2015-16	317	131	1950	700	69354	24698
Total	1251	536	10027	1550	339444	67978
Percentage	43		15		20	

(Source: Compiled by Audit from the records/ data furnished by the W&CD Department)

Appendix 2.1.8
(Refer Paragraph 2.1.12.2)
Statement showing shortfall in training of ICDS functionaries

Year	Targeted number of trainees	No. of persons trained	Shortfall	Percentage of shortfall
2011-12	20925	17623	3302	16
2012-13	28769	22619	6150	21
2013-14	25880	24660	1220	5
2014-15	24571	24476	95	-
2015-16	36748	30137	6611	18
Total	136893	119515	17378	13

(Source: Compiled by Audit from the records and data furnished by the W&CD Department)

Appendix 2.2.1
(Refer Paragraphs 2.2.7 and 2.2.7.1)
Statement showing scheme-wise total receipt and expenditure

(Amount ₹ in crore)

Sl. No.	Name of the Scheme/ source of fund	Name of ULB	Period of receipt of fund	Estimated cost as per approved DPR	Amount Received	Other Receipt (Interest)	Total	Expenditure	Unutilised balance	Percentage of expenditure
1	Twelfth Finance Commission	Bhubaneswar	2006-10	140.00	140.00	48.55	188.55	81.77	106.78	43.36
2	JnNURM	Bhubaneswar	2007-14	498.91	372.00	102.70	474.70	105.75	368.95	22.27
3	National River Conservation Programme (NRCP)	Puri	2001-11	80.45	73.49	4.64	78.13	74.80	3.33	95.73
4	NRCP	Cuttack and Talcher	2000-15	12.53	12.44	0	12.44	10.83	1.61	87.05
5	Odisha Urban Infrastructure Development Fund (OUIDF)	Sambalpur	2014-16	373.44	99.00	3.58	102.58	15.47	87.11	13.09
6	OUIDF	Rourkela	2014-15	431.49	55.00	3.66	58.66	5.64	53.02	
7	Japan International Cooperation Agency (JICA)	Bhubaneswar and Cuttack	2011-16	2974.66	1134.58	22.59	1157.17	862.34	294.83	74.52
8	State Government for land acquisition	Bhubaneswar	2008-16	-	192.06	0	192.06	179.94	12.12	93.69
	Total			4511.48	2078.57	185.72	2264.29	1336.54	927.75	59.02

(Source: Records of Member Secretary, OWSSB, Bhubaneswar and CE, JICA, Cuttack)

**Appendix 2.2.2
(Refer Paragraph 2.2.7.4)
Statement showing loss of interest on bank deposit**

Name of the bank	Account No.	Year	Minimum Balance	Maximum balance	Period (half yearly)	Fixed deposit rate of interest	Interest at Flexi deposit rate	Interest at Savings Bank rate (4 per cent)	Minimum loss of interest
United Bank of India, Nayabazar, Cuttack	801010136334	2013	10000000	10074521	31-12-2013	6.50	325000	200000	125000
		2014	10033721	10234069	30-06-2014	7.00	351180	200674	150506
		2014	4293165	14293165	31-12-2014	7.25	155627	85863	69764
HDFC, Jholasahi, Cuttack	1973145000022	2013	3449986	40690232	30-06-2013	6.50	112125	69000	43125
		2013	19818430	223750110	31-12-2013	6.50	644099	396369	247730
		2014	475321153	475321153	30-06-2014	7.00	16636240	9506423	7129817
		2014	777342161	777342161	31-12-2014	7.25	28178653	15546843	12631810
Axis Bank, Bidanasi, Cuttack	912010015579446	2013	882711	891417	30-06-2013	6.50	28688	17654	11034
		2013	9307	10475	31-12-2013	6.50	302	186	116
		2014	15010581	215550411	30-06-2014	7.00	525370	300212	225158
		2014	7402611	165177131	31-12-2014	7.25	268345	148052	120293
Axis Bank, Bidanasi, Cuttack (Satichaura)	912010033895533	2013	9632183	37722589	30-06-2013	6.50	313046	192644	120402
		2013	163589	90216786	31-12-2013	6.50	5317	3272	2045
		2014	3076013	18617453	30-06-2014	7.00	107660	61520	46140

Name of the bank	Account No.	Year	Minimum Balance	Maximum balance	Period (half yearly)	Fixed deposit rate of interest	Interest at Flexi deposit rate	Interest at Savings Bank rate (4 per cent)	Minimum loss of interest
		2014	226549	150226549	31-12-2014	7.25	8212	4531	3681
Axis Bank, Badambadi, Cuttack	912010039762668	2013	4892604	6585170	30-06-2013	6.50	159010	97852	61158
		2013	3973537	4476037	31-12-2013	6.50	129140	79471	49669
		2014	3979764	4019016	30-06-2014	7.00	139292	79595	59697
		2014	4093348	131212202	31-12-2014	7.25	148384	81867	66517
		2013	14281131	683881131	30-06-2013	6.50	464137	285623	178514
Axis Bank, College square, Cuttack	91300001263684	2013	4705	278428705	31-12-2013	6.50	153	94	59
		2014	68330844	170103226	30-06-2014	7.00	2391580	1366617	1024963
		2014	112346561	169363546	31-12-2014	7.25	4072563	2246931	1825632
		2013	3086150	4152086	30-06-2013	6.50	100300	61723	38577
Union Bank of India, College Square, Cuttack	407102010017802	2013	11717449	23086165	31-12-2013	6.50	380817	234349	146468
		2014	1885191	12015200	30-06-2014	7.00	65982	37704	28278
		2014	1641329	1853391	31-12-2014	7.25	59498	32827	26671
		2013	7000000	10000000	30-06-2013	6.50	227500	140000	87500
Bank of India, Bajrakabati Road, Cuttack	510610310000286	2013	3910672	23910672	31-12-2013	6.50	127097	78213	48884
		2014	8097322	182897450	30-06-2014	7.00	283406	161946	121460
		2014	103733784	808103784	31-12-2014	7.25	3760350	2074676	1685674

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Name of the bank	Account No.	Year	Minimum Balance	Maximum balance	Period (half yearly)	Fixed deposit rate of interest	Interest at Flexi deposit rate	Interest at Savings Bank rate (4 per cent)	Minimum loss of interest
Bank of Baroda, Mahatab Road, Cuttack	36260100001878	2014	106745557	106745557	30-06-2014	7.00	3736095	2134911	1601184
		2014	52202801	88745557	31-12-2014	7.25	1892352	1044056	848296
Punjab National Bank, Buxi Bazar, Cuttack	99000100161931	2013	0	0			0	0	0
		2013	1832383	1843428	31-12-2013	6.50	59552	36648	22904
		2014	1879994	1879994	30-06-2014	7.00	65800	37600	28200
		2014	79994	111591	31-12-2014	7.25	2900	1600	1300
Total							65925772	37047546	28878226

(Source: Records of Chief Engineer, JICA, Cuttack)

Appendix 2.2.3
(Refer Paragraph 2.2.7.5)
Statement showing loss of interest on mobilisation advance

(Amount in ₹ crore)

Name of the contractor	Name of the project	Amount of advance	Completion period as per agreement	Date of commencement of work/execution of agreement	Due date of commencement of recovery (On attaining progress of 30% of tender value) as per agreement	Date from which interest calculated on unrecovered amount	Date up to which interest calculated	Unrecovered amount	No. of days remained unrecovered	Interest to be charged @ 18% PA	Remarks
L&T	Sewerage project in Cuttack	62.46	36 months	31-03-13	01-03-14	01-03-14	16-10-15	62.46	594	18.30	Recovery commenced on 17/10/2015 and entire recovery was made within the proposed work completion period
L&T		18.62	30 months	31-03-15	01-01-16	01-01-16	31-05-16	18.62	151	1.39	No recovery was commenced till 31/05/2016
Tantia-Voltas	Drainage project in Cuttack	58.39	36 months	31-03-13	01-03-14	01-03-14	24-04-15	58.39	419	12.07	Recovery commenced on 25/04/2015 and ₹ 5.79 crore could be recovered within the proposed work completion period
Tantia-Voltas						26-04-15	31-05-16	52.60	401	10.40	Balance amount remained unrecovered till 31/05/2016

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(Amount in ₹ crore)

Name of the contractor	Name of the project	Amount of advance	Completion period as per agreement	Date of commencement of work/execution of agreement	Due date of commencement of recovery (On attaining progress of 30% of tender value) as per agreement	Date from which interest calculated on unrecovered amount	Date up to which interest calculated	Unrecovered amount	No. of days remained unrecovered	Interest to be charged @ 18% PA	Remarks
IVRCL	Sewerage project in Bhubaneswar	30.02	36 months	26-07-13	01-07-14	01-07-14	20-07-15	30.02	384	5.68	Recovery commenced on 21/07/2015 and ₹ 18.25 crore could be recovered within the proposed work completion period
						22-07-15	30-06-16	11.77	344	2.00	Balance amount remained unrecovered till 30/06/2016
VA Tech WABAG Limited		24.49	36 months					Nil			Advance was recovered within the stipulated time period
Total		193.98								49.84	

(Source: From the records of PE, Sewerage, Cuttack; PE, Drainage, Cuttack and PE, Sewerage, Bhubaneswar under CE, JICA, Cuttack)

Appendix 2.2.4
(Refer Paragraph 2.2.8)
Statement showing Financial and Physical progress of the ongoing
Sewerage Projects

(Amount ₹ in crore)

Sl.No.	Name of the Project	Fund received	Expenditure incurred	Financial progress in percentage	Physical progress in percentage
1	Bhubaneswar under 12 th FC and JnNURM	638.91	187.52	29.35	39.48
2	Cuttack under JICA	1157.15	862.34	74.52	33.69
3	Cuttack under NRCP	8.45	8.04	95.14	100
4	Puri under NRCP	78.13	74.80	95.73	99.00
5	Talcher under NRCP	3.99	2.79	69.92	61.00
6	Sambalpur under OUIDF	102.58	15.47	15.08	0
7	Rourkela under OUIDF	58.66	5.64	9.61	0

(Source: Records of Member Secretary, OWSSB, Bhubaneswar and CE, JICA, Cuttack)

Appendix 2.3.1
(Refer Paragraph 2.3.4)
Statement showing list of 30 sampled executing agencies

Sl. No.	Name of the District	Name of the EA
1.	Deogarh	BDO, Barkote
2.		BDO, Reamal
3.		BDO, Tileibani
4.		EE, Rural Works Division, Deogarh
5.		EE, RWS&S Division, Deogarh
6.		EE, WESCO, Deogarh
7.	Koraput	BDO, Laxmipur
8.		BDO, Nandapur
9.		BDO, Koraput
10.		PA, ITDA, Koraput
11.		PD, Watershed, Koraput
12.		DPC, SSA, Koraput
13.	Malkangiri	BDO, Kalimela
14.		BDO, Korukonda
15.		BDO, Malkangiri
16.		EE, Rural Works Division No1, Malkangiri
17.		EE, RWS&S Division, Malkangiri
18.		PA, ITDA, Malkangiri
19.	Sambalpur	BDO, Jujomura
20.		BDO, Jamankira
21.		BDO, Naktideula
22.		PA, ITDA, Kuchinda
23.		EE, Rural Works Division, Sambalpur
24.		EE, WESCO, Sambalpur
25.	Sundargarh	BDO, Bisra
26.		BDO, Lathikata
27.		BDO, Koida
28.		PA, ITDA, Bonei
29.		PA, ITDA, Sundargarh
30.		MD, WESCO, Burla

Appendix 2.3.2
(Refer Paragraph 2.3.6.1)
Statement showing details of 43 projects remained idle/ utilised for other purposes/ objectives not achieved

Name of district	Sl. No.	Name of E/A	Name of work	Sector	Sub-sector	Estimated cost	Expenditure	Date of commencement	Actual date of completion	Remarks
Deogarh	1	BDO, Tileibani	Construction of Additional Class room with sanitation facility at Ekalabya College, Kansar + 2 College	Buildings	Additional Class Room	7.00	7.00	20-05-2014	30-03-2015	Utilised for other purpose
Koraput	2	ITDA, Koraput	Construction of toilet-cum-bath complex(big size) for boys at Hataguda High School	Buildings	School toilet	10.00	10.00	20-04-2011	05-06-2013	Idle
Koraput	3	ITDA, Koraput	Construction of dormitory at Koraput(Two works)	Buildings	Dormitory	35.00	34.79	20-04-2011	15-12-2012	Idle
Koraput	4	ITDA, Koraput	Renovation of training centre near Kolab under Koraput Block	Buildings	Training centre	5.00	5.00	01-07-2011	21-02-2012	Idle
Koraput	5	ITDA, Koraput	Renovation of training centre near Kolab (Gents' hostel) under Koraput Block	Buildings	Training centre	5.00	5.00	21-12-2011	26-06-2012	Idle
Koraput	6	ITDA, Koraput	Renovation of training centre near Kolab (Ladies hostel) under Koraput Block	Buildings	Training centre	5.00	5.00	21-12-2011	26-06-2012	Idle
Koraput	7	ITDA, Koraput	Renovation of training centre near Kolab (RCC cots in both Gents and Ladies hostel) under Koraput Block	Buildings	Training centre	5.00	5.00	21-12-2011	26-11-2012	Idle
Koraput	8	BDO, Koraput	Completion of incomplete VSS Pathagara at Dumuriput, Hatagada	Buildings	Library	5.00	5.00	12-01-2015	13-10-2015	Utilised for other purpose

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Name of district	Sl. No.	Name of EA	Name of work	Sector	Sub-sector	Estimated cost	Expenditure	Date of comment	Actual date of completion	Remarks
Koraput	9	BDO, Koraput	Construction of Blacksmith shed at Mohanpada	Buildings	Blacksmith shed	5.00	4.80	30-01-2015	Complete	Idle
Koraput	10	BDO, Koraput	Construction of VD building at Mathalput	Buildings	Veterinary Dispensary	12.00	11.67	20-05-2014	Complete	Idle
Koraput	11	BDO, Koraput	Construction of 4 bedded burn ward at DHH, Koraput	Buildings	Burn ward	18.50	18.50	12-12-2011	23-08-2012	Idle
Koraput	12	BDO, Koraput	Construction of Minor Forest produce godown at Koraput Block premises	Buildings	Forest godown	4.00	4.00	14-09-2012	Complete	Utilised for other purpose
Koraput	13	BDO, Laxmipur	Construction of Toilet and infrastructure development at Laxmipur College	Buildings	College toilet	10.00	9.07	05-08-2015	Complete	Idle
Koraput	14	DPC, SSA, Koraput	Construction of Cultural Complex for Artist Federation	Buildings	Cultural Complex	40.00	40.00	05-12-2012	31-12-2012	Utilised for other purpose
Koraput	15	ITDA, Koraput	CD Work and BT Road from Mukhibedi to Chalanput under Semiliguda Block	Connectivity	Road	4.48	4.48	15-09-2012	16-04-2013	Excavation due to coverage under PMGSY
Koraput	16	BDO, Nandapur	Construction of bridge on the road from Bheja to Sukripur	Connectivity	Bridge	5.00	5.00	15-10-2014	10-10-2015	Not connected with any road
Koraput	17	BDO, Nandapur	Construction of RCC culvert at Kanta Siba Mandir	Connectivity	Culvert	5.00	5.00	23-12-2014	10-08-2015	Constructed at other place for which no connectivity provided

Name of district	Sl. No.	Name of EA	Name of work	Sector	Sub-sector	Estimated cost	Expenditure	Date of comment	Actual date of completion	Remarks
Koraput	18	PD, Watershed, Koraput	Construction of Diversion weir at Sadam-II	Irrigation	Diversion weir	13.00	13.00	14-05-2014	10-07-2014	No irrigation facility provided
Koraput	19	PD, Watershed, Koraput	Construction of Diversion weir with field channel at Sadam-I	Irrigation	D/W & FC	9.00	9.00	01-02-2013	07-04-2013	No irrigation facility provided
Koraput	20	PD, Watershed, Koraput	Construction of Diversion weir with field channel at Hadiguda	Irrigation	D/W & FC	13.00	13.00	17-05-2014	22-08-2014	No irrigation facility provided
Koraput	21	DPC, SSA Koraput	Two Mobile School Bus with Computer Accessories, LED, EDUSat and IEC materials (@ ₹15.00 lakh per Bus)	Others	Bus	30.00	30.48	12-01-2012	complete	Idle
Koraput	22	BDO, Laxmipur	Setting up skill development in communication skill and IEC activities centre	Skill development	Skill development	10.00	10.00	10-10-2013	17-09-2014	Utilised for other purpose
Malikangiri	23	BDO, Korukonda	Construction of Community Centre at Koyagiri	Building	Community centre	6.00	5.59	23-12-2011	06-05-2013	Idle
Malikangiri	24	BDO, Korukonda	Construction of Community Centre at Koyaguda	Building	Community centre	20.00	20.00	28-12-2012	26-10-2014	Idle
Malikangiri	25	EE, RWS&S, Malikangiri	RPWS at Pujarimunda and Majhiguda	Drinking water	Pipe water supply	14.40	14.41	18-08-2011	20-10-2012	Idle
Sambalpur	26	BDO, Jujomura	Construction of mini stadium near Tahasil office Jujomura	Others	Mini stadium	10.00	8.01	01-03-2014	20-08-2015	Boundary wall collapsed
Sambalpur	27	BDO, Jamankira	Construction of training-cum-capacity building centre of women and poor at Jamankira Block	Skill development	Skill development	20.00	20.00	22-12-2011	02-07-2014	Utilised for other purpose

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Name of district	Sl. No.	Name of EA	Name of work	Sector	Sub-sector	Estimated cost	Expenditure	Date of comment	Actual date of completion	Remarks
Sambalpur	28	BDO, Jamankira	Construction of mini stadium at block level under Jamankira GP	Others	Stadium	10.00	7.93	03-03-2014	18-12-2014	Objective not achieved
Sambalpur	29	BDO, Jamankira	Construction of skill development centre at Badrama GP	Skill development	Skill development	35.00	32.86	03-03-2014	15-02-2016	Idle
Sambalpur	30	BDO, Naktideul	Construction of mini stadium at Naktideul	Others	Stadium	10.00	8.75	01-03-2014	Complete	Objective not achieved
Sambalpur	31	PA, ITDA, Kuchinda	Construction of 100 seated hostel building at Skill Development Training Centre, Bauriguda Arjun, during 2013-14	Skill development	Skill development	87.70	81.69	01-02-2014	07-01-2016	Idle
Sambalpur	32	EE, RW Division, Sambalpur	Construction of Health Sub-Centre Building at Batemura under Themera CHC	Buildings	Health Sub-Centre	19.32	15.78	20-06-2013	28-02-2014	Idle
Sambalpur	33	EE, RW Division, Sambalpur	Construction of Health Sub-Centre Building at Dhama under Themera CHC	Buildings	Health Sub-Centre	19.07	15.39	11-06-2013	28-02-2014	Idle
Sambalpur	34	EE, RW Division, Sambalpur	Construction of Health Sub-Centre Building at Deogaon under Themera CHC	Buildings	Health Sub-Centre	19.13	15.78	04-12-2013	28-02-2014	Idle
Sambalpur	35	EE, RW Division, Sambalpur	Construction of Health Sub-Centre Building at Maneswar under Themera CHC	Buildings	Health Sub-Centre	19.29	14.63	18-03-2013	30-06-2015	Idle
Sambalpur	36	EE, RW Division, Sambalpur	Construction of Health Sub-Centre Building at Bhoipali under Themera CHC	Buildings	Health Sub-Centre	19.91	14.18	28-05-2013	15-11-2014	Idle

Name of district	Sl. No.	Name of EA	Name of work	Sector	Sub-sector	Estimated cost	Expenditure	Date of comment	Actual date of completion	Remarks
Sambalpur	37	EE, RW Division, Sambalpur	Construction of Health Sub-Centre Building at Themera under Themera CHC	Buildings	Health Sub-Centre	19.89	15.21	19-03-2013	20-02-2014	Idle
Sambalpur	38	EE, RW Division, Sambalpur	Construction of Health Sub-Centre Building at Badasahir under Jujomura CHC	Buildings	Health Sub-Centre	19.45	14.94	21-03-2013	17-07-2015	Idle
Sambalpur	39	EE, RW Division, Sambalpur	Construction of Live Stock aid Centre Building at Katarbaga under RW Sub-division, Rengali	Buildings	Live stock aid Centre	9.66	9.66	10-05-2013	13-03-2015	Under utilisation
Sundargarh	40	BDO, Bisra	Construction of Culvert with guardwall at Budeljijore village	Connectivity	Culvert	10.00	8.80	22-08-2014	21-12-2014	Idle
Sundargarh	41	PA, ITDA, Sundargarh	Construction of CD at Lakrajore to forest road at Lakrajore High School	Connectivity	Culvert	10.00	9.98	22-01-2013	10-05-2013	No approach road
Sundargarh	42	PA, ITDA, Bonai	Construction of model training school with State of Art facility at Bonai Skill Development Centre (Hostel Block)	Building	Others	92.36	92.36	21-05-2014	20-02-2015	Idle
Sundargarh	43	PA, ITDA, Sundargarh	Construction of Ultra modern training Hall in campus of CDVO, Sundargarh	Building	Others	33.24	26.10	12-11-2014	11-05-2015	Idle
		Total				760.40	706.84			

(Source: Joint physical inspection and records of test checked EAs)

Appendix 2.3.3
(Refer Paragraph 2.3.7.3)
Statement showing year-wise expenditure incurred under SRE during 2011-12 to 2015-16

(In ₹)

Sl. No.	SRE item	2011-12	2012-13	2013-14	2014-15	2015-16	Total
1	Ex-gratia civilians	11,100,000	1,800,000	2,300,000	4,500,000	4,400,000	39,400,000
	Ex-gratia security personnel	3,500,000	10,000,000	1,800,000	-	-	
2	LS-accommodation CAPF		150,000,000	117,311,000	113,114,000	117,136,000	1,322,552,553
	LS-Electricity dues		7,347,858	37,284,282	24,201,835	32,769,447	
	LS-hire charges		26,206,122	27,386,333	31,179,194	32,621,705	
	LS-POL charges		27,499,743	27,181,686	29,809,567	25,371,121	
	LS-house rent	327,807,513	9,958,842	13,218,926	13,275,633	7,705,861	
	LS-sundry utilities		26,375,775	30,491,604	29,088,957	29,804,970	
	LS-telephone charges		1,151,626	1,643,184	2,224,759	2,316,918	
	LS-water charges		285,000	272,243	251,347	259,502	
3	Ammunitions	26,999,995	29,999,994	24,999,975	24,999,977	24,999,998	131,999,939
	TRG-TE		10,000,000	10,500,000	10,000,000	11,000,000	
4	TRG-TRG AIDS & expenses	15,099,883	8,049,539	16,405,996	11,966,495	14,886,800	152,852,399
	TRG-course fees		1,273,675	1,394,000	41,372,511	903,500	
5	Community Policing	7,499,571	9,498,038	15,587,618	15,973,053	15,971,997	64,530,277
	VD-honorarium SPO	39,304,696	38,696,963	31,367,082	33,394,024	30,649,460	
7	Incentive for surrender maxalities	610,000	8,678,000	1,716,000	8,640,450	9,770,000	29,414,450
	Insurance premium	49,900,000	49,900,000	48,000,000	49,000,000	49,500,000	
9	Need based hiring of helicopter etc.	86,070,551	141,676,501	31,210,338	90,191,307	144,351,632	493,500,329
	Fortification	150,000,000	160,000,000	120,000,000	99,902,000	99,938,000	
10							629,840,000

Sl. No.	SRE item	2011-12	2012-13	2013-14	2014-15	2015-16	Total
11	Publicity campaign	7,500,000	9,475,170	9,473,825	9,469,865	6,231,504	42,150,364
12	POL for Coastal Security	1,987,851	1,935,672	496,134	-	-	4,419,657
Grand Total		727,380,060	729,808,518	570,040,226	642,554,974	660,588,415	3,330,372,193

(Source: Information furnished by SIW, Bhubaneswar)

Appendix 2.3.4
(Refer Paragraph 2.3.8.2)
Statement showing illustrative cases of incomplete projects

Name of the district	Expenditure (₹ in lakh)	Nature of irregularity
Koraput	18.55	One toilet complex in girls' high school and one double storyed staff quarter for a sevashram with total estimated cost of ₹ 22 lakh taken up by ITDA, Koraput in April 2011 stipulating completion by June 2011, remained incomplete even after utilising ₹ 18.55 lakh thereon.
Malkangiri	98.63	One 50 seated Sports Hostel and one Multipurpose Skill Upgradation training centre at Malkangiri with total estimated cost of ₹ 1 crore taken up by BDO, Malkangiri in September 2014 were incomplete after utilisation of ₹ 98.63 lakh since September 2015 for want of electrification (Training centre) and flooring and other works (sports hostel) due to belated execution.
	429.00	For providing connectivity to two inaccessible villages of Parkanmala and Ralegeda GP of Kudumulugumma block of Malkangiri district, the DLC sanctioned construction of two bailey bridges at a cost of ₹ 5.35 crore. The PA, ITDA executed the work departmentally and placed (March 2013) an order for supply, transportation and erection of both the suspension bridges. Though materials worth ₹ 4.69 crore was received in September 2013 and the supplier was paid ₹ 4.29 crore, the required civil works were not completed as of August 2016. Thus, non-completion of the works not only deprived the local populace from connectivity, but also resulted in blockage of ₹ 4.29 crore since three years.
Sambalpur	88.66	Six Health Sub-centre buildings and two Live Stock Aid Centre buildings constructed by RW Division, Sambalpur remained incomplete even after utilising ₹ 88.66 lakh despite being taken up during February-June 2013 stipulating completion within six months. Civil works of six projects though completed during October 2013 to May 2015, the same remained incomplete due to want of electrical and public health works by the concerned agency.
Deogarh	24.50	Thirty five tube well projects were not commenced as of April 2016 without any recorded reason, despite procuring hand pumps since April 2015.
Total	659.34	

(Source: Records of EAs concerned and Joint Physical Inspection)

Appendix 2.3.5
(Refer Paragraph 2.3.8.3)

Statement showing details of non-imposition of compensation for delay in execution of works

Sl. No.	Name of district	Name of executing agency	No. of test checked incomplete works	Estimated cost (₹ in lakh)	Stipulated dates of completion	Actual dates of completion	Delay in days	Cost of work executed within stipulated date	Balance executed/ to be executed beyond stipulated date ₹ in lakh	Amount of compensation not realised	EoT not applied, EoT applied after completion of work
1	Sambalpur	BDO, Jamankira	13/12	247.99	May 2014 to July 2015	December 2014 to January 2016	137-399	54.05	141.74	14.17	08/04
2	Sambalpur	BDO, Jujomura	07/06	201.49	June 2014 to July 2015	June 2015 to December 2015	124-578	51.61	145.85	14.59	0/06
3	Sambalpur	BDO, Naktideul	11/10	203.85	April 2014 to July 2015	December 2014 to March 2016	88-670	40.46	133.75	13.38	05/05
4	Sambalpur	PA, ITDA, Kuchinda	07/06	260.70	October 2014 to November 2015	August 2015 to March 2016	93-433	88.82	171.88	17.19	06/0
		Total	38/34	914.03				234.94	593.22	59.33	19/15
1	Koraput	BDO, Koraput	06/06	96.00	April 2015 to October 2015	November 2015(two cases) and under progress (four cases)	59-184	10.80	81.93	8.19	6/0

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Sl. No.	Name of district	Name of executing agency	No. of test checked incomplete works	Estimated cost (₹ in lakh)	Stipulated dates of completion	Actual dates of completion	Delay in days	Cost of work executed within stipulated date	Balance executed/ to be executed beyond stipulated date ₹ in lakh	Amount of compensation not realised	EoT not applied, EoT applied after completion of work
2	Koraput	PA, ITDA, Koraput	11/11	104.00	December 2013 to July 2015	March 2015 to march 2016	161-405	17.67	86.33	8.63	11/0
		Total	17/17	200.00				28.47	168.26	16.82	17/0
1	Deogarh	BDO, Reamal	8/6	57.00	31.1.15 to 14.6.15	11.2.15 to 15.7.15	11-291	3.38	53.62	5.70	05/01
2	Deogarh	EE, RWD, Deogarh	42/32	327.22	17.4.12 to 15.4.16	30.5.12 to 30.4.16	2-371	64.00	263.21	31.41	32/0
3	Deogarh	EE, RWS&SD, Deogarh	21/18	297.79	3.1.15 to 6.8.15	16.03.15 to 1.2.16	15-301	95.65	202.14	25.28	18/0
		Total	71/56	682.01				163.03	518.97	62.39	55/01
1	Malkangiri	BDO, Kalimela	08/06	65.71	18/12/11 to 28/2/12	14/3/12 to 27/1/15	77 to 1035	36.62	29.09	6.57	06/0
2	Malkangiri	BDO, Korukonda	23/17	157.02	9/12/11 to 29/1/15	15/3/12 to 6/8/15	32 to 565	15.51	141.51	15.70	17/0
3	Malkangiri	BDO, Malkangiri	7/6	270.00	28/7/12 to 12/7/15	11/6/14 to 29/3/16	15 to 853	103.91	166.09	16.86	6/0
4	Malkangiri	EE, RWD, Malkangiri	10/8	301.56	2/2/13 to 19/8/15	7/1/14 to 31/8/16	60 to 840	54.37	289.64	28.65	8/0

Sl. No.	Name of district	Name of executing agency	No. of test checked incomplete works	Estimated cost (₹ in lakh)	Stipulated dates of completion	Actual dates of completion	Delay in days	Cost of work executed within stipulated date	Balance executed/ to be executed beyond stipulated date ₹ in lakh	Amount of compensation not realised	EoT not applied, EoT applied after completion of work
5	Malkangiri	EE, RWS&SD, Malkangiri	20/18	177.21	1/8/11 to 30/4/14	30/10/11 to 6/6/15	13 to 879	20.05	157.16	17.41	18/0
6	Malkangiri	PA, ITDA, Malkangiri	2/1	20	08-03-2012	01-02-2014	517	0	20	2.00	1/0
		Total	70/56	991.50				230.46	803.49	87.19	56/0
1	Sundargarh	PA, ITDA, Sundergrh	15/06	120.24	09/11-05/15	07/12-01/16	201-1138	64.58	36.88	10.65	06/00
2	Sundargarh	BDO, Bisra	44/22	355.00	12/14-05/15	06/15-03/16	66-367	49.81	290.43	35.15	15/07
3	Sundargarh	BDO, Lathikata	30/15	315.00	10/14-07/15	09/15-04/16	89-332	74.68	221.49	31.40	06/09
4	Sundargarh	BDO, Koida	28/05	118.00	03/15-08/15	05/15-03/16	53-70	50.74	61.47	11.78	02/03
5	Sundargarh	ITDA, Bonai	25/13	672.55	04/13-09/15	07/13-08/15	52-325	395.83	131.57	55.40	01/12
		Total	142/61	1580.79				635.64	741.84	144.38	30/31
		Grand total	338/224	4368.33			02-1138	1292.54	2825.78	370.11	177/47

(Source: Records of test checked EAs)

Appendix 2.3.6
(Refer Paragraph 2.3.8.7)

Statement showing details of bridges/ culverts executed with higher width than that prescribed in IRC

Sl. No.	Name of Block	No. of bridges/ culverts for which JPI conducted	Overall width of culverts	Formation of road width
1	Jamankira	9	24'4" to 28'7"	12' to 18'
2	Naktideul	3	25' to 27' .42"	13 to 19
3	EE, RW Division, Sambalpur	4	23'6" to 25'	13' 16'
	Total	16		

(Source: Records of test checked EAs)

**Appendix 2.3.7
(Refer Paragraph 2.3.14.1)**

Statement of excess payment to PHHL and unrecovered penalty

Sl. No.	Month	Amount claimed by M/s PHHL	Amount paid by SIW (In ₹)	Actual payment to be made for 18 days as the helicopter was not in operation from 1 to 13 January 2016	Excess payment made (₹ in lakh)	Penalty (₹ in lakh) to be imposed as per Clause 5.3.1 of the agreement for non operation beyond permitted days i.e., 9 days (13-4)	Total amount to be recovered from PHHL (₹ in lakh)
1.	January - 2016	₹ 1,38,68,535 (₹ 1,56,45,000 x 24 /31 with service tax 14.5%)	₹ 1,38,68,535 (₹ 1,56,45,000 x 24 /31 with service tax 14.5%)	₹ 1,04,01,401 (₹ 1,56,45,000 x 18/31 with service tax 14.5%)	₹34,67,133 or ₹ 34.67 lakh	9 x 5.21 lakh= ₹ 46.89 plus service tax of 14.5 % = 53.69 lakh	88.36
	Total				34.67	53.69	88.36

(Source: Records of test checked EAs)

Appendix 2.3.8
(Refer Paragraph 2.3.16)
Statement showing irregularities observed on rehabilitation measures taken for LWE surrenderees

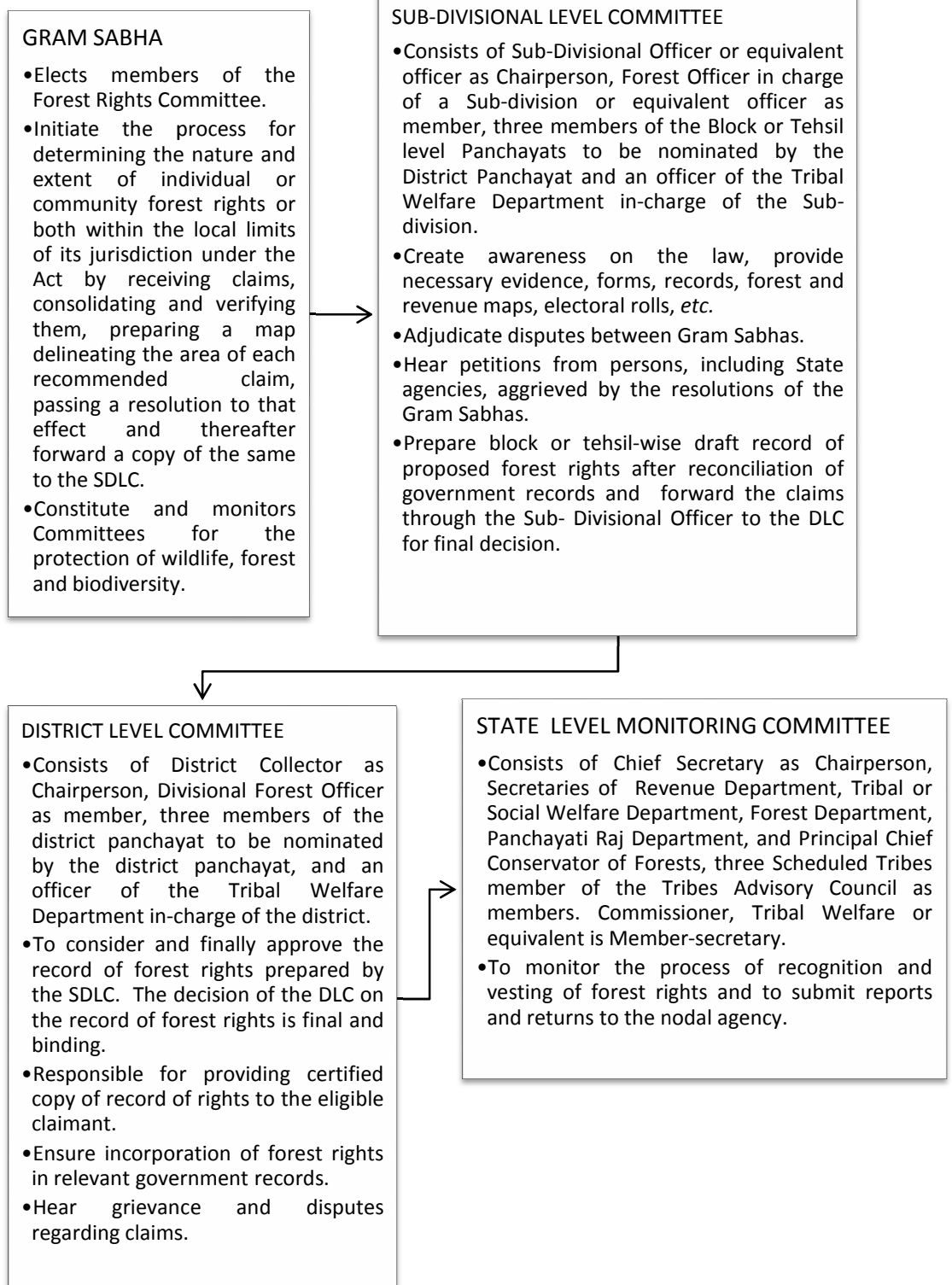
Sl. No.	Requirement	Audit Observation
1	The rehabilitation package was to be sanctioned within a month and DLRC had to meet once in every three months for finalising the rehabilitation package and review the progress of benefits already extended.	DLRC meetings were held with a delay ranging from one month to 46 months from date of surrender of surrenderees. Out of required 100 meetings only 14 meetings were held in four districts for which rehabilitation and resettlement of surrenderees mainly remained un-monitored. SP, Malkangiri sanctioned <i>ex-gratia</i> of ₹ 93.44 lakh without holding DLRC meeting.
2	Surrenderee was to be paid ₹ 2,50,000/ ₹ 1,50,000 on acceptance of his surrender. Out of this, ₹ 50,000 was to be given to him in cash to meet his immediate need. The remaining amount of ₹ 2,00,000/ ₹ 1,00,000 was to be deposited in Fixed Deposits (FDs) in favour of surrenderee and the SP of the District. Out of which ₹ 50,000 was to be released after one year and the balance amount of ₹ 1,50,000 after three years subject to the satisfactory conduct of the surrenderee.	These provisions were complied in four out of five test checked districts. However, SP, Malkangiri did not pay any such incentive in cash to any of the 39 surrenderee and retained the entire incentive package in fixed deposits for three years tenure in joint name, without any valid reason. In five cases in Koraput district, FDs of ₹ 4.50 lakh matured since six to seven months, were not encashed and paid to concerned surrenderee as of July 2016. Reason for which was not stated to Audit.
3	Surrenderee was to be imparted training in a trade/vocation of his/her liking or befitting his/her aptitude. A stipend of ₹ 4,000 per month was to be given for a maximum period of three years. Project Director, District Rural Development Agency was to take steps for the training. Steps were to be taken to impart training to the surrenderee through State Employment Mission.	₹ 32 lakh were drawn from treasury for this purpose in three out of the five sampled districts. SP, Sambalpur did not draw any fund. Fund drawn from treasury was not utilised and was kept in DDO's bank account in Koraput (₹ 13.92 lakh) and Malkangiri (₹ 15.84 lakh). In Rourkela, out of ₹ 2.16 lakhs drawn, ₹ 1.44 lakh was paid to private training institutes instead of paying the same as stipend to the trainee surrenderee. Remaining amount was kept in joint accounts.
4	Payment of House Building Grant (HBG) at par with Indira Awas Yojana as admissible and variable from time to time.	HBG at the rate of ₹ 45,000 each was not paid in 15 out of 97 test checked cases and reason thereof was not found on record.

Sl. No.	Requirement	Audit Observation
5	Provision of cash equivalent of 04 decimal homestead land as per the Resettlement & Rehabilitation (R & R) Policy (₹ 25,000 at the current rate), as admissible and varied from time to time.	No land was allotted to any of the surrenderees. However, ₹ 25,000 cash in lieu of land was paid in 79 out of 97 cases. In Malkangiri the amount due to the 37 surrenderee were retained in Joint Accounts or DWF savings bank account without being disbursed.
6	In case the surrenderee opts for marriage, an incentive of ₹ 25,000 only will be granted for his marriage, if there is no surviving spouse.	In Koraput amount for 21 cases was kept in DDO's current account during March 2014 to March 2016 without disbursement.
7	Payment of a sum of ₹ 3,000 per annum for pursuing studies.	In 11 out of 97 cases, assistance for pursuing studies was not paid.
8	Rehabilitation centre/ transit camp to be established to accommodate the surrenderee to impart vocational training and to watch their movement	No proposal for establishing rehabilitation centre/ transit camp was initiated, even though expenditure on such centre was permissible for reimbursement under SRE as per the Guidelines.
9	The Rehabilitation Officer (RO) will coordinate with all the departments of the State Government for rehabilitation of surrenderees by way of employment/ self-employment by utilising the grant of ₹ 2.50 lakh / ₹ 1.50 lakh provided under the scheme, if necessary	No record / data base was maintained by the SPs of five test checked districts on address, occupation, employment and behaviour etc. No mechanism was available to track the surrenderees to ascertain their up-to-date status and activities.

(Source: Records of test checked EAs)

**Appendix 2.3.9
(Refer Paragraph 2.3.18)**

Statement showing structure of FRA authorities along with their functions



(Source: Provisions of FRA Act and Rules framed thereunder)

Appendix 2.3.10
(Refer Paragraph 2.3.18.2)

Statement showing response of FRC members on awareness

Sl. No.	Responses	Percentage
1	Not aware of FRA	26.39
2	Not aware about other members of FRC	11.11
3	Not aware of Individual right	20.83
4	Not aware of Community right	79.17
5	Not aware of Community Forest Resources	80.56
6	Not provided with Odia translated copy of Act and Rules	43.06
7	Not aware about evidences required	19.44
8	Not aware about verification process	26.39
9	Stated that SDLC did not provide forest and revenue maps	87.50
10	Stated that SDLC did not provide electoral rolls	86.11
11	SDLC did not provide information to Gram Sabha about duties of holder of forest rights and others towards protection of wildlife, forest and biodiversity which need to be conserved and protected	81.94
12	Not aware about the ownership, access to collect, use and dispose of minor forest produce/ conserve or manage any community forest resource	81.94

(Source: Records of test checked EAs)

Appendix 2.3.11
(Refer Paragraph 2.3.19.3)

**Statement showing cancellation of OTFD titles in Panposh Sub-Division
of Sundargarh**

Sl. No.	Name & address of the pattadars	Name of Tahasil	Khata No.	Plot No.	Area (in Acre)	Remarks
1	Etua Goud S/o Akhu Goud Village-Kathakaranjia PS-Hatibari	Biramitrapur	18, 16	42/1, 22/1	0.12, 0.76 =-0.88	Re-verified and found that beneficiary belongs to SEBC (Gouda) by caste
2	Kila Turi S/o Bania Turi Village-Kathakaranjia PS- Hatibari	Biramitrapur	16	110/1	1.92	Re-verified and found that beneficiary belongs to SC by caste (Turi)
3	Raghunath Singh S/o Hapinder Singh Village-Bankoba PS-Hatibari	Biramitrapur	108	284, 828/2	1.33, 0.62 =1.95	Re-verified and found that the beneficiary belongs to other caste (Routia)
4	Fagu Singh S/o Birsa Singh Village-Dalakudar	Lathikata	48	469, 470	0.84, 0.26= 1.1	The claim of the title holder is genuine.
5	Dasu Singh S/o Sukra Singh Village-Dalakudar	Lathikata	48	443	0.4	The claim of the title holder is genuine.
6	Sukhu Singh S/o Sukra Singh Village-Dalakudar	Lathikata	48	443	0.95	The claim of the title holder is genuine.
7	Niranjan Singh S/o Gandra Singh Village-Dalakudar	Lathikata	48	469	0.52	The claim of the title holder is genuine.
8	Siba Charan Singh S/o Lalu Singh Village-Dalakudar	Lathikata	50	338	0.45	The claim of the title holder is genuine.
	Total	8			8.17	

(Source: Records of test checked EAs)

Appendix 2.3.12
(Refer Paragraph 2.3.22.1)

Statement showing discrepancies in MPR relating forest rights claim submitted by GoO to GoI

Sl. No.	Particulars	Deogarh			Koraput			Sundargarh		
		DLC to GoO	GoO to GoI	Discrepancy	DLC to GoO	GoO to GoI	Discrepancy	DLC to GoO	GoO to GoI	Discrepancy
1	No. of claims received by FRCs	13817	13817	0	35103	34948	155	40311	53155	-12844
2	No. of claims verified by FRCs and sent to Gram Sabha	13817	13817	0	32642	32408	234	40311	47628	-7317
3	No. of claims approved by Gram Sabha and sent to SDLC (Sub-Divisional Level Committee)	13465	13817	-352	29988	29910	78	29229	32316	-3087
	a) No. of families	13465	13817	-352	28167	29910	-1743	29229	32316	-3087
	b) Area involved (in Acre)	18510	18510	0	42890.48	43862	-971.52	53804.48	53085.62	718.855
4	No. of claims rejected by Gram Sabha	352	0	352	2498	2498	0	10740	10740	0
5	No. of Gram Sabha confirming completion of recognitions of claims	0	0	0	0	0	0	3290	585	2705
6	No. of claims approved by SDLC and sent to DLC	7036	7036	0	27854	27804	50	20353	20353	0
	a) No. of families	7036	7036	0	27770	27804	-34	20353	20353	0
	b) Area involved (in Acre)	8232.35	8232.35	0	42325.27	42820.54	-495.27	23535.11	31486.3	-7951.19
7	No. of claims rejected by SDLC	5455	5807	-352	452	452	0	6909	6909	0
8	No. of claims approved by DLC for titles	6745	6745	0	27770	27676	94	18605	18605	0
	a) No. of families	6745	6745	0	27770	27676	94	18605	18605	0
	b) Area involved (in Acre)	7983.68	7983.68	0	42325.3	42408.44	-83.14	24339.23	26826.28	-2487.06
9	No. of certificate of titles distributed	6745	6745	0	25742	26742	-1000	12457	12457	0

(Source: Records of test checked EAs)

Appendix 2.3.13
(Refer Paragraph 2.3.22.1)
Statement showing missing documents in support of MPR submitted by DLCs for March 2016

Sl. No.	Particulars	Missing Documents/ Base records
1	No. of 1 st Gram Sabha (GS) meetings held	List and details of date wise and village wise Gram Sabha held not available.
2	No. of FRCs constituted by GS	Details of FRC constituted and members thereof not available.
3	No. of Gram Sabhas confirming completion of recognitions of claims	Details not available.
4	No. of claims verified by FRCs	Details of claims not available.
5	No. of claims approved by Gram Sabha and sent to SDLC	Details of claims received at SDLC not available.
6	No. of claims rejected by SDLC	Reason of only 6776 out of 20504 rejected cases available.
7	No. of claims remanded by SLDC	Details of all 5559 remanded cases not available.
8	No. of claims rejected by DLC	Reason of 1156 rejected cases available. Only 7 case records out of 1156 available.
9	No. of claims remanded by DLC	Details of 667 remanded cases not available.
10	No. of certificate of titles distributed	Details available.
11	No. of titles distributed to Primitive Tribal Groups (PTGS)	Separate data not available.
12	No. of claims cases uploaded in website	Discrepancies in data noticed.
13	No. of FRA beneficiaries covered under convergence	List of title holders benefited were not available.

(Source: Records of test checked EAs)

Appendix 2.4.1
(Refer Paragraph 2.4.1 and 2.4.6.1)
Statement showing status of modules identified for Integrated Financial Management System (iFMS)

Sl. No.	Name of modules	Status of SRS			Whether implemented (As of November 2016)
		Submitted by CMC	Approved by PeMT	Delay (in days)	
1	Budget Planning and Preparation	15-Jul-13	17-Feb-16	947	Implemented
2	Debt Management System	17-Sep-13	25-Feb-14	161	Not Implemented
3	Pension Finalization and Prepration of Pension Payment Order	24-Dec-13	25-Feb-14	63	Not Implemented
4	E-disbursement of Government claims 4(a) treasury drawl & integration with payment module 4(b) cheque drawal	*	25-Feb-14	*	Implemented
5	NPS Monitoring System including ESS for new employees	10-Sep-14	09-July-15	302	Not Implemented
6	Centralized NPS Contribution uploading	10-Sep-14	09-July-15	302	Implemented
7	Financial Data Warehouse and Budget Decision Support System (BDSS)-I	27-Feb-15	09-Jul-15	132	Not Implemented
8	Online/ Offline Bill Submission and Integration Module	27-Feb-15	09-Jul-15	132	Implemented
9	Online-Offline Bill Preparation and Submission Module Intergation	12-Jul-13	25-Feb-14	228	Implemented
10	Virtual Treasury Module {Integration with Cyber Treasury}	10-Sep-14	26-Nov-14	76	Implemented
11	Treasury- Budget Preparation and DSS Module Integration	27-Feb-15	09-Jul-15	132	Not Implemented
12	Mobile Based Payment and Transaction Reporting System	*	*	*	Not Implemented
13	IOTMS Portal-Mobile Based Tax Payment Integration	*	*	*	Not Implemented
14	Sanction Order Database Module Development and integration with Payment	27-Aug-13	*	*	Not Implemented
15	Budget Distribution - Advance from OCF Module Integration	12-Jul-13	25-Feb-13	228	Not Implemented
16	Bifurcation of State Share and Central Share From CSP	13-Sep-13	25-Feb-13	165	Implemented
17	Fund Management System	*	*	*	Not Implemented
18	RBI Integration and Monitoring of Ways and Means	*	*	*	Not Implemented
19	Works & Forest Bill Processing and Accounts Generation	*	09-Jul-15	*	Implemented

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Sl. No.	Name of modules	Status of SRS			Whether implemented (As of November 2016)
		Submitted by CMC	Approved by PeMT	Delay (in days)	
20	Scheme of Consolidated Fund Expenditure Tracking incurred Outside/ Inside	*	*	*	Not Implemented
21	Budget Decision Support Systems (BDSS) –II	*	*	*	Not Implemented
22	CO-wise Online Reconciliation	27-Aug-13	25-Feb-14	182	Implemented
23	Accounts Correction in IOTMS	27-Aug-13	25-Feb-14	182	Implemented
24	Integration with Works Forest Accounts & WAMIS	17-Sep-13	25-Feb-14	161	Implemented
25	IOTMS - CPSMS Portal Integration	17-Sep-13	25-Feb-14	161	Implemented
26	Integration with HRMS	10-Sep-14	26-Nov-14	76	Implemented
27	Teachers Provident Fund (TPF)	28-Jun-13	25-Feb-14	242	Implemented
28	Payment-TPF Module Integration	28-Jun-13	25-Feb-14	242	Implemented
29	Monitoring and Controlling Utilization Certificate UC)	*	*	*	Not Implemented
30	Online Audit and Inspection	*	*	*	Not Implemented
31	Online Payment Request from PL Operator	*	09-Jul-15	*	Implemented
32	Treasury- Online Payment Request by PL Operator Module Integration	*	09-Jul-15	*	Implemented

* Information not available on record

(Source : Records of DTI)

Appendix 2.4.2
(Refer Paragraph 2.4.6.4)

Statement showing idle investment in hardware and system/ utility software procured under iFMS

a. Idle investment in Hardware procured for iFMS

(₹in lakh)

Hardware	Quantity procured	Cost of procurement	Quantity used	Excess	Idle investment
Tape Library (BCP)	1	17.86	0	1	17.86
Total					17.86

b. Idle investment in Hardware ATS for iFMS

(₹in lakh)

Software	Quantity procured	Total cost of procurement	Quantity used	Excess licenses	Idle investment
Tape Library (BCP)	1	3.51	0	1	3.51
Total					3.51

c. Idle investment in utility software procured for iFMS

(₹in lakh)

Software	Number of licenses procured	Cost of procurement	Number of licenses used	Excess licenses	Idle investment
SAS Visual Analytics	1	35.63	0	1	35.63
HP Quick test professional	2	9.06	0	2	9.06
IBM Rational App Scan	1	22.64	0	1	22.64
HP Load Runner 1 Controller	1	50.89	0	1	50.89
End point management solution	1000	16.68	49	951	15.86
Antivirus software for windows server	30	0.66	7	23	0.51
Total					134.59

d. Idle investment on ATS in utility software procured for iFMS

(₹in lakh)

Software	Number of licenses procured	Payment made as on date	Committed cost for five years as per SLA	Number of licenses used	Excess licenses	Idle investment
SAS Visual Analytics	1	3.66	18.28	0	1	3.66
End point management solution	1000	0.94	4.68	49	951	0.89
Antivirus software for windows server	30	0.73	3.66	7	23	0.56
Total						5.11

e. Idle investment in system software (Oracle Stack) procured for iFMS

(₹ in lakh)

Software	Number of licenses procured	Cost of procurement	Number of licenses used	Excess licenses	Cost of excess licenses
Oracle Linux	16	7.97	15	1	0.50
Oracle VM	13	3.90	4	9	2.70
Oracle WebCenter portal	9	225.02	6	3	75.00
SOA suite for Oracle middleware	12	138.01	6	6	69.00
SOA management pack Enterprise edition	8	40.00	6	2	10.00
Total					157.20

f. Idle investment in system software (Oracle Stack) procured for iFMS

(₹ in lakh)

Software	Number of licenses procured	Cost paid as on date	Committed cost for five years	Number of licenses used	Excess licenses	Cost of excess licenses
Oracle WebCenter portal	9	56.95	--	6	3	18.98
SOA suite for Oracle middleware	12	34.93	--	6	6	17.47
SOA management pack Enterprise edition	8	10.12	--	6	2	2.53
Total					38.98	

(Source: Records of DTI)

Appendix 3.2.1
(Refer Paragraph 3.2.4.1)
Statement showing list of works remaining incomplete as of March 2016

Sl. No.	Name of works	Name of the R&B Division	Funds allotted up to March 2016 (₹ in lakh)	Expenditure up to March 2016 (₹ in lakh)	Present status	Due date of completion
1.	Construction of District Court Building at Angul.	Angul	673.52	673.52	Finishing work in progress	10 June 2015
2.	Construction of District Court Building at Nuapada.	Khariar	670.65	670.65	Finishing work in progress	25 August 2015
3.	Construction of District Court Building at Jharsuguda.	Jharsuguda	995.00	995.00	Finishing work in progress	24 July 2015
4.	Construction of District Court Building at Sonepur.	Bolangir	709.20	709.20	Finishing work in progress	02 September 2015
5.	Construction of District Court Buildings at Bhadrak.	Bhadrak	603.16	603.16	Finishing work in progress	02 September 2015

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Sl. No.	Name of works	Name of the R&B Division	Funds allotted up to March 2016 (₹ in lakh)	Expenditure up to March 2016 (₹ in lakh)	Present status	Due date of completion
6.	Construction of District Court Buildings at Nayagarh.	Khurda	804.97	804.97	Finishing work in progress	19 May 2015
7.	Construction of District Court Buildings at Jeypore.	Jeypore	342.00	342.00	1st floor 50% slab cast	31 December 2015
8.	Construction of Record Room and Sessions Court Malkhana in the New Civil Court Building Complex at Sambalpur	Sambalpur	23.73	23.73	Finishing work in progress	31 January 2016
9.	Construction of District Court Buildings at Boudh.	Phulbani	387.18	237.18	2nd floor 50% slab cast	23 April 2016

Sl. No.	Name of works	Name of the R&B Division	Funds allotted up to March 2016 (₹ in lakh)	Expenditure up to March 2016 (₹ in lakh)	Present status	Due date of completion
10.	Consultancy Services for preparation of architectural drawing and DPR for construction of Judicial Court Complex building near Civil Court Bhubaneswar.	Bhubaneswar-II	214.03	14.78	Deviation proposal at Government level for approval	Schedule completion date not fixed
11.	Construction of Motor Cycle Stand and One Hall at the First Floor over existing Conference Hall for Civil Courts at Dhenkanal.	Dhenkanal	7.50	7.50	C.W. Completed	Schedule completion date not fixed
12.	Construction of ADJ Court Building at Talcher	Angul	107.00	107.00	Finishing work in progress	Schedule completion date not fixed
13.	Construction of Court Building for Civil Judge (JD)-cum-JMFC at Pipili.	Bhubaneswar-II	14.59	14.59	Lintel level	Schedule completion date not fixed

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Sl. No.	Name of works	Name of the R&B Division	Funds allotted up to March 2016 (₹ in lakh)	Expenditure up to March 2016 (₹ in lakh)	Present status	Due date of completion
14.	Construction of B-Type quarters for the Special Judge (Vigilance) at Berhampur.	Ganjam-I	34.00	34.00	Work in progress	Schedule completion date not fixed
15.	Construction of B type quarters for the A.D.J. At Talcher	Angul	34.00	34.00	Finishing work progress	Schedule completion date not fixed
16.	Repair and renovation of 2 no. of Judicial staff quarters near Collector's residence for JMFC and CJM at Sonapur	Sonepur	3.94	3.94	Finishing work in progress	Schedule completion date not fixed
17.	Construction of B type quarters for District Judge at Jajpur.	Panikoili	9.50	9.50	Finishing work in progress	Schedule completion date not fixed
18.	Construction of B type quarters for District Judge at Bhawanipatna	Kalahandi	5.00	5.00	finishing stage	Schedule completion date not fixed

Sl. No.	Name of works	Name of the R&B Division	Funds allotted up to March 2016 (₹ in lakh)	Expenditure up to March 2016 (₹ in lakh)	Present status	Due date of completion
19.	Construction of B type quarters for ADJ at Bhawanipatna	Kalahandi	15.00	15.00	Finishing stage	Schedule completion date not fixed
20.	Construction of C type quarters for the Registrar (Civil Court) at Nuapara	Khariar	15.60	15.60	Finishing work in progress	Schedule completion date not fixed
21.	Construction of C type quarters for the Registrar (Civil Court) at Sonapur.	Sonepur	10.00	10.00	Finishing work in progress	Schedule completion date not fixed
22.	Construction of C type quarters for Civil Judge (SD) at Jajpur Road	Panikoili	11.57	11.57	Finishing work in progress	Schedule completion date not fixed
23.	Construction of D type quarters for Civil Judge (JD) at Soro	Balasure	12.25	12.25	Finishing work in progress	Schedule completion date not fixed
24.	Construction of D type quarters for the SDJM at Hindol.	Dhenkanal	8.88	8.88	Finishing work in progress	Schedule completion date not fixed

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Sl. No.	Name of works	Name of the R&B Division	Funds allotted up to March 2016 (₹ in lakh)	Expenditure up to March 2016 (₹ in lakh)	Present status	Due date of completion
25.	Construction of A-Type quarters for the Special Judge (Vigilance) at Jeypore	Jeypore	20.00	20.00	Finishing work in progress	Schedule completion date not fixed
26.	Construction of D type quarters for the Civil Jud (JD)-cum-SDJM at Karanjia	Rairangpur	12.40	10.00	Work in progress	Schedule completion date not fixed
27.	Construction of C type quarters for the Registrar (Civil Court) at Angul	Angul	24.80	24.80	Finishing work in progress	Schedule completion date not fixed

(Source: Information furnished by the Chief Engineer, Building, Works Department)

Appendix 3.3.1
(Refer Paragraph 3.3.4.2)
Statement showing Fire Station buildings completed without approach road

Sl. No.	Name of the fire station	Name of the district	Year of sanction	Amount (₹)
1	Naugaon	Jagatsinghpur	2011-12	5510600
2	Laikera	Jharsuguda	2011-12	6590700
3	Saintala	Bolangir	2011-12	5518000
4	Belapada	Bolangir	2011-12	5579000
5	Raighar	Nabarangpur	2011-12	5526000
6	Narayanapatna	Koraput	2011-12	8118100
7	Kantabhanji	Bolangir	2012-13	5942200
8	Boipariguda	Koraput	2012-13	5856100
9	Kundra	Koraput	2012-13	5811700
10	Champahar	Puri	2012-13	5969400
11	Lamtaput	Koraput	2012-13	6459500
12	Tikabali	Kandhamal	2012-13	5829200
13	Nandapur	Koraput	2013-14	5965000
14	Dasamantapur	Koraput	2013-14	5981000
15	Koida	Sundargarh	2013-14	5874000
16	Gurundia	Sundargarh	2013-14	5923000
17	Lahunipada	Sundargarh	2012-13	5698100
18	Kolabira	Jharsuguda	2012-13	5756400
19	Kirimira	Jharsuguda	2013-14	5864000
Total				113772000

Appendix 3.3.2
(Refer Paragraph 3.3.4.3)

Statement showing cost and time overrun due to slow pace of execution

(Figures in ₹)

Sl. No.	Name of the Project	Grant/ Year	Estimated Cost	Revised Estimated Cost	Extra Cost	Date of submission of Revised Estimate	Expenditure incurred up to March 2016
1	2 Nos. of 'E' Type Quarters at Bisamkatak Fire Station	State Plan: 2010-11	1832174	3529994	1697820	22 January 2016	1893365
2	1 'D' type Quarter at Bisamkatak Fire Station	State Plan: 2010- 11	1191304	2374900	1183596	22 January 2016	1332378
3	Construction of Fire Station building at Mumiguda	State Plan: 2010-11	3876522	7390915	3514393	20 November 2014	4052060
4	Construction of Fire Station building at K.Singhpur	State Plan: 2010-11	5640700	6267935	627235	15 July 2014	5704127
5	Construction of Compound wall & Water Vat at Rayagada Fire Station	Not available	985638	1165455	179817	08 May 2014	1048335
6	1 'D' Type Quarters at Gunupur Fire Station	State Plan: 2011-12	1451304	2342300	890996	11 February 2016	1439450
7	2 Nos. of 'E' type Quarters at Gunupur Fire Station	State Plan: 2011-12	2149088	3407000	1257912	11 February 2016	2107478
8	Construction of Fire Station building at Gudari	13 th FCA: 2012-13	4585219	7574094	2988875	24 November 2015	1413718
9	Construction of Fire Station building at Chandrapur	13 th FCA	4957737	10603183	5645446	09 December 2015	0
10	4 Nos. of 'F'' Type Quarters at Gunupur Fire Station	State Plan: 2011-12	3518848	5890000	2371152	19 November 2015	3518084

Sl. No.	Name of the Project	Grant/ Year	Estimated Cost	Revised Estimated Cost	Extra Cost	Date of submission of Revised Estimate	Expenditure incurred up to March 2016
11	6 Nos. of 'F' Type Quarters at Bisamkatak Fire Station	State Plan: 2010-2011	3926087	7553421	3627334	04 March 2016	4074900
12	Construction of Fire Station building at Laxmipur	State Plan: 2009- 10	4350000	5228000	878000	22 January 2016	4457691
13	Construction of Fire station building at Smiliguda	State Plan: 2010- 11	4458000	5431300	973300	22 November 2013	4057815
14	Construction of Fire Station building at Chandahandi	State Plan: 2008-2009	3278261	4345600	1067339	17 October 2013	3604838
15	Construction of fire station building at Tentulikhunti	State Plan: 2008-2009	2782609	4092622	1310013	24 July 2015	3718417
16	Construction of Water Vat Garage Repair & Renovation at Nabarangpur		665455	876924	211469	04 December 2013	687316
17	1 'D' Type Quarter at Umerkote Fire Station	State Plan: 2010-11	1191304	1534394	343090	05 December 2013	1189434
18	Construction of Compound wall, Water VAT Approach Road Drain culvert at Fire Station building at Tentulikhunti	Non-Plan: 2013- 14	1805048	2138500	333452	19 September 2013	60459
19	Construction of Northern Range Fire Office building, Sambalpur	13 th FCA	8008000	11273000	3265000	24 July 2015	85036
20	Fire Station, Rajgangpur	State Plan: 2009-10	4350000	14414600	10064600	21 March 2015	0
21	1 'D' Type, 2 'E' Type & 6 'F' Type Quarters at Naktideul Fire Station	State Plan: 2012-13	10400000	14190100	3790100	06 March 2010	419249
22	Bijepur Fire Station, Bargarh	13 th FCA: 2013-14	5830000	7030000	1200000	23 December 2015	0

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Sl. No.	Name of the Project	Grant/ Year	Estimated Cost	Revised Estimated Cost	Extra Cost	Date of submission of Revised Estimate	Expenditure incurred up to March 2016
23	Construction of Fire Station Building at Gaisilet, Bargarh	13 th FCA: 2011-12	4550839	8036346	3485507	30 December 2015	2117425
24	Construction of Fire Station Building at Attabira, Bargarh	State Plan: 2010-11	3950853	6529000	2578147	April 2016	4785631
	Total		89734990	143219583	53484593		51767206

Appendix 3.3.3
(Refer Paragraph 3.3.5.1)
Statement showing purchase of equipment without inviting tender
(₹ in lakh)

Sl. No.	Equipment purchased (Quantity)	Source of funding	Amount paid	Name of the Agency from whom equipment was purchased
1	Mechanical Saw (117)	State Plan	116.42	Sunrise Rescue Technologies, F-46, Katwari Sarai, New Delhi
2	Inflatable Power Boat with 40 HP OBM (20)	State Plan	128.83	M/s Gee Pee Reinforced Products Private Limited, Gurgaon, Haryana
3	Rear mounted pump (250 to 300 GPM)for mini motor fire engine (17)	Non-Plan	26.12	M/s Hindustan Technologies Private Limited, Cuttack
4	Power Take Off (PTO) for mini motor fire engine (17)	Non-Plan	17.80	M/s Anand Fabricator & Engineers, Cuttack
6	Rope Ladder (108)	Non-Plan	5.89	M/s Nigam Suppliers, Cuttack
7	Battery Charger (25)	Non-Plan	1.89	M/s Sakti Electronics Private Limited, Bhubaneswar
8	Khaki Terry Cotton cloth (3150 metres)	Non-Plan	5.35	M/s Harsukhda Kashiram, Cuttack
9	Red Colour Shoulder Strap (10102 metres)	Non-Plan	1.09	M/s Saraswati Uniforms, Cuttack
10	OFS Letters for shoulders Badge (white metal) (11136)	Non-Plan	0.81	M/s Nigam suppliers, Cuttack
11	OFS Arm Badge (5568)	Non-Plan	0.38	M/s Pratihari Enterprises, Cuttack
12	Red Colour Braided Lanyard (4563)	Non-Plan	1.40	M/s Multi Enterprises, Cuttack
13	Brown leader Belt with white metal Buckles (27)	Non-Plan	0.05	M/s Saswat Industries, Cuttack
14	Boot polish dark Tan (16704)	Non-Plan	5.63	M/s Gaurv, Cuttack
15	Red Colour Track pant (1683)	Non-Plan	4.82	
16	Red woolen sash (534)	Non-Plan	0.42	M/s Pratihari Enterprises, Cuttack
17	Havildar chevron (320)	Non-Plan	0.30	
18	OFS cap Badge (3712)	Non-Plan	0.42	
	Total		317.62	

(Source: Records of DG, Fire Services, Cuttack)

Appendix 3.3.4
(Refer Paragraph 3.3.6.4)
Statement showing deficiencies in availability of facilities/ equipment of test checked premises

Sl. No.	Description of the building	Category	Records/ JPI	Remarks
1	Nikki Hotel, Sakhipada, Sambalpur	HRB	JPI	<p>FSC was not issued due to the following deficiencies:</p> <ul style="list-style-type: none"> • The width of open spaces and drive ways around three sides were not available. • Only one exit gate was available against at least two. • Width of the staircase was 1.30 to 0.88 metres and width of the corridor was 1.52 metres instead of 2 metres; • Facilities/ equipment like static water tank, wet risers & dry risers, twin outlet internal hydrants, automatic fire detection & alarm system, public address system and automatic sprinkler system were not provided in the building.
2	Residential buildings of Bhusan Power & Steel Limited, Sambalpur	HRB	JPI	Not applied for FSC though 21 quarters were used for residential purpose.
3	Ajaya Binoy Institute of Technology, Cuttack	HRB	JPI	<p>FSC was not issued due to the following deficiencies:</p> <ul style="list-style-type: none"> • One boundary gate existed instead of two and the width of the gate was only 3.45 metres instead of 6 metres; • The width of open spaces and drive ways around the buildings, <i>i.e.</i>, front, rear, left & right were 4.05 metres, 4.00 metres, 4.48 metres & 3.00 metres respectively instead of 6 metres; • Only one exist gate having of one metres was available instead of 2.00 metres; • Facilities/ equipments like fire tower, static water tank, terrace water tank, stationary fire pumps, wet risers & dry risers, single & twin outlet internal hydrants, hose box near hydrants, automatic fire

Sl. No.	Description of the building	Category	Records/ JPI	Remarks
				<p>detection & alarm system, smoke detectors, public address system and automatic sprinkler system were not available;</p> <ul style="list-style-type: none"> • Exit and way to exit was not sign posted with self illuminated signages; • Fireman switch was not installed in the lift for grounding it in the event of fire; • No fire extinguisher was installed in the building.
4	Vikas, the Concept School, Sambalpur	HRB	JPI	<p>Not applied for FSC and the following deficiencies were observed:</p> <ul style="list-style-type: none"> • The means of access, <i>i.e.</i>, width of open spaces & drive ways around the buildings (front, rear, left & right) were 9 metres, 6 metres, 4 metres instead of 6 metres; • Only one exit gate having width of 3 metres was available against norm of 6 metres. • Width of the staircase was only 1.67 metres instead of 2 metres; • Facilities/ equipment like fire tower, static water tank, lifts, wet risers & dry risers, single & twin outlet internal hydrants, automatic fire detection & alarm system, smoke detectors, public address system and automatic sprinkler system were not available. • Exit & way to exit was not sign posted with self illuminated signages; • No fire extinguishers were found to have been installed.
5	Sewaram Batra, Plot No. 316, Laxmisagar, Bhubaneswar	HRB	Records	<p>Issued FSC inspite of the following deficiencies:</p> <ul style="list-style-type: none"> • The means of access, <i>i.e.</i>, width of open spaces & drive ways around the buildings were less than required 6 metres; • The width of exit gate was less than two metres; • Width of the staircase was less than 2 metres; • Facilities/ equipments like fire tower, static water tank, lifts, wet risers
6	Lalchand Builders Private Limited, Saheed Nagar, Bhubaneswar	HRB	Records	
7	M/s Wipro Technologies, Plot No. E/8, Chandrasekharpur, Bhubaneswar	HRB	Records	

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Sl. No.	Description of the building	Category	Records/ JPI	Remarks
8	BSNL Administrative Building, Ashok Nagar, Bhubaneswar	HRB	Records	& dry risers, single & twin outlet internal hydrants, automatic fire detection & alarm system, smoke detectors, public address system and automatic sprinkler system were not available.
9	Saisaburi Hospital, Balianata, Khurda, Bhubaneswar	HRB with CE	Records	
10	Veer Surendra Sai Institute of Medical Sciences and Research (VIMSAR), Burla	HRB with CE	JPI	FSC was not issued due to the following deficiencies: <ul style="list-style-type: none"> The means of access, <i>i.e.</i>, width of open spaces & drive ways around the buildings were less than required 6 metres; The width of exit gate was less than 2 metres; Width of the staircase was less than 2 metres; Facilities/ equipments like fire tower, static water tank, lifts, wet risers & dry risers, single & twin outlet internal hydrants, automatic fire detection & alarm system, smoke detectors, public address system and automatic sprinkler system were not available; Exit & way to exit was not sign posted with self illuminated signages;
11	Aswini Hospital, CDA, Cuttack	HRB with CE	JPI	
12	Sabarwati Hospital, Mahanadi Vihar, Cuttack,	HRB with CE	JPI	
13	Mental Health Institute, SCB Medical College & Hospital, Cuttack,	HRB with CE	Records/JPI	
14	Shree Hospital, Plot No. 369, Lewis Road, Bhubaneswar	HRB with CE	Records	FSC was not issued due to the following deficiencies: <ul style="list-style-type: none"> The means of access, <i>i.e.</i>, width of open spaces & drive ways around the buildings were less than required 6 metres; The width of exit gate was less than 2 metres; Width of the staircase was less than 2 metres; Facilities/ equipment like fire tower, static water tank, lifts, wet risers & dry risers, single & twin outlet internal hydrants, automatic fire detection & alarm system, smoke detectors, public address system and automatic sprinkler system were not available; Exit & way to exit was not sign posted with self illuminated signages.
15	Women's Clinic & Nursing Home, Samantsahi, BK Road, Cuttack	HRB with CE	Records	
16	Sun Hospital, Srivihar Colony, Tulsipur, Cuttack	HRB with CE	Records	
17	Matrusakti Medical and Research Centre (P) Limited, Bhaskarganja, Sahadevkhunta, Balasore	HRB with CE	Records	
18	Kanungo Institute of Diabetes Specialists (KIDS), Dumduma, Bhubaneswar	HRB with CE	Records	FSC was not issued due to the following deficiencies: <ul style="list-style-type: none"> The means of access, <i>i.e.</i>, width of open spaces & drive ways around the buildings were less than required 6 metres;

Sl. No.	Description of the building	Category	Records/ JPI	Remarks
19	Aditya Care Hospital, Plot No.329/1929(P), Chandrasekharpur, Bhubaneswar	CE	Records	<ul style="list-style-type: none"> • The width of exit gate was less than two metres; • Width of the staircase was less than two metres; • Facilities/ equipment like fire tower, static water tank, lifts, wet risers & dry risers, single & twin outlet internal hydrants, automatic fire detection & alarm system, smoke detectors, public address system and automatic sprinkler system were not available. <p>Applied for FSC, but not issued, as the clinical establishment had no fire safety measures</p>
20	Raj Clinic & Hospital, Chauliaganj, Nayabazar, Cuttack	CE	Records	
21	Panda Curie Cancer Hospital, Telengapenth, Cuttack,	CE	Records	Issued FSC despite non-availability of fire safety measures
22	Bhagabati Hospital, Kendrapara	CE	Records	

Appendix 3.6.1

(Refer Paragraph 3.6.1)

Statement showing non-realisation of cess by Development Authorities

(₹ in crore)

Name of the Development Authority	Year	No. of plans approved	No. of cases test-checked in Audit	Built up area approved by the DAs (in Sq. ft.)	Estimated cost of construction	Amount of cess due
Bhubaneswar Development Authority	2012	204	35	1706493.89	155.15	1.55
	2013	87	59	2610812.81	305.61	3.06
	2014	88	54	1673834.49	193.07	1.93
	Sub-total	379	148	5991141.19	653.83	6.54
Cuttack Development Authority	2012	07	06	1481742.77	143.48	1.43
	2013	10	09	1537102.40	196.84	1.97
	2014	10	10	8253573.70	1018.99	10.19
	Sub-total	27	25	11272418.87	1359.31	13.59
Berhampur Development Authority	2011	334	14	572968.50	54.02	0.54
	2012	383	22	1032722.31	108.11	1.08
	2013	433	09	185244.00	22.04	0.22
	2014	391	08	442238.10	58.11	0.58
	2015	402	01	27685.77	5.04	0.05
	Sub-total	1943	54	2260858.68	247.32	2.47
Puri-Konark Development Authority	2011	359	29	636985.50	64.22	0.64
	2012	274	31	543916.80	65.84	0.66
	2013	61	22	73945.29	9.38	0.09
	2014	85	10	490043.00	59.84	0.60
	2015	207	03	484495.72	62.35	0.62
	Sub-total	986	95	2229386.31	261.63	2.61
Talcher-Angul-Meramundali Development Authority	2011	612	07	82504.00	8.61	0.09
	2012	376	09	32370.00	3.62	0.04
	2013	351	11	164019.00	20.18	0.20
	2014	294	10	35184.00	4.00	0.04
	2015	191	09	290294.00	37.21	0.37
	Sub-total	1824	46	604371.00	73.62	0.74
Sambalpur Development Authority	2011	396	11	518477.29	46.11	0.46
	2012	459	05	344928.00	37.28	0.37
	2013	594	09	1129129.69	140.65	1.41
	2014	682	09	190102.80	23.47	0.24
	2015	468	09	311811.89	36.44	0.36
	Sub-total	2599	43	2494449.67	283.95	2.84

Name of the Development Authority	Year	No. of plans approved	No. of cases test-checked in Audit	Built up area approved by the DAs (in Sq. ft.)	Estimated cost of construction	Amount of cess due
Rourkela Development Authority	2011	325	04	216825.40	22.55	0.22
	2012	351	03	177885.17	21.57	0.22
	2013	460	10	803611.97	101.81	1.02
	2014	448	09	671036.42	86.05	0.86
	2015	314	06	439200.04	58.80	0.59
	Sub-total		1898	32	2308559.00	290.78
	Total	9656	443	27161184.72	3170.44	31.70

(Source: Information furnished by Development Authorities)

Appendix 3.10.1
(Refer Paragraph 3.10)

**Statement showing year-wise break up of outstanding Inspection Reports/
Paragraphs issued up to March 2016 but not settled by June 2016**

Year	Inspection Reports	Paragraphs
1980-81	4	24
1981-82	3	11
1982-83	5	8
1983-84	7	19
1984-85	10	32
1985-86	10	23
1986-87	24	75
1987-88	31	72
1988-89	42	71
1989-90	37	96
1990-91	50	119
1991-92	102	260
1992-93	94	236
1993-94	102	298
1994-95	163	459
1995-96	188	536
1996-97	197	607
1997-98	228	692
1998-99	279	741
1999-2000	276	861
2000-01	281	826
2001-02	313	921
2002-03	346	1147
2003-04	442	1512
2004-05	444	1562
2005-06	397	1242
2006-07	593	1996
2007-08	829	2857
2008-09	902	3904
2009-10	1064	4591
2010-11	1253	6482
2011-12	446	2005
2012-13	103	830
2013-14	57	454
2014-15	205	2070
2015-16	331	3947
Total	9858	41586

Appendix 3.10.2
(Refer Paragraph 3.10)
Statement showing department-wise Inspection Reports/ Paragraphs issued up to March 2016 but not settled by June 2016

Sl. No.	Name of the Department	Reports awaiting settlement (up to June 2016)		Reports awaiting settlement for more than 10 years		Reports to which first reply not received
		No. of IRs	No. of Paragraphs	No. of IRs	No. of Paragraphs	No. of IRs
1	Culture	31	138	11	17	5
2	Electronics and Information Technology	12	107	4	28	3
3	Finance	19	48	4	4	3
4	Food Supplies & Consumer Welfare	83	207	17	28	14
5	General Administration	12	59	2	10	3
6	Health & Family Welfare	823	2421	389	999	109
7	Higher Education	383	2069	121	362	97
8	Home	106	373	25	50	15
9	Housing and Urban Development	344	4342	52	686	264
10	Information and Public Relations	69	214	30	69	13
11	Labour and Employees' State Insurance	34	160	1	1	6
12	Law	104	386	39	110	35
13	Panchayati Raj	3519	16243	1377	4952	348
14	Parliamentary Affairs	14	34	6	9	0
15	Planning & Convergence	67	266	12	62	19
16	Public Enterprises	3	20	0	0	1
17	Public Grievances & Pension Administration	2	3	0	0	0
18	Revenue & Disaster Management	1660	4724	714	1483	182
19	Rural Development	379	1165	135	224	17
20	School & Mass Education	1000	3364	529	1517	229
21	Science & Technology	15	90	10	49	1
22	ST & SC Development, Minorities & Backward Classes Welfare	351	1721	135	353	26
23	Sports & Youth Services	39	117	20	44	8
24	Women & Child Development	789	3315	442	1393	226
Total		9858	41586	4075	12450	1624

**Appendix 3.10.3
(Refer Paragraph 3.10.1)**

Statement showing department-wise analysis of non-submission of explanatory notes in respect of paragraphs including Performance Audit/ Reviews included in the Audit Reports as on 30 September 2016

Sl. No.	Department	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total (in numbers)
1	Higher Education	-	-	2.4 (R)	-	-	3.1 3.3	3.1	03 R-01
2	Housing & Urban Development	3.3 (R)	3.1.3 3.2.2 8.8 (RR)	3.2.2 3.2.4	3.8	2.2 (R)	3.7	3.4 3.9	09 R-02
3	Planning & Convergence	-	-	-	-	Boudh (SA)	-	2.1(R) 3.1 3.1	02 R-02
4	Home	-	-	-	-	-	-	3.2	01
5	Rural Development	-	-	-	3.2	-	-	-	01
6	Revenue & Disaster Management	-	-	-	-	-	3.6 2 (R)	2.1(R) 3.3 3.6	03 R-02
7	School & Mass Education	-	-	-	-	-	-	3.6 2.2(R) 3.10	02 R-01
8	Health and Family Welfare	-	-	-	-	-	-	3.8 3.9	02

Sl. No.	Department	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total (in numbers)
9	ST & SC Development, Minorities and Backward Classes Welfare	-	-	-	-	-	3.4	-	01
10	Labour and ESI	-	-	-	-	-	-	3.3	01
Total		R-01	03	02 R-01	02	R-02	05 R-01	13 R-03	25 R-08

R-Performance Reviews; RR-Revenue Receipt; SA-Stand Alone

**Appendix 3.10.4
(Refer Paragraph 3.10.2)**

Statement showing Department-wise position of Action Taken Notes (ATNs) on Recommendations of PAC (10th Assembly to 15th Assembly) including pending for discussion as on 30 September 2016

Sl. No.	Name of the Department	10 th Assembly (1990-1995)		11 th Assembly (1995-2000)		12 th Assembly (2000-2004)		13 th Assembly (2004-2009)		14 th Assembly (2009-2014)		15 th Assembly (2014-19)		Total	
		Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received
1	Finance	Nil	Nil	4	Nil	Nil	Nil	Nil	Nil	Nil	Nil	4	Nil	4	
2	Food Supplies & Consumer Welfare	Nil	Nil	Nil	Nil	23	Nil	17	Nil	Nil	Nil	40	Nil	28	
3	General Administration	13	Nil	5	Nil	Nil	Nil	7	Nil	Nil	Nil	25	Nil	25	
4	Health & Family Welfare	23	Nil	35	Nil	11	Nil	17	Nil	Nil	Nil	86	Nil	86	
5	Higher Education	20	1	5	Nil	11	Nil	Nil	Nil	Nil	Nil	36	1	25	
6	Home	8	Nil	23	Nil	13	Nil	Nil	Nil	Nil	Nil	44	Nil	35	
7	Housing & Urban Development	28	Nil	29	Nil	5	Nil	18	Nil	Nil	Nil	80	Nil	80	
8	Information & Public Relations	2	Nil	7	Nil	Nil	Nil	Nil	Nil	Nil	Nil	9	Nil	9	
9	Labour & ESI	Nil	Nil	Nil	Nil	15	Nil	1	Nil	Nil	Nil	16	Nil	7	

Sl. No.	Name of the Department	10 th Assembly (1990-1995)		11 th Assembly (1995-2000)		12 th Assembly (2000-2004)		13 th Assembly (2004-2009)		14 th Assembly (2009-2014)		15 th Assembly (2014-19)		Total		
		Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	ATNs received
10	Law	5	Nil	6	1	Nil	Nil	18	5	Nil	Nil	1	30	7	20	
11	Panchayati Raj	5	1	1	Nil	2	Nil	2	Nil	4	Nil	Nil	14	1	10	
12	Planning & Convergence	9	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	9	Nil	8	
13	Public Enterprises	Nil	Nil	Nil	Nil	3	Nil	Nil	Nil	Nil	Nil	Nil	3	Nil	1	
14	Revenue & Disaster Management	10	Nil	18	1	Nil	Nil	11	Nil	Nil	Nil	Nil	39	1	38	
15	Rural Development	51	4	18	Nil	Nil	Nil	16	1	4	Nil	4	93	9	79	
16	ST & SC Development, Minorities & Backward Classes Welfare	Nil	Nil	8	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	8	Nil	1	
17	School & Mass Education	25	Nil	4	Nil	16	Nil	Nil	Nil	Nil	Nil	Nil	45	Nil	43	
18	Science & Technology	Nil	Nil	7	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	7	Nil	7	

Audit Report (G&SS) for the year ended March 2016

Sl. No.	Name of the Department	10 th Assembly (1990-1995)		11 th Assembly (1995-2000)		12 th Assembly (2000-2004)		13 th Assembly (2004-2009)		14 th Assembly (2009-2014)		15 th Assembly (2014-19)		Total		
		Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	ATNs received
19	Culture	Nil	Nil	5	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	5	Nil	5	5
20	Women & Child Development	33	Nil	1	Nil	Nil	Nil	Nil	Nil	2	Nil	Nil	36	Nil	36	36
21	Sports and Youth Services	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1	Nil	Nil	1	1
	Total	232	6	176	2	99	0	107	6	10	0	6	630	19	548	548

GLOSSARY

AAP	Annual Action Plan
ACA	Additional Central Assistance
ADG	Additional Director General
ADMO	Additional District Medical Officer
ADRC	Alternative Dispute Resolution Centre
AETRC	Anti Extremist Training and Research Centre
AFO	Assistant Fire Officer
AGM	Annual General Meeting
ALMSC	Anganwadi Level Monitoring and Support Committee
ANM	Auxiliary Nurse Midwife
AO	Assessing Officer
AOD	Anganwadi on Demand
ASHA	Accredited Social Health Activist
ATS	Annual Technical Support
AWC	Anganwadi Centre
AWH	Anganwadi Helper
AWW	Anganwadi Worker
BCP	Business Continuity Plan
BLMC	Block Level Monitoring Committee
BOCW Act	Building and Other Construction Workers (Regulation of Employment and conditions of Service) Act
BOD	Biochemical Oxygen Demand
BOQ	Bill of Quantity
CAPF	Central Armed Police Force
CC	Completion Certificate
CCD	Conservation- <i>cum</i> -Development
CDA	Cuttack Development Authority
CDMO	Chief District Medical Officer
CDP	Court Development Plan
CDPO	Child Development Project Officer
CE	Clinical Establishment / Chief Engineer
CePC	Central Electronic Payment Centre
CFO	Chief Fire Officer
CoA	Controller of Accounts
CPCB	Central Pollution Control Board
CRZ	Coastal Regulation Zone
CSP	City Sanitation Plan
CSS	Centrally Sponsored Scheme
DA	Development Authority
DBA	Database Administrator
DC	District Collector
DFO	Divisional Forest Officer
DG (FS)	Director General of Home Guards, Fire Services and Civil Defence
DGP	Director General of Police
DHH	District Headquarter Hospital

DI	Ductile Iron
DLC	District Level Committee
DLMRC	District Level Monitoring and Review Committee
DLO	District Labour Officer
DLRC	District Level Rehabilitation Committee
DLSC	District Level Screening Committee
DO	Dissolved Oxygen
DPMU	District Planning and Monitoring Unit
DPR	Detailed Project Report
DR	Disaster Recovery
DRDA	District Rural Development Agency
DRP	Disaster Recovery Plan
DSWO	District Social Welfare Officer
DTCN	Detailed Tender Call Notice
DTET	Director, Technical Education and Training
DWO	District Welfare Officer
EC	Empowered Committee
EE	Executive Engineer
FBNC	Facility Based Newborn Care
FC	Finance Commission
FC	Faecal Coliform
FD	Finance Department
FNGO	Facilitating Non-Government Organisation
FPS	Fortification of Police Station
FRA	Forest Rights Act
FRBM	Fiscal Responsibility and Budget Management
FRC	Forest Rights Committee
FS	Fire Station
FSC	Fire Safety Certificate
GB	Governing Body
GMCH	Government Medical College and Hospital
GN	Gram Nyayalaya
GoI	Government of India
GoO	Government of Odisha
H&UD	Housing and Urban Development
HICC	Hospital Infection Control Committee
HICT	Hospital Infection Control Team
HRB	High Rise Buildings
IAP	Integrated Action Plan
ICDS	Integrated Child Development Services
ICM	Internal Control Mechanism
ICU	Intensive Care Unit
iFMS	Integrated Financial Management System
IGS	Income Generation Scheme
IMR	Infant Mortality Rate
IPHS	Indian Public Health Standard
IR	Inspection Report
IT	Information Technology

ITDA	Integrated Tribal Development Agency
JICA	Japan Bank for International Cooperation
JnNURM	Jawaharlal Nehru National Urban Renewal Mission
JPI	Joint Physical Inspection
L&ESI	Labour and Employees' State Insurance
LAC	Livestock Aid Centre
LBW	Low Birth Weight
LDAP	Lightweight Directory Access Protocol
LWE	Left Wing Extremism
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MHA	Ministry of Home Affairs
MoEF	Ministry of Environment and Forest
MoUD	Ministry of Urban Development
MSRR	Minimum Standard Requirements for Medical Colleges Regulations
NBC	National Building Code
NCW	Newborn Care Ward
NDMA	National Disaster Management Authority
NIUA	National Institute of Urban Affairs
NMR	Neonatal Mortality Rate
OAP	Old Age Pension
OB&OCW	Orissa Building and Other Construction Workers (Regulation of Employment and Conditions of Service)
OC	Occupancy Certificate
OFS	Orissa Fire Service
OGFR	Orissa General Financial Rules
OHC	Orissa High Court
OISIP	Odisha Integrated Sanitation Improvement Project
OPELIP	Odisha PVTG Empowerment and Livelihood Improvement Programme
OPWD	Orissa Public Works Department
OSDM	Odisha State Drug Management
OSLSA	Odisha State Legal Services Authority
OSMCL	Odisha State Medical Corporation Limited
OSPHWC	Odisha State Police Housing and Welfare Corporation Limited
OSWSM	Odisha State Water and Sanitation Mission
OTC	Orissa Treasury Code
OTDF	Other Traditional Forest Dwellers
OTDS	Odisha Tribal Development Society
OUIDF	Odisha Urban Infrastructure Development Fund
OUSS	Orissa Urban Sanitation Strategy
OWSSB	Orissa Water Supply and Sewerage Board
PD	Project Director
PE	Project Engineer
PeMT	Project e-Mission Team
PH	Public Health
PHEO	Public Health & Engineering Organisation

PMC	Project Management Consultancy
PMGSY	Pradhan Mantri Gram Sadak Yojana
PPP	Public Private Partnership
PSE	Pre-school Education
PVTG	Particularly Vulnerable Tribal Group
RCC	Reinforced Cement Concrete
RD	Rural Development
RFP	Request for Proposal
SA	Statistical Assistant
SBR	Standing Building Regulation
SCA	Special Central Assistance
SDLC	Sub-Divisional Level Committee
SDMU	State Drug Management Unit
SDU	Step Down Unit
SDY	Skill Development of Youths
SFAC	Standing Fire Advisory Council
SHG	Self Help Group
SIS	Special Infrastructure Scheme
SLA	Service Level Agreement
SLC	State Level Committee
SLMC	State Level Monitoring Committee
SLMRC	State Level Monitoring and Review Committee
SN	Supplementary Nutrition
SNCU	Sick Newborn Care Unit
SNP	Supplementary Nutrition Programme
SOE	Statement of Expenditure
SOG	Special Operation Group
SP	Superintendent of Police
SPCB	State Pollution Control Board
SPHL	State Public Health Laboratory
SRE	Security Related Expenditure
SRS	Software Requirement Specification
SSD	Scheduled Tribes & Scheduled Caste Development, Minorities & Backward Classes Welfare
SSNA	State Sanitation Nodal Agency
STP	Sewage Treatment Plant
SUDA	State Urban Development Agency
SVPPGIP	Sardar Vallabhbhai Patel Post Graduate Institute of Paediatrics
TC	Total Coliform
THR	Take Home Ration
TPF	Teachers Provident Fund
TSP	Tribal Sub-Plan
UC	Utilisation Certificate
ULB	Urban Local Body
VHND	Village Health and Nutrition Day
W&CD	Women & Child Development
WSSO	Water and Sanitation Support Organisation

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