Report of the
Comptroller and Auditor General of India

General and Social Sector

The Report has been laid on the table of the State Legislature Assembly on 28-07-2014

for the year ended March 2013

Government of Odisha

Report No. 2 of the year 2014

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Preface

This Report on the audit of expenditure incurred by the Government of Odisha has been prepared for submission to the Governor under Article 151 of the Constitution. The Report covers significant matters arising out of the Compliance and Performance Audits of various departments/ activities. Audit observations on the Annual Accounts of the Government would form part of a Report on State Finances, which is being presented separately.

The Report starts with an introductory Chapter 1 outlining the audit scope, mandate and the key audit findings which emerged during the audit exercise. Chapter 2 of the Report covers performance audits while Chapter 3 discusses material findings emerging from compliance audit.

The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 2012-13 as well as those which had come to notice in earlier years but could not be dealt with in previous reports; matters relating to the period subsequent to 2012-13 have also been included, wherever necessary.

Chapter 1

Introduction

Chapter 1
Introduction

1.1 About this Report

This Report of the Comptroller and Auditor General of India (CAG) on Government of Odisha relates to matters arising from Performance Audit of selected programmes and activities and Compliance Audit of Government departments and Autonomous Bodies.

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 with due regard to ethics and equity.

This chapter provides the audited entity's profile, the planning and extent of audit, a synopsis of the significant audit observations. Chapter 2 of this Report deals with the findings of Performance Audit and Chapter 3 deals with Compliance Audit of various departments and Autonomous Bodies.

The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2012-13 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 2012-13 have also been included, wherever necessary.

1.2 Audited entity's profile

There were 38 departments in the State at the Secretariat level headed 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 2012-13 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 2010-13

(₹ in crore)

Particulars	2010-11			2011-12			2012-13		
	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total
Revenue Expenditure									
General Service	78.77	9858.00	9936.77	80.38	10848.20	10928.58	79.44	12343.82	12423.26
Social Service	4249.09	7672.92	11922.01	5568.84	8769.23	14338.07	6629.47	8347.09	14976.56
Economic Service	3064.81	4012.75	7077.56	4070.54	4661.93	8732.47	4883.42	5312.82	10196.24
Grant-in-aid	#	431.61	431.61	#	661.11	661.11	#	641.49	641.49
Total	**7392.67**	**21975.28**	**29367.95**	**9719.76**	**24940.47**	**34660.23**	**11592.33**	**26645.22**	**38237.55**
Capital Expenditure									
Capital outlay	4156.51	128.59	4285.10	4435.43	60.66	4496.09	5603.52	18.66	5622.18
Loans & Advances disbursed	205.67	109.02	314.69	2.34	618.67	621.01	140.98	75.04	216.02
Repayment of Public Debt	#	#	2083.58	#	#	2327.76	#	#	3179.86
Public account Disbursed	#	#	11407.85	#	#	14022.62	#	#	24886.31
Total	**4362.18**	**237.61**	**18091.22**	**4437.77**	**679.33**	**21467.48**	**5744.50**	**93.70**	**33904.37**
Grand Total	**11754.85**	**22212.89**	**47459.17**	**14157.53**	**25619.80**	**56127.71**	**17336.83**	**26738.92**	**72141.92**

 # Figures for plan and non plan not available in the Finance Accounts
(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 13[1] of the CAG's (DPC) Act 1971. CAG is the sole auditor in respect of 42 Autonomous Bodies[2] which are audited under section 20 (1) and 19 (3) of the said Act. Audit of Government companies were also conducted under Section 19(1) of the DPC Act. In addition, CAG conducts audit of 184 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 such bodies to CAG and to provide Technical Guidance and Support

[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] 30 District Legal Services authorities , one State Legal Services Authority and one Odisha Forestry Sector Development Corporation, Odisha State Commission for women and nine Development Authorities

(TGS) to the Local Fund Audit for audit of ULBs and PRIs. Principles and 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

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 one Performance Audit. The focus has been 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 National Rural Health Mission

Planning was deficient due to non preparation of perspective plans and annual action plans at the State, District and Block level, District Health Action Plan was prepared for only four out of 30 districts.

Gaon Kalyan Samiti (GKS) meant to work as community level platform to facilitate public health activities were belatedly formed and still 63 GKSs remained to be formed in targeted villages. Also delay in formation of GKS led to short receipt of GoI assistance of ₹ 18.52 crore.

There were delays in release of GoI installments upto 157 days due to delay in submission of Project Implementation Plan (PIP) by State.

Spending efficiency at State Level ranged between 36 and 66 *per cent* of funds available during 2007-13. State healthcare spending remained below three *per cent* of total budget against prescribed eight *per cent* due to less allocation by the State.

Though maternal mortality rate was reduced from 303 in 2007-08 to 237 in 2011-12, yet the same was above the national average. Similarly, infant mortality rate was reduced from 71 to 57 against the national average of 55 to

44 during 2007-12. Despite increasing trend of institutional deliveries in the State, position was not satisfactory in Koraput, Nabarangpur, and Kalahandi districts where it remained between 13 to 64 *per cent*.

Delivery of Health care was affected due to absence of required health institutions in the State as per Indian Public Health Standards (IPHS) norms. There were shortages of 3284 SHCs (33 *per cent*) and 370 PHCs (23 *per cent*). Despite stipulation in IPHS to have their own buildings, 91 PHCs and 2969 SHCs were functioning in private buildings in the State.

Due to lack of adequate monitoring, progress on infrastructure was not satisfactory as only 2491 (50 *per cent*) works were completed out of 5028 works sanctioned during 2007-13. Of the above, 1051(21 *per cent*) works were lying incomplete after incurring expenditure of ₹ 40.01 crore and the balance 1486 (29 *per cent*) works were not yet started.

Facilities for pathological tests were not available in 13 (54 *per cent*) test checked CHCs whereas X-ray and Electro Cardiogram (ECG) were not available in all the 24 test checked CHCs.

Against IPHS norms for posting of 10,594 doctors in the State, 5077 doctors were sanctioned and 3435 (32 *per cent*) were in position as of March 2013. Though 1075 specialist under 17 categories were essential for DHHs, only 603 specialists were available.

Similarly, as against requirement of 20,064 health workers for SHCs in the State, 10914 (54 *per cent*) were in position. No staff nurse and lab technicians (LTs) were posted despite stipulation in IPHS to post five Staff Nurses and two LTs in each PHC. Besides, 59 *per cent* (1534) of pharmacists were found short in PHCs.

Training programme for skill development fell short of the target by 29 *per cent* during 2007-13. Services of trained doctors were not utilised as 17 trained doctors in Skilled Birth Attendance (SBA) and 11 in Life Saving Anesthesia Skill (LSAS) were not deployed for respective service.

All types of essential drugs were not available in sampled DHHs, CHCs and PHCs. Drugs of Not of Standard Quality (NSQ) of ₹ 5.80 lakh and Life expired drugs of ₹ 0.74 lakh were administered to patients.

Monitoring was weak, inadequate holding of meetings by State and District Health Missions, non formation of Health Planning and Monitoring Committee were noticed.

Thus, the objectives of the mission to provide accessible, affordable, reliable and quality health care to the rural population sought to be achieved through NRHM remained largely unfulfilled.

(Paragraph 2.1)

1.6 Significant audit observations of Compliance Audits

1.6.1 Total Sanitation Campaign in Odisha

Institutional set up for Total Sanitation Campaign (TSC) in Odisha was deficient as Block Resource Centre, for creating awareness and motivating people for hygienic habits in GPs/ villages, were not set up as per requirement. Expenditure on the programme was low (38 *per cent*) and stood as major impediment for success of TSC in the State. Fund under IEC programme, being an important component of the programme for success of TSC, was utilised only to the extent of 12 *per cent* (₹ 2.34 crore) of availability. Inadequate and unplanned IEC activities led to lack of awareness and less creation of demand and the objective of TSC programme to provide access to toilet to all rural areas by March 2012 remained largely unfulfilled as 85.90 *per cent* of rural households were not having latrine facilities. The programme suffered at various stages of its implementation due to inadequate monitoring at all levels.

(Paragraph 3.1)

1.6.2 Functioning of Rural Piped Water Supply (RPWS) schemes in the State

Identification of need based RPWS project and their prioritisation was absent in planning due to non formation of Village Level Water and Sanitation Committee and non preparation of Village Water Security Plan (VWSP). Due to dual responsibility *i.e.,* operation of RPWS by PRIs and maintenance by RWSS, many projects were lying defunct or non functional for years together. Department had not taken adequate steps for timely revival of 175 defunct/ non-functional RPWS projects commissioned at a cost of ₹ 25.80 crore and completion of 241 incomplete projects despite expenditure of ₹ 38.92 crore. Projects after completion were not functional for want of energisation. Department failed to take adequate precaution to provide safe water and unsafe water with excess chemical content from 73 projects was being used by people from RPWS schemes.

(Paragraph 3.2)

1.6.3 Distribution of Superior Kerosene Oil under PDS

Government failed to review the lists of beneficiaries annually since 1992 for purpose of deletion of ineligible families and inclusion of eligible beneficiaries. During special drive undertaken during 2009-11 by the department, 59,094 ration cards were detected as ineligible. Due to non-lifting of the entire allotted monthly quota by wholesalers, 372 KL of SK Oil lapsed during 2010-13. There was diversion of 9260.142 KL of subsidised SK Oil involving subsidy of ₹ 24.20 crore to non PDS beneficiaries. Wholesalers and sub-wholesalers were reimbursed ₹ 52 lakh towards insurance coverage and bank commission without ensuring its actual payment. Monitoring mechanism for allocation and distribution of SK oil needed improvement.

(Paragraph 3.3)

1.6.4 Security related expenditure (SRE)

Shortcomings in budgetary control, advance release of funds to the executing agency, delayed payment of rehabilitation package to the persons who surrendered etc., affected the implementation of SRE Scheme. Further, due to expenditure on inadmissible items, the GoI disallowed ₹ 15.60 crore during 2009-12.

(Paragraph 3.4)

1.6.5 Assessment and realisation of cost of deployment of police personnel in other than Government organisations

Deployment of police personnel without collection of the assessed cost of deployment in advance resulted in non-realisation of dues. No provision was made for execution of agreement between user agency and the service provider with a view to safeguard Government interest on the event of non-payment or delay in payment of prescribed fees.

(Paragraph 3.5)

1.6.6 Sale and disposal of river sand

Activities with regard to sale and disposal of river sand were tardy as Government did not make assessment of the sources, irregularly awarded sources on negotiation, allowed bidders mining without execution of agreement and unauthorisedly accepted bid amounts in installments. Though 23 cases (₹ 40.23 lakh) were pending for more than one year and were fit for institution of certificates cases against the defaulters under OPDR Act 1962, no initiative was taken. Further, penalty for ₹ 96.03 lakh towards illegal extraction and transportation of sand was not realised though pending since June 2012. Inspection and monitoring was inadequate.

(Paragraph 3.6)

1.6.7 Payment of dues/ fees in replacement of original challans

Replacement of bank challans and subsequent change in Daily Collection Register resulted in loss ₹ 12.75 lakh to BDA.

(Paragraph 3.7)

1.6.8 Procurement and distribution of dual desks

Due to non-selection of SSI units for supply of dual desks in the same or nearby district as per the criteria fixed by government, department procured desks from distant districts and as such incurred excess expenditure of ₹ 22.93 lakh on transportation cost during 2008-10.

(Paragraph 3.8)

1.7 Recommendations

This Report contains specific recommendations on a number of issues involving non-observance of the prescribed internal procedure and systems, compliance with which would help in promoting good governance and better oversight on implementation of departmental programmes and objectives at large.

Chapter 2

Performance Audit

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2.1	National Rural Health Mission	9-47

Chapter 2
Performance Audit

This chapter contains the findings of Performance Audit on National Rural Health Mission in the State.

HEALTH AND FAMILY WELFARE DEPARTMENT

2.1 National Rural Health Mission

Executive Summary

The National Rural Health Mission (NRHM), a Government of India (GoI) scheme launched in Odisha in April 2005, aimed to improve access of rural people, to equitable, affordable, accountable and effective primary healthcare services. Performance audit of NRHM revealed that basic objectives under the Mission to reduce rate of child and maternal mortality, provide access to integrated comprehensive primary health care facilities to rural population, were partially met due to deficiencies as discussed under.

Planning was deficient due to non preparation of perspective plans and annual action plans at the State, District and Block level, District Health Action Plan was prepared for only four out of 30 districts.

Gaon Kalyan Samiti (GKS) meant to work as community level platform to facilitate public health activities were belatedly formed and still 63 GKSs remained to be formed in targeted villages. Also delay in formation of GKS led to short receipt of GoI assistance of ₹ 18.52 crore.

There were delays in release of GoI instalments upto 157 days due to delay in submission of Project Implementation Plan (PIP) by State.

Spending efficiency at State Level ranged between 36 and 66 per cent of funds available during 2007-13. State healthcare spending remained below three per cent of total budget against prescribed eight percent due to less allocation by the State.

Though maternal mortality rate was reduced from 303 in 2007-08 to 237 in 2011-12, yet the same was above the national average. Similarly, infant mortality rate was reduced from 71 to 57 against the national average of 55 to 44 during 2007-12. Despite increasing trend of institutional deliveries in the State, position was not satisfactory in Koraput, Nabarangpur and Kalahandi districts where it remained between 13 to 64 per cent.

Delivery of Health care was affected due to absence of required health institutions in the State as per Indian Public Health Standards (IPHS) norms. There were shortages of 3284 SHCs (33 per cent) and 370 PHCs (23 per cent). Despite stipulation in IPHS to have their own buildings, 91 PHCs and 2969 SHCs were functioning in private buildings in the State.

Due to lack of adequate monitoring, progress on infrastructure was not satisfactory as only 2491 (50 per cent) works were completed out of 5028 works sanctioned during 2007-13. Of the above, 1051(21 per cent) works were

lying incomplete after incurring expenditure of ₹ 40.01 crore and the balance 1486 (29 per cent) works were not yet started.

Facilities for pathological tests were not available in 13 (54 per cent) test checked CHCs whereas X-ray and Electro Cardiogram (ECG) were not available in all the 24 test checked CHCs.

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All types of essential drugs were not available in sampled DHHs, CHCs and PHCs. Drugs of Not of Standard Quality (NSQ) of ₹ 5.80 lakh and Life expired drugs of ₹ 0.74 lakh were administered to patients.

Monitoring was weak, inadequate holding of meetings by State and District Health Missions, non formation of Health Planning and Monitoring Committee were noticed.

Thus, the objectives of the mission to provide accessible, affordable, reliable and quality health care to the rural population sought to be achieved through NRHM remained largely unfulfilled.

2.1.1 Introduction

Government of India (GoI) launched National Rural Health Mission (NRHM) in April 2005 throughout the country with special focus on 18 states including Odisha, which had weak public health indicators, weak infrastructure. Mission sought to improve access of rural people to equitable, affordable, accountable and effective primary healthcare services. NRHM basically aimed to reduce rate of child and maternal mortality, universal immunisation, prevent and control communicable and non-communicable diseases, provide access to integrated comprehensive primary health care facilities, maintain population stabilisation, gender and demographic balance, revitalise local health traditions, mainstream AYUSH (Ayurveda Yoga Unani, Siddha and Homeopathy) and promote healthy life styles of rural population.

For implementing NRHM, a Memorandum of Understanding (MoU) was signed (February 2006) between the Government of Odisha (GoO) and the

Government of India (GoI) in which the State Government, *inter-alia,* agreed to increase health sector spending from State's own budgetary sources by 10 *per cent* every year and that was to be treated as a mandatory performance indicator.

2.1.1.1 Organisational Set-up

At the state level, the Mission functions under the overall guidance of the State Health Mission headed by the Chief Minister and its activities are carried out by the Odisha State Health & Family Welfare Society (OSHFWS) through a Governing Body (GB) headed by the Chief Secretary and Executive Body (EB) headed by the Principal Secretary, Health & Family Welfare (H&FW) Department, Government of Odisha. Besides, for day to day implementation of NRHM a State Programme Management Unit (SPMU) functions as Secretariat for both Mission and OSHFW Society which is headed by Mission Director. Apart from above, different National disease control programmes are being implemented under the Principal Secretary, H&FW Department through Director of Health Services and Director, Family Welfare.

For implementation of NRHM at the district level, there is a District Health Mission headed by the Chairman, Zilla Parishad. Its functions are carried out by District Health Society named as Zilla Swasthya Samiti (ZSS) with Executive Committee headed by the Collector as the Chairperson and CDMO as Member Secretary of the ZSS. Day to day Mission activities are carried out by District Programme Management Unit (DPMU) headed by CDMO with the assistance of District Programme Manager (DPM) and District Accounts Manager (DAM).

At Block level, the Medical Officers in-charge of the Community Health Centres (CHCs) are in charge of implementing NRHM with the assistance of Block Programme Managers (BPMs) and Block Accounts Managers (BAMs).

2.1.1.2 Audit objectives

The Performance Audit was conducted with the objective to assess whether:

- Planning was oriented towards the Mission's objectives; there was adequate community participation in planning and convergence with other departments and programme operated by non-governmental stakeholders was ensured for achieving the objectives of the Mission;
- Financial controls were in place to safeguard NRHM funds/ assets and the accounts fairly present financial state of societies under NRHM; and whether the assessment, release and utilisation of funds were prompt and adequate;
- Implementation including construction activities were undertaken to maximise coverage in terms of population and improve facilities and whether due procedures were followed while incurring expenditure thereof;
- Capacity building and strengthening of human resources at different levels were as planned and targeted;

- Procedures and systems of procurement of equipment, drugs and services, supplies and logistics management were cost effective and efficient; and
- Monitoring mechanism and evaluation procedure were in place to ensure that the Mission's objectives were achieved and whether the community was involved in monitoring as envisaged under NRHM.

2.1.1.3 Audit criteria

Criteria for the audit were drawn from the following documents:

- Mission document, GoI Guidelines on different components of NRHM;
- MoU signed between the State Government and the GoI for implementation of NRHM;
- NRHM framework for establishment of health centres/ sub-centres and facilities, functioning and delivery of health care services to patients;
- Indian Public Health Standards (IPHSs) regarding availability of quality infrastructure, medicos and paramedical staff;
- Orissa General Financial Rules (OGFR) and Orissa Treasury Codes (OTC), Orissa Public Works Division (OPWD) Code, Indian Standards (IS-12433 & 13808) issued by Bureau of Indian Standards (BIS), orders/ notifications/ Guidelines issued by the State and Central Government.

2.1.1.4 Scope and methodology of Audit

Audit objectives, scope and methodology of audit were discussed (05 October 2012) with the Additional Secretary, H&FW Department at an entry conference and Audit was conducted for the period 2007-13 during October 2012 to August 2013. Records of eight districts[1], 24 CHCs (three CHCs in each selected district), 48 Primary Health Centres (two Primary Health Centres in each CHC) and 96 Sub Health Centres (four Sub Health Centres from each selected CHC) selected on Simple Random Sampling Without Replacement method, were checked in audit.

Audit methodology included collection and analysis of data through examination of records, reply to questionnaires and audit observations, joint physical inspection of assets created/ facilities available in health institutions, interview of patients in the presence of authorised representatives of the audited organisation and photographs taken, wherever required. The findings of Audit were discussed in an Exit Conference with the Principal Secretary H&FW Department on 18 November 2013.

Audit Findings

2.1.2 Planning

The targets and timeline for 20 activities were set in NRHM 'Framework for Implementation' by the State Government. Out of these, targets in nine

[1] Bolangir, Cuttack, Jajpur, Kalahandi, Koraput, Mayurbanj, Nabarangpur and Sundargarh.

activities (45 *per cent*) were fully achieved, in five (25 *per cent*) partially achieved and six activities (30 *per cent*) were not even taken up (March 2013), the details of which are given in ***Appendix 2.1.1.*** Reason and impact of shortfall in achievement of targets are discussed in succeeding paragraphs.

2.1.2.1 Preparation of perspective plans and annual action plan by District Health Societies/ State Health Society

As per paragraph 10 of NRHM Framework, States will decentralise planning and implementation arrangements to ensure that need based and community owned District Health Action Plans (DHAPs) become the basis for interventions in health sector. Further, Perspective Plan (PP) were to be prepared for each district and for State for the Mission period (2005-12), now extended up to 2017, outlining the overall resource and activity needs.

Accordingly, villages were to develop draft plans to be consolidated and approved at block level. Similarly, Block plans to be consolidated at district level as DHAPs were to be aggregated and collated at the State level for preparation of State Programme Implementation Plan/ Annual Action Plan (AAP).

Scrutiny of records revealed that DHAPs, Block Health Action Plans (BHAPs) and Village Health Plans were not prepared as of March 2013 except in four districts (Cuttack, Dhenkanal, Puri and Mayurbhanj) out of 30 districts for 2011-12 and submitted to Mission Directorate after approval of respective Zilla Swasthya Samiti (ZSS). Records of preparation of DHAPs by remaining 26 districts were not available.

The Government stated (December 2013) that component wise requirement of the districts upto village level were being collected and compiled in format prescribed by GoI/ State Government. Further, compilation of village health plan over 45000 villages was not possible. However, the fact remains that village level planning was required as per NRHM guidelines.

Perspective plan required to be prepared for seven years timeframe (2005-12) outlining the year wise resource and activity needed for the districts, was not prepared during the Mission period. CDMOs of the sampled districts accepted (March 2013) the fact. Government stated (November 2013) that perspective plan for 2014-17 was under preparation. However, specific reply for non-preparation of the same for 2007-13 was not furnished.

2.1.2.2 Community involvement in planning, implementation and monitoring

As per para 12 under NRHM framework, Village Health and Sanitation Committee (VHSC) named as Gaon Kalyan Samiti (GKS) in Odisha was to be formed for each revenue village and registered under the Societies Registration Act, 1860. Every GKS was to receive a grant of ₹ 10,000 every year from GoI for undertaking development programmes as per the aspiration of the local community. As per NRHM framework, Government was to constitute 30 *per cent* of total GKS by 2007-08 and balance 70 *per cent* by

2008-09. As per Programme Implementation Plan (PIP) for 2012-13, Government targeted formation of GKS in 45470 villages.

Scrutiny of records revealed that only 9506 (21 *per cent*) of GKS against stipulation of 13641 (30 *per cent*) during 2007-08 were framed. So also against 100 *per cent* required to be formed during 2008-09, 84 *per cent* was achieved and the shortfall still existed as of March 2013 since 63 GKSs were not formed, as could be seen from the table below.

Table 2.1: Status of formation of GKS in the State during 2007-13

Year.	Target fixed as per NRHM	No. of GKS formed	Shortfall	Percentage of shortfall to target
2007-08	13641	9506	4135	30.31
2008-09	45470	38022	7448	16.38
2009-10	45470	45294	176	0.39
2010-11	45470	45361	109	0.24
2011-12	45470	45382	88	0.19
2012-13	45470	45407	63	0.14

Sources: Information as furnished by Mission Director, NRHM

Due to delay in formation of GKS the Government failed to get GoI assistance of ₹ 18.52 crore as discussed in paragraph ***2.1.4.4.***

The Government stated (November and December 2013) that in the initial years, process of formation of GKS took some time. However, the fact remained that all GKSs were not even formed till date and this ultimately affected the development programmes.

2.1.3 Institutional arrangements

2.1.3.1 Functioning of State Health Mission

State Health Mission (SHM) was constituted in June 2005 and was required to meet once every six months. Role of the SHM, as per MoU (February 2006), comprises providing health system oversight, consideration of policy matters on health sector, review of progress in implementation of NRHM, inter sectoral co-ordination and advisory measures required to promote NRHM.

Audit observed that despite decisions taken in five meetings of SHM during 2007-13 to upgrade health facilities to the level of IPH Standards; establish online monitoring of inventory in field; develop suitable transfer policy for doctors; and set up body to ensure timely procurement of drugs and equipment, no step was taken in this regard as of March 2013.

Due to non implementation of the decisions taken by SHM, large vacancies of doctors in Koraput Bolangir Kalahandi (KBK) area, absence of IPH Standards quality health care services at CHC, Primary Health Centre (PHC) and Sub Health Centre (SHC) health institutions etc., were noticed as discussed in succeeding paragraphs.

The Government stated (November 2013) that the SHM is convened only for policy matters and monitoring. However, the fact remains that the frequency of meetings for SHM was not as per guidelines. Further, no reply was furnished regarding non implementation of the decisions taken by SHM.

2.1.3.2 Delay in formation of District Health Mission

As per MoU, every district is required to have a District Health Mission (DHM) on lines of the State Health Mission. Accordingly, the H&FW Department issued (June 2005 and December 2005) instructions with intimation to Collectors/ President, Zilla Parishad of all districts to form DHM and hold its meeting as frequently as necessary or at least once in three month.

Scrutiny of records revealed that out of eight sampled districts, the DHMs were formed in Cuttack district during November 2005 and in the remaining seven districts during July 2012 to March 2013. No reason for delay in formation of DHM was furnished. It was further noticed that in five districts only one meeting of each DHM was held so far (March 2013) against the requirement of two during 2012-13, whereas no meetings of DHM took place in remaining three districts.

Thus, due to delay in formation of DHMs during 2005-13, preparation of Annual Action Plan could not materialise during the period at district level.

Government stated (December 2013) that meetings of DHMs were not held regularly as there was commonality in membership of both ZSS and DHM. All matters related to DHM were discussed in meetings of ZSS and all policy decisions were taken in meetings of ZSS with regard to implementation of PIP.

However, DHMs in seven out of eight sample districts were formed only between July 2012 and March 2013 and could not fulfil the primary role of providing guidance for successful planning and implementation of activities under NRHM at the district level. Further, ZSS is not an implementing agency, rather a facilitating mechanism at the district level.

2.1.3.3 Non formation of Health Monitoring and Planning Committee

Para 13 and 53 of NRHM framework envisaged formation of Health Monitoring and Planning Committee at all levels i.e. SHC, PHC, CHC, District and State to ensure a community based monitoring framework undertaking continuous assessment of planning and implementation of NRHM. Such committees at respective level would provide opportunities for civil society representatives to suggest special situations or needs that should be addressed in the planning process.

Scrutiny of records of test checked SHCs, PHCs, CHCs, districts and State by Audit revealed that Health Monitoring and Planning Committee was not formed at any level. Thus, the planning process at primary level was affected and community participation was not ensured.

The Government stated (December 2013) that as per NRHM framework, Swasthya Shikshya Samitis had been formed at GP, Block and district level in five out of 30 districts during 2012-13 which were equivalent to Health planning & Monitoring Committees. During 2013-14 another five districts are under process for forming Swasthya Shikshya Samitis at GP, Block and district level. However, these Samitis were formed as late as during 2012-13.

Hence, community based monitoring framework that would allow continuous assessment of planning and implementation of NRHM was not available up to 2011-12.

2.1.4 Fund management and Financial Control

2.1.4.1 Poor utilisation of Fund

The receipt and utilisation of funds by the State Health Society (SHS) are summarised in Table below:

Table 2.2: Receipt, expenditure and utilisation of NRHM funds ***(₹in crore)***

Year	O.B	Fund from GoI	Fund from GoO	Other receipts	Total	Refund to GoI	Utilisation	Closing Balance	*Percent-age utilised*
2007-08	154.47	252.17	37.84	-	444.48	0	159.71	284.77	36
2008-09	284.77	274.28	50.44	-	609.49	0	235.87	373.62	39
2009-10	373.62	311.30	61.00	-	745.92	1.35	467.62	276.95	63
2010-11	276.95	353.34	64.00	-	694.29	0	453.14	241.15	65
2011-12	241.15	417.93	100.00	18.73	777.81	0	500.28	277.53	64
2012-13	277.53	368.97	283.26	1.57	931.33	1.65	610.55	319.13	66
Total		**1977.99**	**596.54**	**20.30**		**3.00**	**2427.17**		

Source: Information furnished by Mission Director

It would be seen from the above table that utilisation of funds during 2007-13 ranged between 36 and 66 *per cent* against funds available. Further, it was also observed that expenditure under Mission Flexible pool being an important component under NRHM containing provisions for infrastructure development, was utilised only 29 *per cent* during 2007-08 and 45 *per cent* during 2008-09.

Government attributed (December 2013) low fund utilisation during 2007-13 to lack of absorption capacity of the State, non-filling up of approved posts of paramedics, lack of proper understanding with the implementing agencies. Government further stated that the State could absorb 88 *per cent* of the funds made available to the State during 2007-13. However, the Department failed to address the deficiencies to ensure optimal utilisation of funds.

2.1.4.2 Public spending on healthcare

The National Health Policy, 2002 recommended that State Healthcare spending should be seven *per cent* of the budget by 2005 and eight *per cent* by 2010. The Mission, vide para-2 of NRHM frame work envisaged increasing the public spending on health, from 0.9 *per cent* of Gross Domestic Product (GDP) to 2-3 *per cent* of GDP over the Mission period (2005-12). Besides, the States were required to increase their spending on health sector by at least 10 *per cent* Year on Year (YoY) basis during the Mission period. The year-wise details of total public spending, including NRHM funds, Gross State Domestic Product (GSDP), total State Budget and State spending on healthcare during 2007-12 were as given in Table below:

Table 2.3: Details of year-wise spending on health sector *(₹in crore)*

Year	GSDP	Total spending including NRHM	Spending to GSDP *(per cent)*	Total Budget Outlay	State spending through Budget	*Per cent* of spending (6) to (5)	Increase in YoY State spending *(per cent)*
1	2	3	4	5	6	7	8
2006-07	101839.47	679.02	0.67	23767.19	590.55	2.48	--
2007-08	129274.45	875.02	0.68	27871.41	715.31	2.57	21.13
2008-09	148490.71	1134.99	0.76	36334.77	899.12	2.47	25.70
2009-10	163726.56	1600.11	0.98	37801.04	1132.49	3.00	25.96
2010-11	195027.68	1679.23	0.86	42803.30	1226.08	2.86	8.26
2011-12	226236.14	1809.10	0.80	50772.37	1313.50	2.59	7.13

Source: Appropriation Accounts and Economic Survey of Odisha

From the above table it is observed that

- during 2007-12, the state healthcare spending to the total outlay remained below three *per cent* against the targeted eight *per cent*;
- spending on public health including NRHM spending *vis-a-vis* GSDP remained below one *per cent.*
- increase in YoY spending on health sector, though remaining above 10 *per cent* during 2007-10, decreased to 7.13 *per cent* as of March 2012.

Thus, financial commitment of the State as per National Health Policy, 2002 could not be scrupulously achieved.

Government while confirming the facts stated (December 2013) that the Government was committed to provide better health care to the population with higher spending in the coming years and the YoY expenditure would witness a quantum jump.

2.1.4.3 Delay in release of funds

As per paragraph 83 of NRHM framework, the first instalment of funds to the states was to be made in April/ May of the year. The second instalment was to be released in September/ October based on the progress of expenditure in the previous year received through UCs including submission of audited statement.

Scrutiny of records of Mission Director revealed that during 2007-13, the first instalments of funds of ₹ 999.20 crore were released by GoI with delays ranging between three and 120 days, whereas second instalments of ₹ 906 crore during the period were delayed by two to 157 days. The balance amount of ₹ 72.79 crore was released on time. Audit observed that delayed submission of PIP to GoI in the month of February instead of 15 December of previous year resulted in delay in release of fund.

GoI released large part of the funds (10 to 38 *per cent*) at the fag end of the year (March) during 2007-13. Consequently, State government too released its matching share during the period with corresponding delay which included

four to 44 *per cent* of State funds released in March. Due to inordinate delay in release of fund by both GoI and State Government, ₹ 319.13 crore remained unutilised as of 31 March 2013.

Government while confirming the facts stated (December 2013) that PIP of the State had been submitted in the month of February/ March of the preceeding year and approval to the same was accorded in the month of May/ June. The fact, however, remained that due to delay in submission of PIP, release of fund by GoI was delayed resulting in subsequent curtailment of fund.

2.1.4.4 Availing of GoI assistance for formation of Gaon Kalyan Samiti (GKS)

As per GKS guidelines, the State Government was to receive ₹ 10,000 every year from the GoI for each GKS for undertaking development programmes. As per NRHM frame work, the Government was to constitute 30 *per cent* of total GKS by 2007-08 and balance 70 *per cent* by 2008-09.

Scrutiny of records revealed that against ₹ 240.99 crore due for formation of 45470 GKSs (13641 during 2007-08 and 45470 during 2008-13), ₹ 222.47 crore was received leading to short receipt of ₹ 18.52 crore[2] due to non formation of GKS as explained in paragraph ***2.1.2.2.***

Government confirmed (December 2013) that shortfall in receipt of grants was mainly due to shortfall in formation of GKS during 2007-09.

2.1.4.5 Diversion of funds from one programme to another under NRHM

As per Section-6 of Financial Management under NRHM, the funds allotted are strictly to be spent in the interest and service of the programme for which provisions have been made.

Scrutiny of records revealed that the Mission Director diverted ₹ 15.29 crore from RCH and Mission Flexipool to Disease Control Programme during 2011-13 out of which ₹ 40 lakh was not recouped as of July 2013. Besides, three sampled DHS and six CHCs diverted funds amounting to ₹ 2.05 crore from one programme to others like Flexipool to JSY, GKS to Disease Control Programme etc. during 2009-12 which had not been recouped as of March 2013 (***Appendix 2.1.2).*** This affected implementation of programme and violated financial principles under NRHM.

Government stated (November 2013) that such diversion within NRHM was allowed as GoI released the fund under NRHM Flexi pool with flexibility to State authorities to utilise the same in needy areas. However, no such relaxation existed in financial guidelines.

[2] ₹ 227.35 crore: 45470 GKSs * ₹ 10000/ year * 5 years (2007-13) + ₹ 13.64 crore: 13641 GKSs * ₹ 10000/ year * 1 year (2007-08) less ₹ 222.47 crore received (2007-13).

2.1.4.6 Unauthorised expenditure out of Rogi Kalyan Samiti grants

As per paragraph 13 of Memorandum of Association (MoA) of Rogi Kalyan Samiti (RKS), non-recurring expenditure out of RKS grants exceeding ₹ 10,000 should be approved by its Executive Committee.

Audit noticed that in two districts (Mayurbhanj and Sundargarh) expenditure of ₹ 19.73 lakh[3] was incurred out of RKS grants in 73 cases without obtaining the approval/ sanction of RKS though expenditure exceeded ₹ 10,000 in each case resulting in unauthorised expenditure.

Mission Director assured (November 2013) that appropriate action would be taken in the matter.

2.1.4.7 Non-utilisation of funds by State Institute of Health & Family Welfare (SIHFW)

Mission Director provided funds to SIHFW during 2006-13 to carry out various activities under NRHM like conducting training programmes, printing of OPD prescription slips with NRHM logo and booklets for IEC activities.

Scrutiny of records revealed that the funds were not properly utilised and no proper financial reporting was ensured as indicated in Table below:

Table 2.4: Statement of audit observation on non-utilisation of funds

Date/ Period	Amount provided to SIHFW (₹ in lakh)	Fund allotted for component	Audit observation
2009-10	388.84	NRHM training	SIHFW instead of incurring expenditure on training programmes refunded ₹ 50.08 lakh to Mission Director during July 2007-10 and diverted (2007-13) ₹ 43.58 lakh to Corpus accounts of Swasthya Sikhaya State Society, an independent State society under Health & Family Welfare Department, for meeting administrative expenses. But the society invested (June 2008 and May 2009) ₹ 34.89 lakh in fixed deposit which was renewed annually with current due date of maturity, i.e. April/ May 2014.
November 2006	73.31	Printing of 2.44 crore OPD prescription slips with NRHM logo	An amount of ₹ 24 lakh was still lying unspent (May 2013) with the SIHFW for printing of pending 80 lakh prescription slips. But, SHS submitted Utilisation Certificate for entire amount to GoI in February 2007

[3] Mayurbhanj -Kosta CHC: ₹ 2.99 lakh (11 Cases) and Manada CHC: ₹ 3.57 lakh (13); Sundargarh - Sargipali CHC: ₹ 0.60 lakh (two), Lephripara PHC ₹ 1.36 lakh (six), Hemgiri CHC: ₹ 4.98 lakh (19), Kanika PHC(N): ₹ 0.83 lakh (three), Koira CHC: ₹ 5.40 lakh (19)

Date/ Period	Amount provided to SIHFW (₹ in lakh)	Fund allotted for component	Audit observation
2005-2012	79.39	printing of booklets on prevention of disease and creation of awareness among masses under different disease control programmes	Out of total fund, the Director SIHFW utilised ₹ 34.90 lakh for printing of booklet/ leaflets and the balance amount of ₹ 44.49 lakh was lying with the Printing press society as of June 2013 without use and without assigning any reason for retaining the amount.

Source: Related records of SIHFW

Due to non utilisation of fund, the IEC activities were not adequately addressed and required awareness among the masses on various disease control programmes and health care could not be ensured to optimal extent.

The Director, SIHFW stated (May 2013) that UCs were submitted to avoid lapse of grant for printing of prescription slips. H&FWD stated (December 2013) that the interest accrued on funds available for training programme was given to the Society which was kept as fixed deposit without making any expenditure out of it. However, funds were meant to be utilised for the purpose and not for investment.

2.1.4.8 Non-Preparation of Bank Reconciliation Statement

Section-6 of financial guidelines of NRHM envisaged that bank reconciliation statement (BRS) was to be prepared on monthly basis by 10th of the following month.

Scrutiny of records revealed that such reconciliation statement was not prepared month wise and as of March 2013, ₹ 2.03 crore remained unreconciled in three DHSs and in one CHC as indicated in table below:

Table 2.5: Details of difference between cash book and passbook as of March 2013

(₹in lakh)

Name of the Units	Balance as per Pass Book	Balance as per Cash Book	Difference	Un-reconciled difference
DHS, Mayurbhanj	177.26	365.13	(-)187.87	187.87
DHS, Nabarangpur	38.78	33.95	4.83	1.05
DHS, Sundargarh	102.85	31.86	70.99	13.30
CHC, Tangi	15.50	9.61	5.89	0.47
Total				**202.69**

Source: Related records of CDMO, CHC, PHC

Despite availability of specific accounting staff at district and block level and concurrent audit system, preparation of BRS was not ensured. This indicated lapses in internal control and weak financial management of the concerned CDMOs.

Government stated (December 2013) that all CDMOs were instructed to prepare bank reconciliation statement for every month by 10th of the following month.

2.1.5 Programme Implementation

The Mission objectives included reduction in child and maternal mortality rate, population stabilisation, gender and demographic balance, universal access to public services for food and nutrition, sanitation and hygiene, public health care services with emphasis on women's and children's health and universal immunisation. Some of the components of the Mission and their performance were as follows.

2.1.5.1 Maternal Mortality Rate and Infant Mortality Rate

NRHM aimed at bringing down the maternal as well as infant mortality rate by way of various interventions like providing physical and human infrastructure in CHCs, PHCs and SHCs for safe delivery, establishing Sick New Born Care Unit (SNCUs), Emergency Obstetric Care (EmOC), providing referral service, providing of full 100 days of Iron Folic Acid (IFA), postpartum care to all eligible women and free transport to pregnant women etc. The expected outcome of the NRHM is to reduce the Maternal Mortality Rate (MMR) and Infant Mortality Rate (IMR) to 100/ 100000 pregnant women and 30/ 1000 live births respectively by March 2012. The MMR and IMR of the state and country as surveyed by Sample Registration System and Annual Health Survey are represented in the Table below.

Table 2.6: Maternal Mortality Rate and Infant Mortality Rate in the state

Year	MMR of the state	IMR of the State			MMR in India	IMR in India
		Total	Rural	Urban		
2007-08	303	71	73	52	254	55
2008-09	NA	69	71	49	NA	53
2009-10	258	65	68	46	212	50
2010-11	277	61	63	43	NA	47
2011-12	237	57	58	40	NA	44
2012-13	NA	NA	NA	NA	NA	NA

Source- Data furnished by the Mission Director, HMIS, SRS Bulletin and Annual Health Survey

As evident from the above table, the MMR of the State decreased from 303(2007-08) to 237(2011-12) but remained above the target set by NRHM. The IMR of the state decreased from 71 (2007-08) to 57(2011-12) but remained higher than the national average of 44 as of March 2012. There existed wide gap between the IMR in rural area and urban area despite implementation of NRHM and completion of first Mission period.

It was also observed that maternal death in two districts (Nabarangpur and Jajpur) increased during 2007-13. Similarly, increase of infant death in Jajpur ranged between 474 and 837 during 2007-13.

The reasons for non-achievement of target of MMR and IMR in the State was attributed to non-registering the pregnant women within first trimester (within 12 weeks of pregnancy), non-providing of 100 days of IFA and three antenatal check-ups. Audit observed that of the total 34.44 lakh pregnant women registered during 2009-13, 21.27 lakh (62 *per cent*) women were not registered within first trimester, 7.68 lakh (22 *per cent*) women were not provided with full 100 days of IFA and 4.38 lakh (13 *per cent*) women were

not provided with three antenatal check-ups due to which as many as 7.07 lakh pregnant women were found to be anaemic as observed from the records. The Mission Director failed to achieve the target of MMR and IMR as of March 2012 and bridge the gap between rural and urban areas.

The Government stated (November 2013) that the State through NRHM interventions succeeded in bringing down MMR drastically and was making efforts to bring down IMR to national average soon.

2.1.5.2 Janani Suraksha Yojana

The Janani Suraksha Yojana (JSY) was introduced in 2005-06 as a key intervention to enable women to access institutional deliveries and thereby to reduce MMR and IMR in the State. Through JSY, it was to encourage institutional deliveries by providing financial package to all pregnant women who deliver in health centres. Women were eligible for a cash incentive of ₹ 1400 (in rural areas) and ₹ 1000 (in urban areas) to meet both direct and indirect expenses incurred towards delivery. BPL women who delivered at home were also eligible for a cash incentive of ₹ 500. Audit scrutiny of JSY programme revealed the following irregularities.

2.1.5.3 Target and Achievement

The scheme targeted 70 *per cent* institutional deliveries by March 2012. The target and achievement of institutional deliveries and cash compensation paid under JSY in the state during the period of audit were indicated in Table below:

Table 2.7: Details of institutional deliveries in the state.

Year	Nos. of pregnant women registered	Expenditure incurred on JSY (₹ in lakh)	Nos. of institutional deliveries		*Per cent* of institutional delivery to pregnant women registered	Nos. of institutional deliveries done in accredited institutions
			Target	Achievement		
2007-08	876026	6993.67	450000	440234	50.25	NA
2008-09	905282	8392.86	608175	504823	55.76	NA
2009-10	860149	9673.94	573788	500024	58.13	3501
2010-11	932786	10089.47	678515	583606	62.56	27740
2011-12	880415	11122.81	632900	623241	70.78	22643
2012-13	770676	9981.41	672878	602062	78.12	33972
Total	**5225334**	**56254.16**	**3616256**	**3253990**	**62.27**	

Source: Data as per HMIS. Target for institutional delivery was as per the PIP

In five out of eight test checked districts[4], increasing trend was noticed in institutional deliveries during 2007-13 which was above the target of 70 *per cent* during 2007-13 except in Jajpur, where it remained at 67 *per cent* during 2007-08 and 2009-10 and in Cuttack, where it ranged between 50 *per cent* and 63 *per cent* during 2007-10.

[4] Bolangir, Cuttack, Jajpur, Mayurbhanj and Sundargarh.

In remaining three sampled districts (Koraput, Kalahandi and Nabarangpur) the position of institutional delivery was not satisfactory as the same remained below the target of 70 *per cent*. In Koraput district it ranged between 29 and 56 *per cent,* in Nabarangpur it remained between 13 and 61 *per cent* and in Kalahandi within 49 and 64 *per cent.*

The Government replied (December 2013) that low percentage of institutional deliveries in Kalahandi, Koraput and Nabarangpur districts was with reference to number of pregnant women registered. There are cases of abortions, still birth, death before delivery, migration of women before delivery to other places. However, steps are being taken to promote institutional delivery. It is pertinent to mention that the achievement of Government in tribal areas (i.e. Koraput, Kalahandi and Nabarangpur) were low even after intervention of NRHM.

2.1.5.4 Non-payment/ delayed payment of JSY incentive

All registered pregnant women in rural area undertaking delivery in health institutions are eligible for cash incentive of ₹ 1400 under JSY immediately after delivery or within seven days to meet the delivery expenses. Audit observed that in Sundargarh and Nabarangpur districts 157 eligible registered pregnant women undertaking institutional delivery in three CHCs (Koira-137, Hatabharandi-11 and Tentulikhunti-9) during 2008-12 were not paid assistance amounting to ₹ 2.20 lakh.

Test check revealed that that in six out of 24 test checked CHCs, incentive of ₹ 14.78 lakh to 1056 beneficiaries[5] was paid with delay ranging between eight and 800 days. The health institutions wise delay is given in table as under.

Table 2.8: Details of delayed payment of JSY benefits.

Name of the districts	Name of the CHCs	No. of beneficiaries	Amount (In ₹)	Period of delay in days
Sundargarh	Koira	86	120400	63-332
Jajpur	Sukinda	5	7000	11-118
	Mangalpur	5	7000	11-118
Nabarangpur	Hatabharandi	17	23800	10-67
	Tentulikhunti	308	431200	8-800
	Papadahandi	635	889000	9-421
Total		**1056**	**1478400**	

Source: Data from payment register of incentive maintained by MO/ CHCs

The Government stated (December 2013) that steps had been taken to streamline JSY payment in the State through direct benefit transfer (DBT) under Central Plan Scheme Monitoring System (CPSMS) which has been started in four districts and would be extended to all districts in a planned manner.

[5] 894 cases (Eight to 90 days), 81 cases (91-180 days), 50 cases (181-365 days), eight cases (366-632 days) and 23 cases (above 632 days).

2.1.6 Implementation of National Programme of Control of Blindness

The objective of National Programme of Control of Blindness (NPCB) was to reduce prevalence rate of blindness from 1.4 *per cent* to 0.5 *per cent* by 2010. Audit noticed the following irregularities in implementation of programme.

2.1.6.1 Refractive errors of school children

As per guidelines of NPCB the District Health Society is to organise screening of school children for detection of refractive errors and other eye problems and provide free glasses to poor children. The status of school children screened and glasses provided in the state during 2007-13 stated in the Table below.

Table 2.9: Refractive errors, eye check-up of school children and free distribution of spectacles

Year	Number of student eye screened	Number of student found with refractive errors	Number of glasses supplied to student
2007-08	302128	14680	7355
2008-09	483409	26078	10942
2009-10	419274	19922	9186
2010-11	564225	22906	11624
2011-12	388703	19705	11787
2012-13	467368	28889	17586
Total	**2625107**	**132180**	**68480**

Source: Joint Director of Health Services (Ophth.), Odisha, Bhubaneswar

From the above, it was observed that though during 2007-13 the eye sight of 1.32 lakh children was detected with refractive errors, 0.68 lakh children only were provided with glasses. No records were maintained by the test checked CDMOs regarding reasons of non supply of glasses to remaining 0.64 lakh children.

The Government stated (December 2013) that most of the time procurement becomes a major problem as the optical shops in the rural areas did not have the authentic documents to participate in tender process. So, in many cases the districts were unable to provide spectacles to children.

However, spectacles could also have been procured centrally and distributed through district authorities.

2.1.6.2 Cataract operation of patients

Scheme for Participation of Voluntary Organisation under National Programme for Control of Blindness and condition of MoU with NGOs provides for screening of people aged fifty and above for conducting cataract operation. Further, patients who have undergone cataract operation are to be provided spectacles as follow up service for best possible correction.

- ***Conducting operation below 50 years of age:*** Audit noticed that in two (Jajpur and Cuttack) out of eight sampled districts, a sum of ₹ 33.76 lakh was paid to NGOs for cataract operations on 5241 patients (Jajpur 799 and

Cuttack 4442) below 50 years of age in violation of scheme guidelines and condition of the agreement executed with the NGOs.

In reply, Department stated (December 2013) that the eye surgeons had operated a good number of cases below 50 years for the greater interest of the poor patients as well as for the national programme. However, the same is not as per the guidelines.

- ***Non supply of spectacles to beneficiaries:*** Further, patients undergoing cataract operation by NGOs are to be supplied with spectacles costing ₹ 125 for which cost is reimbursed to the NGOs. Audit observed that in Jajpur and Cuttack district the cost of 628 spectacles amounting to ₹ 0.78 lakh was reimbursed to the NGOs against purchase vouchers bearing earlier serial number with later date and the later serial numbers vouchers of the same supplier. Further, the cash memo of the supplier also did not have Taxpayer Identification Number (TIN) and Small Retailers' Identification Number (SRIN) for tax deduction purpose. This indicated that there was possibility that neither were the spectacles purchased nor distributed. During beneficiary interview of 22 persons (Cuttack: 10 and Jajpur: 12) audit found that eight persons of Cuttack and 12 persons of Jajpur districts had not received any spectacles from the concerned NGOs. This indicated that both District Programme Managers of NRHM and District Blindness Control Society did not ensure supply of spectacles to patients before reimbursement to NGOs.

  The Government in its reply (December 2013) accepted that supply of spectacles to operated patients were made with some deviations in Cuttack and Jajpur districts. Further, NGOs have subsequently supplied eight spectacles in Cuttack. The fact, however, remained that Government failed to ensure supply of spectacles to all the patients after their surgery. Further supplying spectacles after considerable period does not serve the purpose of distribution as their use is immediate.

2.1.7 Infrastructure

Revamping of health infrastructure is one of the important requirements under NRHM. Position regarding shortfall in creation of health centres, strengthening of CHCs, PHCs, and SHCs and up gradation of CHCs and PHCs is discussed in the succeeding paragraphs.

2.1.7.1 Creation of new Health facilities.

As per NRHM Framework, one SHC was to be provided for 5000 population in plain areas and 3000 population in tribal areas. One PHC was to be provided for 30000 population in plain areas and 20000 population in tribal/ desert areas. One CHC was to be provided for 120000 population in plain areas and 80000 population in tribal/ desert areas.

The State had a network of 377 Community Health Centres 1226 PHCs and 6688 SHCs as on 31 March 2013. As of April 2007, 6688 SHCs, 1162 PHCs and 231 CHCs were available in the State. As per 2011 census, the state had deficit of 31 *per cent* (3676) health institutions to provide adequate and

effective health service facilities to the people as is evident from the table below.

Table 2.10: Status of health institutions as per census 2011

Level of Units	Requirement as per Census 2011	Existing position of availability of Health Institutions as of March 2013	Shortage	Percentage of shortage
SHC	9972	6688	3284	33
PHC	1596	1226	370	23
CHC	399	377	22	6
Total	**11967**	**8291**	**3676**	**31**

Sources: Information as furnished by Mission Director, NRHM

Government did not sanction and create any new SHCs although there was a requirement of 3284 additional SHCs as per Census 2011. Apart from this 64 PHCs and 146 CHCs were newly created increasing the numbers of PHCs to 1226 and CHCs to 377 as against the requirement of 1596 and 399 respectively. Thus, total percentage of increase in health institutions was only 2.60 *per cent* and the State was still having a shortage of 31.60 *per cent* of health institutions as of March 2013. In the test checked districts, as per 2011 census, the shortage of CHCs ranged between six to 27 *per cent*, shortage of PHCs ranged between 3 to 45 *per cent* and that of SHCs was between 29 to 44 *per cent* as detailed in ***Appendix 2.1.3.*** During 2007-13 there is negligible increase of health institutions which failed to meet the requirement of the people.

Government stated (December 2013) that State Government is aware of such shortage State as per the population norm. Due to acute shortage of doctors and paramedics in the State, Government is facing difficulties to fill up existing sanctioned posts.

2.1.7.2 Shortage of building and construction of health facilities.

As per IPH Standards, all PHCs and SHCs should have their own buildings. NRHM Framework para 62 and 67 provides that construction of the buildings for PHCs and SHCs would be taken up as a mission activity.

Audit observed that 91 PHCs/ Government Hospitals and 2969 SHCs were functioning in private/ Panchayat buildings. The position of health institutions that were available on April 2007, and infrastructure created as of March 2013 is indicated in Table below:

Table 2.11: Status of infrastructure as on March 2013 ***(₹in crore)***

Type of Health Institutions (HIs)	HIs running in private building (2007)	HIs newly created	Total	HIs building construction planned and taken up	HIs building construction completed and handed over	Percentage to the total requirement
SHCs	3225	0	3225	411	256	8
PHCs	113	64	177	86	86	49

Source: Compiled by Audit from the records of NRHM

As seen from the table above, Mission Director planned for construction of only 411 SHCs (12 *per cent*) out of 3225 SHCs functioning in the private building prior to mission period and constructed only 256 (eight *per cent*)

SHCs buildings during the Mission period. So far as PHCs are concerned, though 86 PHCs were constructed, no PHC from NRHM grant was planned and constructed.

In eight sampled districts, audit observed that out of 3055 SHCs/ PHCs, 1937 units (63 *per cent*) were having their own buildings and 1118 units were functioning in private/ other buildings as per details given in ***Appendix 2.1.4.***

Government while admitting (November 2013) the delay in completion of construction works attributed the reason to non-availability of separate civil works cell/ wing under NRHM. It was also stated that the Government had now decided to have separate wing in RD and PWD Divisions specifically to execute/ monitor the execution of construction works of Health Institutions under NRHM.

2.1.7.3 Funds allotted/ utilised for construction of Health institutions

Mission Director allotted ₹ 307.91 crore for 5028 works including 1489 new works[6] during 2007-13; of which 2491 works were completed, 1051 works after incurring of expenditure of ₹ 40.01 crore were lying incomplete and 1486 works were not started as of March 2013.

The physical and financial status of all projects/ works (including repair and renovation) in eight sampled districts during 2007-13 are given in Table below:

Table 2.12: Details of physical and financial status of projects/ works ***(₹in crore)***

Name of the district	Number of projects/ works sanctioned	Fund allotted (₹ in crore)	Expenditure incurred (₹ in crore)	No. of projects/ works completed	No. of projects/ Works remain incomplete	No. of projects/ works not started	Expenditure incurred on incomplete works (₹ in crore)
Bolangir	218	12.76	5.52	80	92	46	0.98
Cuttack	115	8.42	1.12	32	27	56	1.35
Jajpur	132	13.46	4.36	59	17	56	0.45
Kalahandi	248	27.96	11.14	142	45	61	2.42
Koraput	201	16.54	2.79	54	136	11	NA
Mayurbhanj	136	17.05	6.58	79	5	52	0.84
Nabarangpur	283	12.72	6.58	125	29	129	NA
Sundargarh	324	36.55	10.65	93	97	134	2.17
Total	**1657**	**145.46**	**48.74**	**664**	**448**	**545**	**8.21**

Source: Information as furnished by CDMOs

In eight sampled districts, against the allotment of ₹ 145.46 crore for construction of 1657 works during 2007-13, only 40 *per cent* (664) of works were completed with expenditure of ₹ 40.53 crore. Though 14 works were shown as completed, their assets were not put to use leading to unfruitful expenditure of ₹ 0.97 crore as detailed in table below.

[6] New construction of different items of new works in 1489 (SHC-411/ PHC-179/ CHC-899) health institutions (₹ 145.22 crore) during 2007-13; Completed 539 (SHC-256/ PHC-52/ CHC-231); Incomplete 950 buildings (SHC-155/ PHC-127/ CHC-668); Expenditure on incomplete works ₹ 10.70 crore.

Table 2.13: Details of works that remained unfruitful in eight test checked districts

Level of Units	*No of unit*	*Number of works*	*Expenditure incurred as on March 2013 (₹ in lakh)*	*Present status*
CHC	3	3	40.93	Incomplete and lying idle due to want of OT equipment/ want of PH and electrification
PHC	3	3	15.82	Incomplete due to want of PH and electrification
SHC	8	8	39.85	Remained incomplete/ incomplete due to want of PH and electrification.
Total	**14**	**14**	**96.60**	

Source: Information furnished by CDMOs

Non-functional CHC building at Boipariguda

Out of the remaining works, 448 works, despite expenditure of ₹ 8.21 crore, remained incomplete though sanctioned during 2008-13. Of these works, 23 *per cent* of works (94)[7] pertained to two to five years. Similarly, the balance 545 works had not yet started (March 2013) though 69 of such works[8] were sanctioned since 2007-08 onwards. The works remained incomplete or were not started due to delay in tender process, site selection and non-completion by contractors etc.

Scrutiny of records of CDMO, Koraput revealed that Mission Director, NRHM awarded eleven works estimated at ₹ 7.84 crore to Orissa Police Housing & Welfare Corporation (OPH&WC) between October 2008 and July 2011 with stipulation to complete the works within 12 months. Only five works were completed. Remaining six works[9] were still lying incomplete. The reasons for the delay in execution were site dispute, not handing over of the old building by the concerned MOs and non-clearance of trees from site by the OPH&WC.

Further, scrutiny of records revealed that new CHC building at Boipariguda in Koraput district was completed at a cost of ₹ 1.30 crore and handed over to Medical Officer on 2 March 2012. However, the CHC was not functioning in the newly constructed building from November 2012. The reason was its remote location (three kilometres away from the town). There was no approach road to the new building. New cots, beds and other accessories supplied to the new CHC were also lying idle in the old building.

[7] 2008-09: 12 works, 2009-10: 12, 2010-11: 35 and 2011-12:35.
[8] 2007-08: 3 works, 2008-09: 12, 2009-10: 23, 2010-11: 13 and 2011-12: 18
[9] (1) Renovation of OT/ OPD, Laxmipur; (2) OPD/ OT, CHC, Kotpad; (3) OPD/ OT, Boriguma; (4) OT/LR ,Dasmantapur; (5) Office store, conference hall at CHC Ravanguda; and (6) OPD, Pattangi.

Further, Joint Inspection (November 2012) revealed that two quarters constructed at a cost of ₹ 12.25 lakh within the new CHC building premises and handed over to Medical Officer in August and October 2012 were also lying vacant. Thus the infrastructure created at a cost of ₹ 1.42 crore was lying idle without any utility.

Regarding new building at CHC Boipariguda, the Government stated (December 2013) that the medical authorities of CHC, Boipariguda shifted to the new building and funds have been provisioned for construction of approach road, compound wall etc. The Government attributed (November 2013) the delay in completion of construction works to non-availability of separate civil works cell under NRHM. It was further stated that the Government had now decided to have a separate wing in RD and PWD Divisions specifically to execute/ monitor the construction works of Health Institutions under NRHM. However, assets even after completion were not put to use.

2.1.7.4 Laboratory facilities

As per Indian Public Health Standards (IPHS) guideline, every District Headquarters Hospitals (DHH) should have facilities for pathological tests, X-ray, Ultra Sonography (USG), Endoscopy and Electro Cardio Gram (ECG) and every CHC should have facilities for pathological tests, X-ray and Electro Cardio Gram (ECG).

Audit scrutiny regarding status of availability of these facilities in 24 CHCs and eight DHHs revealed the following.

Table 2.14: Status of availability of Laboratory facilities

Sl.No.	Facilities	District Headquarters Hospitals	Community Health centres
1	Pathological Tests	Available in all test checked District Headquarters Hospitals	Not available in 13 out of 24 test checked CHCs
2	X-ray	Available in all test checked District Headquarters Hospitals	Not available in all the 24 test checked CHCs
3	ECG	Available all DHH and are functional	Not available in all the 24 test checked CHCs
4	Ultra sonography	Available in all DHHs except two DHHs (namely Bolangir and Nabarangpur	Not required
5	Endoscopy	Available in three DHHs (Koraput, Kalahandi and Mayurbhanj) only. In Bolangir available but not functional. In Sundargarh, Cuttack, Nabarangpur and Jajpur not available.	Not required

Source: Information furnished by DHH and CHC

Non-availability of diagnostic services in CHCs were due to absence of Laboratory Technicians (LTs) and required infrastructure, in the test checked CHCs/ DHHs largely affecting quality and accessible health care services to rural poor. During interview of 240 OPD patients in 24 test checked CHCs, 12 OPD patients of five CHCs stated that they had to incur personal expenditure for pathological tests advised by the doctors of concerned CHCs.

The Government stated (November 2013) that for study of LTs, few seats are available in the institutions approved by concerned Regulatory bodies in the State and the Government is promoting private sector to set up such institutions and in next few years, this problem would be over. The fact, however, remained that rural people failed to get laboratory facilities even after implementation of NRHM.

2.1.7.5 Idle Equipment/ instruments

Para 4 of IS: 13808 (Part-4) for quality management for hospital services, read with para 9 under section 4 of IS: 12433 (Part-I) for basic requirements of hospital planning states that hospitals are to be equipped with various instruments and equipment governed by the actual local needs. IPH Standards provide for procurement of equipment to ensure assured service recommended for district hospitals.

Scrutiny of records of eight test checked districts revealed that in six DHHs and 18 CHCs, 71 equipment/ instruments worth of ₹ 2.20 crore were lying idle for five to 12 years as shown in Table 2.15 below.

Table 2.15: Statement of idle equipment/ instruments

Name of the District including selected CHCs	Number of equipment/ instruments remained idle	Type of equipment	Amount involved (₹ in lakh)
Jajpur	11	Biomedical waste Auto clave, Foetal Monitor, audiometer etc.	24.40
Koraput	32	Electrolyte Analyser, Blood cell counter etc.	126.08
Sundargarh	2	SNCU Equipment etc	27.52
Cuttack	8	Cystoscope etc.	18.95
Kalahandi	4	Radiant warmer, Digital EEG Machine etc	8.51
Mayurbhanja	14	Haemodialysis Machine	14.05
Total	**71**		**219.51**

Sources: Information as furnished by CDMOs

As ascertained, the equipment were lying idle due to non completion of building, non availability of technical manpower and non provision of funds for repair. It was noticed that SNCU equipment costing ₹ 20.66 lakh was lying idle at Sundargarh since March 2012 without installation. Due to non-availability of required technician and physical infrastructure the SNCU equipment/ instruments remained idle and adequate care to new born babies was not provided.

Government stated (November 2013) that all these equipment were purchased earlier under different schemes and World Bank assisted project prior to implementation of NRHM. Government has already decided and is in the process of setting up a Medical Corporation for purchase/ maintenance of medical equipment/ instruments which would address these issues.

2.1.7.6 Non functioning of Blood Storage Unit

As per IPHS guidelines, each referral unit should have a Blood Storage Unit (BSU). After CHC Papadahandi being declared as First Referral Unit (FRU) in May 2009, the CDMO, Nabarangpur allotted ₹ 25,000 in June 2010 for establishing a Blood Storage Unit in CHC, Papadahandi by repairing and furnishing the existing room with generator, air conditioner and pathology table.

Blood storage unit at CHC, Papadahandi

Audit noticed that the Medical Officer (MO) converted an existing room at a cost of ₹ 2.12 lakh by undertaking special repair (₹ 1.14 lakh) and procuring Air conditioner and invertors (₹ 0.98 lakh) out of RKS fund for functioning of Blood Storage Unit. However, after completion of the building in August 2011, the MO did not apply for Blood Storage Licence so far as required under Rule 122F of Drugs and Cosmetics Rules 1945 and said room was being utilised as dumping yard for instruments and equipment.

2.1.8 Capacity Building

Human Resources

As per para-21 of NRHM framework, the Mission aims at increasing the availability of manpower as per IPHS through provision of minimum of two Health Worker (Female) at each SHC and three staff nurse at every PHC to ensure availability of services round the clock. Outpatient Department (OPD) at PHC was to be strengthened through posting/ appointment of AYUSH doctors over and above the Medical Officers posted. At par with IPHS norms, 15 doctors and 15 staff nurses were to be posted in every CHC. The minimum requirement of availability of manpower at different level under IPHS is detailed below.

Table 2.16: Status of requirements of manpower at different level as per IPHS.

Level	Speci-alist/ Doctor	AYUSH Doctors	Pharm-acist	Staff Nurse	Laboratory Technician	Radiog-raphers	Lady Health Visitor	Health Worker (Female)	Health Worker (Male)
DHH[10]	31	1	5	45	6	2	-	-	-
CHC	14	1	3	15	3	2	-	-	-
PHC	2	1	2	5	2	-	1	-	-
SHC	-	-	-	-	-	-	-	2	1

Source: Indian Public Health Standards

Adequacy or otherwise of staff is discussed in the succeeding paragraphs.

[10] The requirement has been taken for minimum 100 bedded DHH.

2.1.8.1 Availability of doctors

As per IPHS guidelines, 10594 doctors are required for management of 32 DHHs, 377 CHCs and 1305 PHCs functioning across the State. Availability of doctors in the health institutions at various levels in the state is given in Table 2.17.

Table 2.17: Availability of doctors and specialists at different health institutions as of March 2013

Level	Requirement as per IPHS	Sanctioned Strength	Men in position	Vacancy as per SS (Percentage)	Shortage as per IPHS (Percentage)
DHH	1024	903	603	300(33)	421(41)
CHC	5655	1695	867	828(49)	4788(85)
PHC	3915	2479	1965	514(21)	1950(50)
Total	**10594**	**5077**	**3435**	**1642(32)**	**7159(68)**

Source: IPHS and RHS report 2013

As indicated above, vacancies of doctors as per sanctioned strength ranged between 21 to 49 *per cent* and it was much below IPH Standards. The peripheral units like PHCs and CHCs were mostly affected due to shortage of doctors ranging from 50 to 85 *per cent*.

Audit further noticed that despite large vacancies of doctors in the State, available doctors were not rationally deployed to provide health care services uniformly throughout the State. It was observed in test checked districts that due to absence of a rational transfer policy of health personnel, more vacancies in the cadre of doctors in CHCs and PHCs of far off districts from Capital i.e. Bhubaneswar were noticed as detailed in Table 2.18.

Table 2.18: Vacancies in the cadre of specialists/ doctors in CHCs and PHCs of far off districts

Name of the far off district selected	Number of vacancy (percentage) against sanctioned strength		Name of the nearest district selected	Number of vacancy (percentage) against sanctioned strength	
	Specialist (in CHCs)	Doctors (in PHCs/ CHCs)		Specialist (in CHCs)	Doctor (in PHCs/ CHCs)
Bolangir	16 (47)	34(81)	Cuttack	15(35)	8(14)
Kalahandi	34(71)	38(84)			
Koraput	32(100)	11(23)			
Nabarangpur	28(97)	13(33)			

Source: information furnished by CDMOs

The vacancies of specialists were more acute in CHCs and PHCs of far off districts like Koraput and Kalahandi than nearest district (Cuttack).

Confirming the facts, the Government stated (November 2013) that the State was facing acute shortage of doctors and attributed the reason to non-setting up of Medical Colleges during last 50 years. It was also stated that Government was trying to increase medical seats in existing colleges and setting up more medical colleges in the State.

Regarding rationalisation of posting of doctors, Government stated that a policy on posting of doctors in specific areas was under consideration.

2.1.8.2 Availability of Health Workers in Sub Health Centre

IPHS for SHCs envisage that a SHC is the most peripheral and first contact point between the primary health care system and the community. IPHS guidelines prescribe deployment of two Health Workers (Female) and one Health Worker (Male) in each SHC by 2010. As of March 2013, the State had 6688 SHCs which were running short of HWs against the above standards as detailed in table below.

Table 2.19: Status of requirement and availability of HWs in SHCs

Name of post	Requirement as per IPHS	Men in position	Shortage as per IPHS	Percentage
HW(F)	13376	6851	6525	49
HW(M)	6688	4063	2625	39
Total	**20064**	**10914**	**9150**	**46**

Sources: IPH Standards and information furnished by Mission Director, NRHM

Test check in the eight sample districts revealed that as against the requirement of 5270 HW(F)s and 2635 HW(M)s, only 2704 and 1069 were available and there was shortage of 2566 (49 *per cent*) HW(F)s and 1566 (59 *per cent*) HW(M) as of 31 March 2013. Audit observed that due to substantial shortage in the post of HWs, these SHCs were not equipped to provide service delivery as per IPHS norm to rural people. Health Workers stated that they were facing difficulties to attend to health care services properly due to assignment of more population areas ranging between 7,247 and 9,997 against the prescribed limit of 5,000. Thus, shortage of Health Workers affected quality health services delivered in the State.

Government stated (December 2013) that they had created posts of two Health Workers (F) and one Health Worker (M) per SHC and all CDMOs had been instructed (June 2013) to recruit and fill up the vacancies.

2.1.8.3 Availability of Doctors and Paramedical staff in PHC

IPHS for PHCs envisages that the PHC should have three doctors (two Allopathy and one AYUSH). Besides para-medical staff like Staff Nurse, Pharmacist, Laboratory Technician (LT), Lady Health Visitors (LHV) were also to be appointed. Details of requirement for 1305 PHCs for the State as well as sample districts *vis-à-vis* availability of these health providers are indicated in the Table below:

Table 2.20: Availability of personnel at PHCs in the State

Category of Staff	Posts required as per IPH standard		In-position		Shortfall against IPH Standard		*Percentage* of shortfall	
	State	Eight sampled districts	State	Eight Sampled districts	*State*	*Eight sampled districts*	*State*	*Eight sampled districts*
Allopathic doctors	2610	854	1027	287	1583	567	61	66
AYUSH doctors	1305	427	938	339	367	88	28	21
Staff Nurse	3915	1281	0	0	3915	1281	100	100
Pharmacist	2610	854	1076	356	1534	498	59	58
LT	2610	854	0	0	2610	854	100	100
LHV	1305	427	629	312	676	115	52	27

Source-IPHS norm, RHS data 2013 and information furnished by test checked CDMOs

It may be seen from the above table that there were shortages in all cadres in PHCs in the State. No staff nurse and LT were posted despite stipulation in IPHS to post five Staff Nurses and two LTs in each PHC.

Audit observed that 88345 patients of Khairamada, Badajambela, Gopinathpur and Atta PHCs (N) were given treatment in absence of allopathic doctors during 2007-12 by the pharmacists/ attendant. Thus in the absence of allopathic doctors, patients of rural areas were deprived of getting reliable and quality Allopathy health care services. In reply MO CHC, Maniabandha and Sukinda stated (March 2013 and November 2012 respectively) that in the absence of regular doctor the pharmacist treated the patients.

Government stated (December 2013) that allopathic doctors will be recruited through Adhoc/ Odisha Public Service Commission (OPSC) process, soon after the MBBS students pass out from Government and private medical colleges.

2.1.8.4 Availability of doctors and paramedical staff in CHC

CHCs were designed to provide referral health care for cases from the Primary Health Centres level and for cases in need of specialist care approaching the centre directly. As per IPHS norm 15 doctors of 11[11] categories and 15 staff nurses and two Radiographers were to be provided in each CHC. There were 377 CHCs in the State. As per Rural Health Survey (RHS) 2013, the sanctioned strength in some important category of staff *vis-à-vis* the shortages as of 31 March 2013 at CHCs were as given in Table below:

Table 2.21: Shortage of personnel at CHCs of the State

Category	Require-ment as per IPHS	Sanctioned strength	Men-in-position	Shortfall as per IPHS	Shortfall as per Sanctioned strength
Doctors	5655	1695	867	4788(85)	828(49)
Staff Nurses	5655	903	911	4744(84)	0
Radiographers	754	61	41	713(95)	20(33)

Source: IPHS norm and RHS data 2013 **Figures in the bracket denotes the percentage**

Audit observed that 4788 (85 *per cent*) doctors were required to be posted as per the IPHS norm. There was shortfall of 49 *per cent* in the post of doctors. In eight sampled districts, against sanctioned strength of 332 doctors, only 126 (38 *per cent*) were available. The shortfall of staff nurses, radiographers and Laboratory Technicians in those districts ranged from six to 100 *per cent* as detailed in ***Appendix 2.1.5.*** Even, posts for Eye surgeon, Anesthesia specialist and Public Health Programme Manager were not yet created for any CHC of the sampled districts.

Out of 24 sampled CHCs in eight districts, there was not a single specialist in 11 CHCs of Koraput and Nabarangpur districts. Only one specialist was available in seven CHCs, two specialists were available in four and three specialists were available in two CHCs as detailed in ***Appendix 2.1.6***. Scrutiny of records by audit revealed that there was 423 deliveries in the year 2010-11

[11] Medicine, Surgeon, Paediatrician, Gynaecologists, Eye Surgeon, Anaesthesia, Public Health Manager, Block Health Officer, Dental, MO and AYUSH.

at the Kanpur CHC due to presence of O&G specialist. But the same came down to 274 (64 *per cent)* and 120 (28 *per cent*) during 2011-12 and 2012-13 due to absence of the specialist.

Government stated (December 2013) that adequate specialists are not available to fill up all vacancies. Government has taken steps to increase the posts in different disciplines and after availability of qualified personnel, posts will be filled up. Government has sanctioned the posts of staff nurse in line of IPHS norm and the posts will be filled up over a period of four years i.e. by the end of year 2017.

2.1.8.5 District Headquarters Hospital

As per IPHS Guidelines, 17 categories of specialists were required to be posted in DHHs on the basis of bed strength of the hospitals. There were 30 DHHs (100 bedded: 27 and 200 bedded: 3) and similar other two special hospitals (100 bedded: one and 500 bedded: one) also existing at Bhubaneswar and Rourkela.

Scrutiny of records revealed that out of 1075 specialists essential for DHHs, the Government sanctioned 903 such posts of which only 603 specialists (56 *per cent*) existed as on March 2013. Similarly, in eight test checked DHHs, 232 posts of specialists were sanctioned against requirement of 261 specialists of 17 categories and only 179 were available. Shortfall of specialists stood at 31 *per cent* against the IPH Standards.

Further, audit observed that only five posts for psychiatrist, two for microbiologist were sanctioned and no forensic specialist was created for the 32 DHHs against the minimum requirement of one each such specialist for each DHH. No anesthesia specialists were appointed in four sample districts (Bolangir, Kalahandi, Nabarangpur and Sundargarh), against requirement of two such specialists for each DHH.

Government stated (September 2013) that steps were being taken to minimise the gap between demand and supply of such human resources by declaring entry level post of doctors as class one and raising the retirement age to 60 years. Besides, Government is also sincerely taking action against prolonged absentee doctors.

Training

Paragraph 23 and 24 of NRHM framework stipulates that the implementation teams particularly at District and State level would require development of specific skills. Further, the State level resources centre would also be identified to enable innovations and impart due new technical skills. Further, the investment required was to be identified to successfully carry out the training/ sensitisation programme.

2.1.8.6 Non achievement of target

The State utilised an amount of ₹38.39 crore[12] towards various training programme conducted during 2007-13.

Scrutiny of records by audit in SIHFW revealed that during 2007-13, the State

[12] Director, SIHFW: ₹ 3.24 crore + Districts: ₹ 35.15 crore

and district training institutes could organise merely 62 to 87 *per cent* of the targeted NRHM trainings to persons/ batch as detailed in the table below.

Table 2.22: Status of target and achievement of training during 2007-13 ***(figures in lakh)***

Year	Target	Achievement	Shortfall	Percentage of shortfall
2007-08	0.66	0.48	0.18	27
2008-09	1.35	0.93	0.42	31
2009-10	0.31	0.27	0.04	13
2010-11	1.11	0.69	0.42	38
2011-12	1.72	1.35	0.37	22
2012-13	1.12	0.76	0.36	32
Total	**6.27**	**4.48**	**1.79**	**29**

Source: Information furnished by SIHFW

It would be seen from the above table that against the target of imparting training to 6.27 lakh persons during 2007-13, only 4.48 lakh (71 *per cent*) persons were trained despite availability of requisite funds. Similarly, scrutiny of records of CDMOs of eight test checked districts revealed that against the target for imparting trainings to 0.50 lakh personnel, the achievement was 0.28 lakh (56 *per cent*) during 2007-12.

Thus, the objective of capacity building in increasing the skill and efficiency among health personnel under NRHM remained under achieved.

Government stated (December 2013) that non achievement of maximum physical coverage during the above years is due to inability to depute all the trainees, delay in approval of PIPs and cancellation of training programmes due to National disaster like cyclone, flood and sometimes due to epidemics.

2.1.8.7 Non utilisation of trained personnel

As per National Training Strategy 2008, follow up of trained persons to assess extent of utilisation of skill is essential after completion of training. Audit observed that follow up of trained persons to assess the extent of utilisation of their skill was inadequate in Jajpur and Cuttack districts. Out of 47 AYUSH doctors trained in Skilled Birth Attendance (SBA), services of 17 trained doctors could be utilised by posting them at different delivery points.

Further out of 11 MBBS doctors trained in Life Saving Anaesthesia Skill (LSAS), services of only two doctors were utilised. Reasons for non-utilisation of the remaining trained doctors were attributed to non-availability of blood storage units, instrument and equipment, lack of patients at their place of posting.

The Government stated (December 2013) that during 2013-14, strategy has been developed to utilise skills of remaining trained doctors through strengthening of delivery points (DPs) and functionalisation of DP. The Government further stated that they have passed order to all the CDMOs to rationalise the posting of SBA trained Staff Nurses (SNs) and ANMs based on the requirement of DPs.

2.1.9 Procurement of drugs and equipment

Government of Odisha framed Drug Management Policy in 2003 with the objective to procure quality drugs and medical consumables at the right time as per requirement and to supply all Government Health Institutions. Of the total budget available for purchase of drugs, 80 *per cent* of fund would be utilised for central purchase drugs/ equipment through State Drug Management Unit (SDMU) and remaining 20 *per cent* by indenting officers of the districts on purchase of drugs not supplied by SDMU.

Receipt, utilisation and balance of funds under NRHM for procurement of drugs/ medical consumables by SDMU from 2007-08 to 2012-13 are given in Table below.

Table 2.23: Receipt and utilisation of funds ***(₹in crore)***

Year	Opening balance	Receipt	Total fund available	Expen-diture	Surren-der	Balan-ce	Percentage of utilisation
2007-08	21.30	31.73	53.03	20.51	0	32.52	39
2008-09	32.52	3.82	36.34	21.10	0	15.24	58
2009-10	15.24	26.12	41.36	23.67	0.02	17.67	57
2010-11	17.67	1.48	19.15	4.65	14.41	0.09	24
2011-12	0.09	11.56	11.65	7.34	0.09	4.22	63
2012-13	4.22	41.94	46.16	16.71	5.42	24.03	36
TOTAL		**116.65**		**93.98**	**19.94**		

Sources: Information as furnished by SDMU, Odisha

As evident from above, utilisation of funds ranged between only 24 and 63 *per cent*. Irregularities noticed in procurement and management of drugs equipment are discussed as under.

2.1.9.1 Non-availability of essential drugs

NRHM Framework emphasises timely supply of drugs of good quality which is of critical importance in any health system. The Mission seeks to provide access to good hospital care through assured availability of doctors, drugs and quality services at all levels.

Audit observed that the hospitals were not provided with adequate number of essential drugs during Mission period. Government prepared the Essential Drug List (EDL) in 2002 containing 280 drugs and 10 consumables which were to be updated every two years keeping in view the prevalence of disease pattern in the State. EDL of 2002 was updated in 2009 only *i.e.,* after a lapse of seven years enhancing the items up to 310 (293 drugs and 17 consumables). Government approved a separate EDL for children in 2011 containing 165 drugs. SDMU was required to supply drugs listed in EDL well in advance after receipt of the requirements from 30 CDMOs for DHHs/ CHCs/ PHCs and three Medical Colleges of the State to ensure its availability at all levels.

Scrutiny of records by audit in eight test checked districts revealed that 72 to 245 drugs were available in District Headquarters Hospitals and 41 to 243 essential drugs were available in sampled CHCs and PHCs as given in table below.

Table 2.24: Status of availability of essential drugs.

Sl No.	Name of the District.	DHHs		CHCs and PHCs	
		Norms	Available of Essential Medicines.	Norms	Availablity of Essential Medicines.
1	Balangir	310	226 to 225	310	41 to 64
2	Cuttack	310	72 to 135	310	46 to 134
3	Jajpur	310	108	310	26 to 66
4	Kalahandi	310	118 to135	310	69 to108
5	Koraput	310	182	310	79 to 138
6	Mayurbhanj	310	110 to 243	310	45to 243
7	Nabarangpur	310	143 to186	310	72 to 109
8	Sundargarh	310	200 to245	310	30 to 116

Source: Records of DHHs, CHCs and PHCs

Though central procurements were made, only 26 to 245 variety of drugs were made available to DHH/ CHC/ PHC. Further, the drugs were also not uniformly supplied to the DHH/ CHC/ PHC. Though 245 variety/ types of drugs were supplied to certain DHH, the DHH like Jajpur received only 108 types of drugs. Due to non supply of essential drugs, quality treatment could not be ensured.

The Government stated (December 2013) that the Odisha State Medical Corporation has already been set up to look after procurement and distribution of drugs, consumables and equipment. There will be online/ web based inventory system up to CHC level for all drugs. The essential medicine list 2013-14 is being updated and revised, which will be DHH/ CHC/ PHC wise.

2.1.9.2 Receipt and administration of Not of Standard Quality (NSQ) medicines

As per NRHM Framework, State should build up capabilities to get into rate contract of drugs, its quality testing to supply drugs of good quality to the hospitals. Besides, as per IPH Standards, hospital should have standard operating procedure for stocking drugs, receiving, inspecting, checking quality of drugs, date of expiry etc.

Audit observed that drugs of Not of Standard Quality (NSQ) were procured by Government and administered to the patients defeating the objective of supply of quality drugs under Mission period. There is a Drug Management Policy 2003 which provides for replacement or refund of cost of Not of Standard Quality (NSQ) medicines by the supplier within a period of 30 days of receipt of intimation from the Deputy Director, SDMU on return of such medicines. The SDMU is to send the samples of drugs for quality testing within three days of receipt and the testing reports are to be received within 15 days for non-sterile and 21 days for sterile drugs. Testing reports are to be sent to the field levels to stop utilisation of NSQ drugs. Audit noticed that:

- SDMU procured 42 essential drugs at ₹ 93.78 lakh which were found NSQ during 2007-13. Further, audit observed (May 2013) that delay of testing reports in respect of six such drugs from Testing Laboratories ranged between 17 and 55 days and the SDMU intimated the fact of NSQ to the field institutions belatedly ranging between 17 and 48 days of receipt of the testing reports. By this time such NSQ drugs were already administered to the patients.

- Scrutiny of Stock register maintained by the sample CDMOs revealed that 24.57 lakh tablets, 0.27 lakh bottles of syrups/ vials of injections, 0.06 lakh bottles/ units of medical consumables and 1.09 lakh tubes of ointments received during 2007-13 valued at ₹ 11.28 lakh distributed to Bolangir, Cuttack, Jajpur, Mayurbhanj, Koraput and Sundargarh districts were declared as NSQ by Drug testing Laboratory of which NSQ medicines of ₹ 5.80 lakh were administered to the patients before/ after receipt of NSQ report and remaining medicines worth ₹ 5.48 lakh were lying in the State without being replaced by the supplier as indicated in ***Appendix 2.1.7.***
- The CDMO, Jajpur received (August 2011) NSQ reports from testing laboratory through SDMU, but did not intimate the fact to the CHCs and PHCs due to which 20 vials of NSQ injections and 181 bottles of NSQ surgical spirit were administered to patients between September 2011 to March 2012.
- The CDMO Cuttack intimated (February 2011) MOs of Maniabandh, Tangi and Kanpur CHCs for not using Inj. Dextrose Sodium Chloride (DNS) in which fungus was found but 480 bottles of such DNS despite intimation, continued to be administered to the patients upto February 2012.

This indicated that the Department was not serious about NSQ drugs even after receipt of reports. However, the Government stated (December 2013) that better coordination amongst CDMO, SDMU and Drugs Controller will be ensured, so that information relating to NSQ drugs is intimated to all health institutions.

2.1.9.3 Administration of time expired medicine

In order to ensure that expired/ time barred medicines are not administered to patients, MOs are required to conduct physical verification of stock of medicines and weed out time expired medicines.

Scrutiny of records revealed that 31 types of time expired medicines valuing ₹ 0.74 lakh were administered during 2007-13 to patients in four out of eight test checked districts. The details are given in the Table below:

Table 2.25: Status of administration of time expired drugs

Name of the District	Items of medicine (in nos)	Quantity administered			Month of expiry	Period of administration	Cost (in ₹)
		Tablets	inj vials/ bottles	Other			
Cuttack	8[13]	1400	173	1845	December-2008 to August-2011	March-2009 to January 2013	10855.00
Jajpur	7[14]	1424	733	10	July-2007 to December-2011	August-2007 to February-2012	7736.00

[13] Tab. Salbutamol Sulphate 4 mg, Inj. Adrenaline, Povidine Iodine Lotion, Povidine Iodine ointment, Sus. Amoxycillin powder.125 mg/5ml, Tinidazole 300 mg, Cream Clotrimazole 1% w/v, Cap. Amoxycillin, 250 mg.

[14] Povidine Iodine Lotion 5% W/V, Gention Violet, Inj. Metocloramide, Tab Metronidazole 400mg, Ointment Povidone Iodine, Tab. Misoprost(200mg), Inj. Pheniramine Meleate, Tab paracetamol Kid (Disp)

Name of the District	Items of medicine (in nos)	Quantity administered			Month of expiry	Period of administration	Cost (in ₹)
		Tablets	inj vials/ bottles	Other			
Mayurbhanj	11[15]	9975	262	196	August-2008 to November 2011	August-2008 to November 2012	29171.00
Sundargarh	5[16]	7000	90	100	September-2010 to December 2011	October-2010 to May-2012	26666.00
Total	**31**	**19799**	**1258**	**2151**			**74428.00**

Source: Stock and issue registers of CHCs

On being pointed out, concerned MOs stated that time expired medicines were used due to excess supply of drugs lying in stock, non-recording batch number, expiry date of medicines in Stock registers and receipt of short life span drugs.

Government stated (December 2013) that steps are being taken through online Drug Inventory Management System up to CHC level with FEFO (First Expiry First Out) method and alert system so that consumption of drugs can be monitored three months before expiry date and further stated that once Medical Corporation becomes fully operational, all the above deficiencies would be sorted out.

2.1.9.4 Procurement of medicine without requirement

Para 10.1 of Drug Management Policy 2003 of GoO provides that the procurement of drugs and medical consumables will be made by SDMU as per the requirement submitted by 30 districts and three medical colleges to SDMU. If requirement of any institution is not available then the previous years requirement will be taken into consideration.

Audit observed that 11.67 lakh units of Tab Misoprostol (200 mg) valuing ₹ 63.62 lakh were procured (May 2009) against the actual requirement of 9.07 lakh during 2009-10 for entire State. Of the purchase of 11.67 lakh, 9.28 lakh units of drugs (79.53 *per cent*) costing ₹ 50.60 lakh were issued (June 2009) to CDMO, Cuttack without any indent. The position of receipt, issue and balance of Tab Misoprostol during 2007-12 by CDMO, Cuttack is shown in Table below:

Table 2.26: Details of Misoprostol Tablets received by CDMO, Cuttack.

Year	Opening stock	Qty. received from SDMU(O)	Qty. returned back from peripheral institutions	Total	Qty. issued to the peripheral institutions	Balance
2007-08	Nil	10200	Nil	10200	10200	Nil
2008-09	Nil	51000	Nil	51000	37600	13400
2009-10	13400	956400	46000	1015800	1001800	14000
2010-11	14000	2300	62600	78900	78900	Nil

[15] Syp.promethazine, Tab.Enalapril, Tab.Cetrizin, Tab.Famotidine, Inj.Dipamine, Tab.Paracetamol kid, Syp.Dicyclomine, Inj.Adrenaline, Inj.PPF 4, Inj.Rabies Antiserum, Inj.Menadian Sodium

[16] Clotimazole cream, Inj.Dicylomine HCL,Tab.Metronidazole 400mg, Tab.Norfloxscin 400mg, Inj.Adranaline

Year	Opening stock	Qty. received from SDMU(O)	Qty. returned back from peripheral institutions	Total	Qty. issued to the peripheral institutions	Balance
2011-12	Nil	3500	Nil	3500	2000	1500

Sources: Information as furnished by CDMO, Cuttack

The CDMO issued (2009-10) Misoprostol tablets to peripheral institution without assessing their actual requirement and receiving indent from them. As a result MOs of Jorum CHC (14,000), Salepur CHC (34,000) and Berhampur CHC (28,000) returned tablets during 2009-10 and 2010-11 as they were unable to utilise the same.

Besides, audit found that 1.37 lakh tablets worth ₹ 7.45 lakh issued to the CHCs were misutilised/ expired due to not returning the same to CDMO as detailed in Table below:

Table 2.27: Details of mis-utilised/ expired drugs during 2008-10.

Name of the CHC	Year	Qty received from CDMO	Qty. Not utilised/ Misutilised	Cost (₹ 5.45 per tablet.) (₹ in lakh)	Remarks
CHC, Kanpur	2008-10	101400	48236	2.63	Misutilised by showing excess issue/ utilisation over recommended doses(3-4 tablets)
		0	6000	0.33	Expired in two SHCs
CHC, Tangi	2008-10	31000	7496	0.41	Misutilised by showing excess issue/ utilisation
CHC, Maniabandh	2008-10	76000	74800	4.08	Expired in the store and disposed of
Total		**208400**	**136532**	**7.45**	

Sources: Information as furnished by MO of CHCs

Thus, improper assessment of actual requirement of the said drug by CDMO and non-returning excess stock to SDMU resulted in mis-utilisation/ potency expiry of medicines worth ₹ 7.45 lakh.

Government stated (December 2013) that the CDMO, Cuttack submitted additional requirement of 50 lakh tablets. However, during verification of records it was seen that CDMO furnished nil requisition which was changed to 50 lakh at SDMU level without any recorded justification.

2.1.9.5 Distribution and administration of medicines without quality testing

MoHFW guidelines provide for inspection, sampling and quality testing of drugs at pre-dispatch stage at the manufactures premises as well as at consignee end. In order to ensure procurement of quality medicines, the Drug Management policy of the State Government further stipulated that samples of supplies in each batch would be chosen at the point of supply or distribution/ storage point for listing. Random sample of each batch would be sent for quality testing within three days of receipt of drugs and inspection and sampling be carried out by an independent authority.

Scrutiny of records, however, revealed that 19 essential drugs valued at ₹ 14.84 lakh procured under NRHM funds during 2008-09 were distributed to various rural medical institutions through CDMOs without any quality testing at consignee end. Similarly, essential drugs valued at ₹ 459.81 lakh procured through SDMU and locally under NRHM funds during 2007-08 to 2011-13 were distributed to various rural medical institutions in six sampled districts without any quality testing at consignee end which had been administered to rural patients.

Government stated (December 2013) that above deficiencies would be sorted out once the Medical Corporation fully becomes operational in the near future. The fact, however, remained that Government failed to ensure supply of quality medicine to patients.

2.1.9.6 Procurement of drugs/ medical consumables with less than 5/6th of shelf life

Drug Management Policy of the State Government envisages that Drugs and Medical consumables should arrive at the distribution point with remaining shelf life of at least 5/6th of the stipulated shelf life from the date of manufacturing of that product.

Audit, however, observed that during 2007-13 SDMU procured 14[17] items of drugs/ medical consumables worth ₹ 42.84 lakh with less than 5/6th of shelf life and 5 drugs worth ₹ 31.90 lakh having no date of manufacture on the body of invoice/ medicines but only expiry date was mentioned and remaining shelf of life of these drugs could not be ascertained.

Similarly, 104 items of drugs/ medical consumables worth ₹ 45.17 lakh were procured/ received from government during 2007-13 by District Health Society with less than 5/6th of shelf life, the details are given in Table below:

Table 2.28: Details of procurement/ receipt of medicine with less than 5/6th of shelf life

Sl. No.	Name of the district.	Items of Drugs.	Value of the medicine procured/ received (₹ in lakh)
1	Balangir	16	1.72
2	Kalahandi	33	6.75
3	Mayurbhanj	18	18.52
4	Sundargarh	37	18.18
	Total	**104**	**45.17**

Sources: Information as furnished by CDMOs

Besides, 20 types of medicines valuing ₹ 9.82 lakh procured by CDMO Cuttack and 14 types of medicines worth ₹ 2.20 lakh procured by CDMO Jajpur were having no manufacturing date. Out of these, 24 medicines (CDMO Cuttack: 16 and CDMO Jajpur: eight) without expiry date and five medicines procured by CDMO Jajpur without batch number were also found.

[17] Metronidazole (batch no. 2MT/0111,314), Methylergometrine, Silver suphadiazine, Gentamycine, Tetracyclline (batch no. 5TC25007, 6TC25007, 8047), Metronidazole (batch no. 02027B), Syringe (batch no. RP593, RP603), Cotton bandage (batch no. 09 333j21) and paracetamol

Government stated (December 2013) that above deficiencies would be sorted out once the Medical Corporation fully becomes operational in the near future.

2.1.10 Monitoring

NRHM envisaged an intensive accountability framework through a three pronged mechanism like community based monitoring, external evaluations and internal monitoring. The deficiencies noticed in monitoring are discussed below.

2.1.10.1 Monitoring by State and District Health Missions

As per MoU (February 2006), State Health Mission (SHM) at State level and District Health Mission (DHM) in each district shall conduct at least one meeting in every six months interval to review progress in implementation of NRHM, issues related to inter-sectoral co-ordination and advisory measures required to promote NRHM. Audit, however, noticed that:

- the SHM met only seven times as against requirement of 16 times since its constitution (June 2005). Though in the meetings, issues relating to improvement of health care and policy matters such as development of suitable transfer policy of doctors, improvement of infrastructures in health institutions, online monitoring of inventory of medicines in field, achievement of major goals of NRHM etc., were discussed the follow up action taken on the issues were not discussed and reviewed.

  Government stated (December 2013) that besides seven meetings of SHM since its inception, there were series of inter sectoral meetings also at the highest level of Government from time to time on different issues.

- Though DHM was constituted in Cuttack in November 2005, yet, only two meetings were held (November 2005 and December 2007) and thereafter no meetings were held as of March 2013. In remaining seven sample districts, DHMs were constituted during 2012-13 and remained almost non-functional due to conduct of only one meeting in five districts and no meeting in two districts (Bolangir and Sundargarh) during 2012-13.

  In reply, Government stated (December 2013) that meetings of DHMs were not being organised regularly as members of both ZSS and DHM are common and there was no adverse impact on Mission activities at the district level.

  However, the role of DHM was distinct and guidance for successful planning and implementation of activities under NRHM was deficient due to its delayed constitution and non-holding of regular meetings.

2.1.10.2 Monitoring and Supervision by composite monitoring team

As per instruction of Mission Director (January 2012) to strengthen monitoring and supervision of the field level activities of Health and Family Welfare Department, five teams were constituted to look into programmatic activity, financial expenditure & propriety, consistency of reporting along with validation, progress and problems of the construction activities at field level.

A composite field monitoring team with officials and consultants from all disciplines (Programme Management, Finance and MIS) was formed to carry-out concurrent monitoring of health activities at all levels through weekly visits.

Scrutiny of records by audit revealed that composite monitoring team visited (February 2012- February 2013) health care units of 25 out of thirty districts and issued observations pointing out various gaps in programme implementation, financial management, infrastructure etc. Compliance note furnished by CDMOs (Balasore, Nuapada, Cuttack and Malkanagiri) were not specific in some cases. In many cases, district authorities replied that instruction issued/ letters were written for addressing gaps but failed to furnish any supporting evidence. Mission Director, NRHM did not further pursue the matter for follow up action.

Due to lack of proper follow up action on supervision notes, rectification of deficiencies observed by the composite committee remained unascertained.

The Government stated (December 2013) that major gaps are rectified before next visit but some gaps still remain which is followed up in next visit for addressing them at the earliest. Recently, a Monitoring Coordination Team has been formed consisting of senior officials and consultants from SPMU.

2.1.10.3 Community Based Monitoring

As per Memorandum of Association (MoA) of RKS, Rogi Kalyan Samiti (RKS)/ Hospital Management Committee was to be constituted consisting of members from the local Panchayati Raj Institutions (PRI), NGO's, local elected representatives and officials from Government sector for facilitating proper functioning and management of DHHs/ CHCs/ PHCs. As per para 6 and 10 *ibid* the Governing Body (GB) meetings of RKS shall be held at least once in every quarter and Executive Committee meeting should be held once in every month. As per para 12 *ibid*, a monitoring committee would be constituted by the GB to visit hospital wards and collect patient feedback.

Audit noticed that at all levels, Health planning and monitoring committee was not formed and quality and effectiveness of health care delivery system could not be reviewed and monitored as required under NRHM. Scrutiny of records of sample eight DHHs/ 24 CHCs/ 47 PHCs revealed that meetings of RKS were not conducted regularly. Besides, RKS of test checked DHHs/ CHCs/ PHCs did not constitute any monitoring committee to review the performance of IPD and OPD except at DHH Cuttack, where the committee reviewed the issues of patient welfare and hospital management only on two occasions and thereafter became non-functional.

Thus, due to non-conduct of regular meetings of RKS and non constitution of its monitoring committee, participation of society in running hospital and ensuring accountability of public health providers to the community remained under achieved.

While CDMO (Jajpur) stated (December 2013) that meetings could not be held due to shortage of time and manpower, three CDMOs (Koraput,

Cuttack and Mayurbhanj) stated they would hold regular meetings in future and remaining CDMOs did not give specific replies.

2.1.10.4 Public Hearing & Public Dialogue

As per para 128 of NRHM framework, most of public participation in the monitoring process would be mediated by representative of the community or community-linked organisations. However, to enable interested community members to be directly involved in exchange of information, and to improve transparency and accountability of health care system "Public dialogue" (Jan Sambad) or "Public hearing" (Jan Sunwai) need to be organised at regular intervals at block and district level.

Audit observed that public hearing and dialogue were not organised at any level of the eight sampled districts as of March 2013. Besides, no provisions were made for organising the same in the state PIP. Thus, communities were deprived of direct involvement in eliciting information on health care system and failed to ensure accountability of the health providers.

Government stated (December 2013) that during 2012-13 this programme was implemented in five districts. It was decided that the programme would be facilitated by NGO partners at block and district level for which the process of NGO partner selection is going on.

2.1.10.5 Vigilance Mechanism

As per the proposal of MoH&FW, GoI, Managing Director, NRHM, GoO directed (December 2010) CDMOs of districts to constitute the District level Vigilance and Monitoring Committee (DLVMC). The Committee was to review the progress of implementation of District Health Action Plan (DHAP), release of funds and its utilisation, to undertake regular monitoring visits to field and assess their performance, to recommend corrective measures to ensure that the programme objectives are fulfilled.

Scrutiny of records by audit revealed that DLVMC was constituted in all sampled districts (March 2012 to November 2012) and only one to three meeting of each monitoring committee were held up to August 2013 against four meetings due in a year. Proposal for creation of SHCs in each Panchayat, review of RKS activities, review of civil construction works etc. were taken up in these meetings. However, due to non conduct of regular meeting and undertaking any visit to field for monitoring programme implementation, the objective of vigilance mechanism remained under achieved.

2.1.11 Conclusion

- Planning was deficient due to non preparation of perspective plans and annual action plans at the State, District and Block level. District Health Action Plan was prepared for only four out of 30 districts.
- Gaon Kalyan Samiti (GKS) meant to work as community level platform to facilitate public health activities were belatedly formed and still 63 GKSs remained to be formed in targeted villages. Also delay in formation of GKS led to short receipt of GoI assistance of ₹ 18.52 crore.

- There were delays in release of GoI instalments upto 157 days due to delay in submission of Project Implementation Plan (PIP) by State.
- Spending efficiency at State Level ranged between 36 and 66 *per cent* of funds available during 2007-13. State healthcare spending remained below three *per cent* of total budget against prescribed eight percent due to less allocation by the State.
- Though maternal mortality rate was reduced from 303 in 2007-08 to 237 in 2011-12, yet the same was above the national average. Similarly, infant mortality rate was reduced from 71 to 57 against the national average of 55 to 44 during 2007-12. Despite increasing trend of institutional deliveries in the State, position was not satisfactory in Koraput, Nabarangpur and Kalahandi districts where it remained between 13 to 64 *per cent*.
- Delivery of Health care was affected due to absence of required health institutions in the State as per Indian Public Health Standards (IPHS) norms. There were shortages of 3284 SHCs (33 *per cent*) and 370 PHCs (23 *per cent*). Despite stipulation in IPHS to have their own buildings, 91 PHCs and 2969 SHCs were functioning in private buildings in the State.
- Due to lack of adequate monitoring, progress on infrastructure was not satisfactory as only 2491 (50 *per cent*) works were completed out of 5028 works sanctioned during 2007-13. Of the above, 1051(21 *per cent*) works were lying incomplete after incurring expenditure of ₹ 40.01 crore and the balance 1486 (29 *per cent*) works were not yet started.
- Facilities for pathological tests were not available in 13 (54 *per cent*) test checked CHCs whereas X-ray and Electro Cardiogram (ECG) were not available in all the 24 test checked CHCs.
- Against IPHS norms for posting of 10,594 doctors in the State, 5077 doctors were sanctioned and 3435 (32 *per cent*) were in position as of March 2013. Though 1075 specialist under 17 categories were essential for DHHs, only 603 specialists were available.
- Similarly, as against requirement of 20,064 health workers for SHCs in the State, 10914 (54 *per cent*) were in position. No staff nurse and lab technicians (LTs) were posted despite stipulation in IPHS to post five Staff Nurses and two LTs in each PHC. Besides, 59 *per cent* (1534) of pharmacists were found short in PHCs.
- Training programme for skill development fell short of the target by 29 *per cent* during 2007-13. Services of trained doctors were not utilised as 17 trained doctors in Skilled Birth Attendance (SBA) and 11 in Life Saving Anesthesia Skill (LSAS) were not deployed for respective service.

- All types of essential drugs were not available in sampled DHHs, CHCs and PHCs. Drugs of Not of Standard Quality (NSQ) of ₹ 5.80 lakh and Life expired drugs of ₹ 0.74 lakh were administered to patients.
- Monitoring was weak, inadequate holding of meetings by State and District Health Missions, non formation of Health Planning and Monitoring Committee were noticed.
- Thus, the objectives of the mission to provide accessible, affordable, reliable and quality health care to the rural population sought to be achieved through NRHM remained largely unfulfilled.

2.1.12 Recommendations

Government may:

- undertake a comprehensive baseline survey to assess health services needs, plan effectively for creation of requisite physical and human infrastructure to meet the gap in health services within a reasonable timeframe by involving local community;
- enhance health budget and ensure timely utilisation of fund;
- ensure timely completion of all health centre buildings;
- ensure proper staffing in adherence to IPHS norms;
- streamline procurement and administration of drugs to obviate administration of sub-standard/ life expired drugs and to ensure availability of all essential drugs in PHCs/ CHCs; and
- ensure that SHM Governing Body and Executive Committee of SHS regularly meet and undertake focused monitoring.

Chapter 3

Compliance Audit

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CHAPTER 3
Compliance audit

RURAL DEVELOPMENT DEPARTMENT

3.1 Implementation of Total Sanitation Campaign (TSC) in Odisha

3.1.1 Introduction

Total Sanitation Campaign (TSC), a flagship programme of Government of India (GoI), was launched in 1999-2000 in the country with the objective to accelerate sanitation coverage in rural areas for access to toilets to all by 2012.

Activities for implementation of TSC, *inter alia*, include preliminary survey to assess status of sanitation and hygiene practices, peoples' attitude for improved sanitation and motivation through IEC to create demand for sanitary facilities in rural areas for households, schools, anganawadi centres (AWC) and community sanitary complexes.

This programme was implemented in three districts[1] of the State by the Rural Development (RD) Department in 2000-01 which was subsequently extended to all 30 districts in a phased manner through constitution of Odisha State Water and Sanitation Mission (OSWSM) as nodal agency. Government of Odisha formulated (February 2008) Operational guidelines in line with TSC guidelines issued by GoI for effective implementation of the programme.

3.1.1.1 Organisational set up

OSWSM, headed by Chief Secretary as Chairman and the Principal Secretary of the RD Department as its Member Secretary at the State level, was formed (August 2002) to oversee the implementation of TSC in the State. Routine activities are looked after by the Chief Engineer (III), Rural Water Supply and Sanitation (RWS&S) as the Additional Member Secretary of OSWSM.

To oversee and co-ordinate implementation of TSC at the district level, the District Water and Sanitation Mission (DWSM) formed for each district is headed by the President, Zilla Parishad as the Chairperson, the Collector & Chief Executive Officer, Zilla Parishad as Co-Chairperson and the Executive Engineer, RWS&S as the Member Secretary.

At Block level, Block Development Officer (BDO) is to co-ordinate implementation of TSC as CEO of Block Health Water and Sanitation Committee (BHWSC) and at the Gram Panchayat (GP)/ village level, TSC is being implemented under the leadership of Sarpanch with necessary support from Non-Government Organisations (NGOs)/ Community Based Organisations (CBOs)/ Self Help Groups (SHGs) and other stakeholders.

[1] Balasore, Ganjam and Sundargarh

3.1.1.2 Scope and methodology of Audit

Audit was conducted to assess whether the institutional arrangements and capacity building activities, implementation of TSC, fund management and monitoring mechanism were adequate and effective. Audit was conducted during November 2012 to May 2013 covering the period 2009-12. Entry Conference was held with the Joint Secretary, RD Department on 07 March 2013 in which audit objectives, criteria, scope and methodology were discussed. Audit findings were also discussed with the Additional Secretary, RD Department in an Exit Conference held on 18 December 2013. Seven[2] out of 30 DWSMs were selected for Audit by stratified random sampling method. Records of the Chief Engineer (RWS&S), OSWSM and RD Department were also test checked in Audit. Inspections of sites and beneficiary interviews were conducted in the presence of representatives of audited entities.

Audit Findings

3.1.2 Institutional arrangement and capacity building

3.1.2.1 Block Resources Centres

For successful implementation of TSC and National Rural Drinking Water Programme (NRDWP), GoI issued (August 2010) guidelines for setting up of Block Resource Centre (BRC) before 31 March 2011. As per guidelines the BRCs were required to have one Block Coordinator (BC) and one Cluster Coordinator (CC) to provide guidance, support and capacity building to Village Water and Sanitation Committee (VWSC) with a view to monitor the implementation of Rural Drinking Water Supply and Sanitation Programme.

Audit noticed that as of September 2013, RD Department set up only 58 (18 *per cent*) BRCs against requirement of 314 BRCs in the State. Further, six districts[3] had no BRCs as of September 2013. Due to non setting up of BRCs, there was no scope for continuous awareness generation and motivation in GPs and villages for effective implementation of TSC programme.

Department stated (January 2014) that initiatives had been taken for setting up of BRCs in all the blocks.

3.1.2.2 Ineffective functioning of Water Supply and Sanitation Support Organisation for capacity building

A Communication and Capacity Development Unit (CCDU) was set up (December 2005) under OSWSM to promote development of State specific IEC strategy, facilitate implementation of IEC plan at State and district level and provide capacity development of functionaries and stakeholders at all levels. In

[2] Balasore, Bargarh, Kalahandi, Kendrapara, Khordha, Phulbani and Rayagada.

[3] Gajapati, Jharsguda, Khordha, Nayagada, Puri and Rayagada.

March 2010, Water Supply and Sanitation Support Organisation (WSSO) was set up under OSWSM to deal with IEC activities under CCDU, human resources development issues etc. for implementation of NRDWP and TSC. Projects undertaken by WSSO were to be approved by State Level Scheme Sanctioning Committee (SLSSC) headed by Principal Secretary to GoO, RD Department.

Audit noticed that CCDU or WSSO did not undertake adequate number of IEC activities for successful implementation of TSC during 2009-12. As regards HRD activities, against 1427 programmes approved by SLSSC during 2009-12, WSSO organised only 331 (23 *per cent*) programmes including 91 training programmes for self employed mechanics and 223 for Sanjog partners[4] (five stakeholder Departments). Inadequate activities for development of capacity building led WSSO to utilise ₹ 13.94 crore (44 *per cent*) only against ₹ 31.47 crore available for IEC and HRD activities during 2009-12.

Department stated (January 2014) that WSSO was in nascent stage of formation and the institution was in preparatory phase for developing training infrastructure at the district and sub-district level, creating resource persons etc which would enable smooth training of identified resource persons.

3.1.3 Implementation of TSC Project

Strategy for project implementation envisaged a 'community-led, people centred and demand-driven approach' with emphasis on awareness creation and demand generation for sanitation facilities in houses, schools and for clean environment. The strategy addresses all sections of rural population to bring about behavioral changes for improved sanitation and hygienic practices. Audit noticed that objectives of TSC were not fully achieved, though the project period was over by March 2012 due to low and irregular utilisation of fund, failure in implementation of IEC programmes, non use of toilets etc as discussed under:

Fund Management

3.1.3.1 Low utilisation of TSC fund

TSC was implemented with fund sharing ratio of 80:20 for IEC, 70:30 for institutional toilets between GoI and State Government respectively and 60:20:20 among the GoI, GoO and the beneficiaries respectively for IHHLs, community sanitary complexes and Solid and Liquid Waste Management (SLWSM). GoI assistance was to be released to the implementing agency in four installments[5] and the State share within a fortnight of release of the GoI share.

Audit noticed that against approved project cost of ₹ 1423.51 crore (excluding

[4] Five stakeholder Departments: Health & Family Welfare, Panchayati Raj, Rural Development, School & Mass Education and Women & Child Development

[5] 30 *per cent* immediately after project approval by the NSSC and the 2nd and 3rd installments (30 *per cent* each) to the district implementing agency through the administrative department and the last installment (10 *per cent*) after incurring 80 *per cent* expenditure of available fund.

beneficiary contribution: ₹ 138.54 crore), OSWSM received only 48 *per cent* (₹ 689.46 crore[6]) from GoI and State Government towards respective share since inception (2000-01) till November 2012 for implementation of TSC. However, during 2009-12, ₹ 321.45 crore was received as share of GoI (₹ 230.41 crore) and State Government (₹ 91.04 crore) as detailed in table below:

Table 3.1: showing funds released by GoI and GoO and expenditure thereof *(₹ in crore)*

Year	Opening balance		Funds released		Interest		Total funds available	Expe-nditure incurred	Unspent balance	Percentage of expenditure
	GoI share	GoO share	GoI share	GoO share	GoI share	GoO share				
2009-10	121.91	24.68	50.32	51.48	2.96	0.90	252.25	64.80	187.45	25.68
2010-11	130.16	57.28	68.37	20.00	3.83	1.30	280.94	63.93	217.01	22.76
2011-12	159.26	57.75	111.72	19.56	6.05	1.69	356.03	55.90	300.13	15.70
Total	121.91	24.68	**230.41**	**91.04**	**12.84**	**3.89**	**484.77**	**184.63**	**300.13**	**38**

Source: Compiled from information furnished by OSWSM

Out of the available fund of ₹ 484.77 crore[7] during 2009-12, as seen from above, State had made an expenditure of ₹ 184.63 crore leaving 62 *per cent* of the total available fund unutilised.

Out of the total projects outlay (₹ 1562.05 crore), 15 *per cent* (₹ 234.31 crore) was to be utilised for IEC activities in the State. But, scrutiny revealed that due to non release of entire project cost, OSWSM received ₹ 148.41 crore towards IEC activities and could utilise only ₹ 21.48 crore (14.47 *per cent*) by March 2012. In test checked districts, DWSMs spent ₹ 2.34 crore (12 *per cent*) only out of the available fund of ₹ 18.73 crore. Poor utilisation of fund was mainly due to inadequate IEC activities, weak and ineffective delivery system etc resulting in tardy implementation of TSC.

Department stated (January 2014) that TSC is a demand driven programme and needs continuous drive, monitoring for beneficiaries to adapt to safe sanitation practice. IEC has been intensified across the State by involvement of allied Sanjog partners.

3.1.3.2 Inadmissible expenditure of ₹10.80 lakh under TSC

TSC Guidelines of GoI prescribed construction of toilets for individual Below Poverty Line (BPL) households, institutions like schools and anganwadi centres. Audit noticed that the DWSM, Balasore in violation to above guidelines made an expenditure of ₹ 10.80[8] lakh from IEC fund by constructing 36 toilets in GP

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6 (₹ 689.46 crore = GoI Share (60 *per cent*: ₹ 516.77 crore) plus State Government Share (20 *per cent*: ₹ 172.69 crore)

7 Opening balance: ₹ 146.59 crore (Central: ₹ 121.91crore and State: ₹ 24.68 crore), Central Share: ₹ 230.41 crore, State share: ₹ 91.04 crore and interest ₹ 16.73 crore (Central: ₹ 12.84 crore, State: ₹ 3.89 crore)

8 ₹ 7.20 lakh (cost of 36 toilets in GP) and ₹ 3.60 lakh (cost of two sanitary complexes in police stations)

offices and two sanitary complexes in police stations (Kamarda and Khaira) during 2009-12.

Department stated (January 2014) that sanitation demonstration unit had been constructed in various public places where large number of rural people visit and may use these facilities which would ensure maintaining sanitation of the office as well as convincing the people about benefits of adopting sanitation infrastructure. However, as per guidelines, people are to be made aware of sanitation and hygienic practices under the GPs through IEC activities and not by constructing demo toilets.

3.1.3.3 Irregular purchase of material of ₹ 43.80 lakh

TSC guidelines stipulate construction of toilets by beneficiaries themselves with technical assistance by procuring required hardware materials according to their need, choice and affordability. Financial incentive was to be given after the latrine was constructed and put to use by the beneficiary. But, in Kalahandi district, the DWSM in lieu of providing financial incentive, procured hardware materials worth ₹ 43.80 lakh during 2009-11 for construction of toilets. Further, materials worth ₹ six lakh were lying idle without being utilised as of May 2013. With transformation of TSC to Nirmal Bharat Abhiyan (NBA) from April 2012, the responsibility for construction of toilets rested with the Blocks and the scope of utilisation of the above material remained remote after lapse of two years of procurement.

Department stated (January 2014) that procured materials would be handed over to BDO office to be delivered to households as per requirement.

3.1.3.4 Rural Sanitary Marts (RSMs) and Production Centres (PCs)

As per TSC guidelines, DWSMs could provide a revolving fund of ₹ 3.5 lakh for opening a Rural Sanitary Mart (RSM) or Production Centre (PC) outlet by NGOs/ SHGs/ women organisations/ GPs etc. The aim of having a RSM was to provide materials, services and guidance needed for constructing different types of latrines and other sanitary facilities which were technologically and financially suitable to the area and the PC was to improve production of cost effective sanitary materials. The revolving fund so paid to the NGOs/ SHGs/ GPs etc, should be refunded to DWSMs after the RSM/ PC attained a level of sustainability. DWSMs should evolve a system of joint monitoring to ensure that the RSMs/ PCs were on track with the production plan and production targets to local requirements. Scrutiny of DWSM records revealed the following:

- DWSM, Kalahandi advanced ₹ 25 lakh as revolving fund to 50 NGOs between August 2005 and February 2006 for setting up of 50 RSMs/ PCs in the district. Out of the above amount, only ₹ 3.44 lakh was recovered from NGOs leaving the balance amount of ₹ 21.56 lakh unrecovered (May 2012) even after seven years of payment. Presently the NGOs were defunct or non-operational.

- DWSM, Kandhamal paid ₹ 11 lakh from the revolving fund to 13 NGOs and SHGs between December 2005 and May 2007 for setting up RSM/ PCs. Though more than six years had already elapsed, ₹ 3.19 lakh only was recovered leaving ₹ 7.81 lakh outstanding (June 2013).
- DWSM, Rayagada paid ₹ 3.55 lakh between March 2004 and August 2006 to six NGOs/ SHGs/ Cooperative societies. Out of the above advance, ₹ 2.45 lakh only was recovered leaving a balance amount of ₹ 1.10 lakh outstanding (May 2013).

Due to lack of adequate monitoring and IEC activities, TSC fund was outstanding.

Department stated (January 2014) that funds would be recouped from the agencies and DWSMs had been instructed to initiate legal suits against defaulting agencies.

3.1.3.5 Non-adjustment of advances

As per Rule 267 of OGFR read with Finance Department Circular (October 2004), advance given to an employee or organisation is required to be adjusted within three months from the date of advance taken, failing which advance should be recovered with interest from the concerned employee/ organisation.

Audit noticed from Chartered Accountant's reports for 2009-12 that DWSMs of test checked districts paid (April 2005-March 2012) advances amounting to ₹ 13.18 crore to different officials and organisations which remained unadjusted as of November 2012. DWSMs did not maintain any register/ ledger to watch payment, utilisation and their adjustment. In the absence of such details, the age-wise advances outstanding were not ascertainable and non-recovery of old advances could not be ruled out.

Department stated (January 2014) that timeline was issued to recover the advances from the person/ institution concerned within three months failing which legal action would be initiated to recover the amount.

3.1.3.6 Non utilisation of fund for Nirmal Gram Puraskar

GoI introduced (October 2003) the award of Nirmal Gram Puraskar (NGP) to GPs who have contributed significantly towards ensuring full sanitation coverage in their areas of operation. The award was to be given by the OSWSM in two installments, the first immediately after selection of GPs and the second after six months on ensuring continuance of Open Defecation Free (ODF) status.

CE OSWSM, Bhubaneswar received ₹ 7.84 crore from GoI for disbursement to 243 GPs selected under NGP during 2008-11. Of the above, ₹ 4.40 crore was released towards first installment to 213 GPs and second installment to only 32 GPs as award under NGP during 2008-11 resulting in retention of balance ₹ 3.44 crore without disbursement. This indicated that 30 GPs due to get first installment

were not paid as of September 2013. Further, in respect of 211 GPs though due for second installment were not inspected for ensuring compliance relating to continuance of ODF status.

Department stated (January 2014) that steps had been initiated to ensure certificates and activity reports from DWSMs and early release of second installment to remaining GPs.

3.1.3.7 Extra financial liability for non completion of TSC project

As per operational guidelines, TSC project period was to be completed by March 2012. Out of 6234 GPs in 314 blocks, 100 *per cent* sanitation coverage under TSC was achieved in 324 GPs by the time the GP intervention plan was adopted (February 2008) to cover balance 5910 GPs by March 2012. The plan was to cover at least five GPs per block during 2008-09, seven GPs in 2009-10, nine in 2010-11 and remaining GPs during 2011-12 so that all the households were covered by March 2012 including all BPL households to whom financial incentive of ₹ 3200 was payable for construction of each latrine.

Scrutiny of records revealed that out of 71.52 lakh toilets approved by GoI during 2001-12 for the project, 44.85 lakh toilets were approved for BPL households. Of these, OSWSM could cover 26.89 lakh toilets as of March 2012 leading to non coverage of 17.96 lakh BPL households which ultimately spilled over to another sanitation programme (Nirmal Bharat Abhiyan) launched from April 2012. But, the financial incentive under Nirmal Bharat Abhiyan (NBA) was enhanced from ₹ 3200 to ₹ 4600 for each toilet. Due to failure in achieving GP intervention plan within the stipulated time line, the Government had to bear an extra financial burden of ₹ 1400 for each toilet to meet the enhanced incentive for BPL households. Reason for failure to achieve the intervention plan was due to inadequate institutional arrangements and IEC activities.

Department stated (January 2014) that TSC programme primarily aims at complete behaviour change in the age-old sanitation risk practices as well as making sustainable access to sanitation. TSC hardware construction would only be undertaken if the household is ready to adapt to new behaviour. However, Department failed to utilise 85 *per cent* of the available fund under IEC activities to create awareness among the rural people for using toilets instead of open defecation.

Programme Implementation

3.1.3.8 Shortfall in achievement of target

One of the main objectives of TSC was to accelerate sanitation coverage in rural areas for access to toilets to all by March 2012. Similarly, in rural areas schools were to be covered by March 2008 and anganawadis by March 2009 with sanitation facilities. It was, however, observed that the OSWSM developed a GP-

wise focused intervention plan (February 2008) to achieve 100 *per cent* sanitation coverage under TSC by March 2012.

Audit further noticed (November 2012) that though GoI fixed a target for construction of 71.52 lakh toilets in the State during project period 2001-12, OSWSM could achieve 55 *per cent* (39.25 lakh) cumulatively as of March 2012. Year wise achievements against targets during 2009-12 were 31 *per cent*, 39 *per cent* and 34 *per cent* as given in the table below:

Table 3.2: Target and achievement of construction of toilets 2009-12 ***(figures in lakh)***

Component	2009-10		2010-11		2011-12		Total		
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Percentage
IHHL– APL	6.60	2.14	10.31	4.79	4.63	1.37	21.54	8.30	39
IHHL– BPL	9.17	2.62	12.18	4.08	6.02	2.22	27.37	8.92	33
School toilet	0.21	0.14	0.06	0.04	0.03	0.02	0.30	0.20	67
AWC toilet	0.11	0.05	0.06	0.02	0.06	0.03	0.23	0.10	43
Total	16.09	4.95 (*31 %*)	22.61	8.93 (*39%*)	10.74	3.64 (*34%*)	49.44	17.52 (*35%*)	

Source: Compiled by Audit from information collected from OSWSM/ DWSMs

It was further evident from 2011 Census data that out of 81.44 lakh rural households in Odisha, only 14.1 *per cent* households were having latrines which included 8.6 *per cent* households having water closet latrines, 3.4 *per cent* owned pit latrines and remaining 2.1 *per cent* other types. Thus, despite implementation of TSC in the State since 2001-02, objective of TSC programme of access to toilets to all in rural areas by March 2012 remained largely unfulfilled as 85.90 *per cent* of rural households were deprived of latrine facilities. Reasons for low achievement were ineffective IEC activities, inadequate staffing and absence of proper planning at district, block and GP level.

Department stated (January 2014) that year-wise physical targets have been fixed by OSWSM for the DWSMs and the focus has been primarily on behaviour change rather than physical construction. Besides, there was no financial incentive for APL families and initial transition in convergence approach of NBA with MGNREGS has also slowed down.

3.1.3.9 Failure in implementation of GP Intervention plan

As per operational TSC guidelines, the TSC project period was to be completed by March 2012. Audit noticed that TSC Programme intervention was not made since inception in 49 GPs in three[9] out of seven test checked districts depriving 33256 BPL households of access to toilets.

The Department stated (January 2014) that GPs were approached based on the readiness of the community for the programme, availability of field motivators, availability of supply chain for hardware and other conducive and enabling environment.

[9] Balasore (1), Kandhamal (26) and Rayagada (22)

3.1.3.10 Information, Education and Communication

Information, Education and Communication (IEC) is an extremely important component of the programme that should lay the ground for successful implementation of TSC. IEC has to inform, educate and persuade people to realise their roles and responsibilities and benefits accruing from adopting right practices.

As per TSC guidelines, OSWSM at the state level and DWSMs at the district level were responsible for policy, advocacy and strategy formulation and framing guidelines for IEC activities intended to create demand for sanitary facilities in the rural areas for households, schools, anganwadis and community sanitary complexes. Each district should prepare a detailed IEC Annual Action Plan by February of the preceding financial year with defined strategies to reach all sections of the community. IEC strategy and plan have to be implemented not just to emphasise use but also maintenance and upgradation of the asset so created, so that sanitation and hygiene become an integral part of rural life. Audit scrutiny, however, revealed that:

- Annual Action Plan for IEC was not prepared by the DWSMs resulting in unplanned implementation of IEC activities which could create low demand for sanitary facilities in rural areas. Joint inspection of DWSMs revealed that 107 out of 344 beneficiaries interviewed stated that they had no knowledge of IEC activities undertaken in TSC. Though measures such as street play and folk media could have been explored for creation of awareness, no such programmes were organised in the four[10] test checked districts.
- A national communication strategy and plan was developed by GoI giving emphasis on inter-personal communication (IPC) at the grassroots level. While Member Secretary (MS), Kalahandi did not take any action, others in Khordha, Bargarh and Kandhamal spent negligible amount of ₹ 1.50 lakh only towards IPC activities during 2009-12.
- Out of 344 households interviewed, 167 were using toilets, 110 households, though having toilets were not using the same due to reasons discussed in paragraph ***3.1.3.11*** and remaining 67 had no toilets of which 42 households belonged to 13 GPs which were given Nirmal Grama Puraskars.
- Though 25 households[11] were enlisted as beneficiaries and toilets for them were shown as constructed, households upon enquiry stated that they had none.
- The MS, DWSM, Kalahandi released ₹ 12.28 lakh to the District Information and Public Relation Officer (DIPRO), Kalahandi for organising IEC activities which were to be focused on health, hygienic and environmental practices involving field staff of DWSM, RWS&S etc. Though the IEC action plan was

[10] Balasore, Bargarh, Kandhamal and Khordha

[11] Baragarh:5(Village Janged:3 and Sudhapali:2), Kalahandi:4 (Rupra GP:4), Kandhamal:7 (Gulimarapada village:2, Jamujhari village:2 and Sripala village:3), Rayagada:9 (Rekhapadar GP:6 , Nakiti GP:2 and Kailashpur GP:1)

jointly prepared by DWSM and DIPRO for a period of three months (January to March 2011), DIPRO incurred the expenditure and conducted different activities without involving DWSM and other stakeholders**.** The programmes were also conducted deviating from the approved action plan. Audit observed that DIPRO, though planned 273 *pala*[12] programmes for 273 Gram Panchayats (GPs), conducted 150 *palas* in 150 villages under 30 GPs during February 2011 only as against the requirement of 30 *pala* per GP. Further, duration of each *pala* programme conducted was less than one hour prescribed Two consecutive *pala* programmes were conducted by the same person in two different villages within a time gap of 15 and 30 minutes respectively opening the way for doubts. Similarly, 10 village meetings were to be organised per month in 13 Panchayat Samitis (Blocks) consecutively for three months totalling to 390 meetings against which the DIPRO conducted 150 such meetings in six blocks only.

The Department stated (January 2014) that efforts were being undertaken to streamline working of DWSMs and DIPRO in terms of organising various communication campaigns, periodic review meeting would also ensure identifying gaps and optimal use of intended IEC funds.

3.1.3.11 Non-utilisation of toilets

As per the design prepared by GoO for sustained use of toilet, the height of the superstructures of the IHHL was to be six feet and a door was to be fixed.

Examination of records at DWSMs revealed that there were no details as regards actual use of toilets by the beneficiaries. Therefore, joint inspection was conducted between November 2012 and June 2013 in which 110 (32 *per cent*) out of 344 BPL households interviewed, stated that though they were having toilets (IHHL), they were not using the same due to various reasons as discussed below:

- Twenty seven households interviewed stated that they were not using toilets due to absence of doors and short height of the superstructure of latrines.
- Sixty three households stated that they were not using toilets due to broken/ damaged and unusable conditions.
- Fifteen household toilets were not in usable condition due to non-completion.
- Five households could not specify any reason for not using the toilets.

The Department stated (January 2014) that households were not using toilets as they were either washed away/ broken/ defunct or not fully constructed. It further added that the Government has approved conducting a baseline survey to assess the usage level and identify broken toilets and facilitate financial support to repair/ reconstruct toilets. Besides, IEC is also to be intensified to mobilise people for adapting to safe sanitation practices.

[12] one type of folk dance basing on cultural values

3.1.3.12 Construction of latrines through outside agencies

TSC guidelines prescribe that the toilets should be constructed by the beneficiaries and upon use by them, Government incentive is to be given. To facilitate construction of toilets by the beneficiaries, Rural Sanitary Marts (RSMs) and Production Centres (PCs) were set up and the beneficiaries were required to procure materials and construct the toilets of their choice as per the design formulated by GoO in the operational guidelines. Objective of scheme is that beneficiary should involve himself in construction of toilet so that sustainability of utilisation of toilets can be ensured.

Audit, however, noticed that instead of payment of incentive to beneficiaries, ₹ 9.51 crore was paid to NGOs and contractors for construction of 43967 IHHLs[13] during 2009-12 in violation of the guidelines. Audit further noticed that while issuing instruction (January 2011) to all the MSs of DWSMs to create awareness campaign to encourage people to construct their own toilets, the CE, OSWSM observed that these NGOs and contractors usually did not consult the beneficiaries and constructed toilets limiting themselves to the incentive amount. Such toilets were of very poor quality and not accepted/ used by the households. The districts which promoted the beneficiaries to construct their own toilets were of better quality and were being used. The beneficiaries had no knowledge about the benefits of sanitation or use of the toilets due to lack of adequate motivation.

Department stated (January 2014) that the incentive amount was directly released to the RSM/ PC only after the toilet was complete and certified by the beneficiary. Besides, households which are financially capable to construct toilet of their own get the incentive amount reimbursed from DWSM after due certificate and verification.

3.1.3.13 Solid and Liquid Waste Management (SLWM)

PRIs were required to put in place mechanisms for garbage collection and disposal and for preventing water logging. Activities like common compost pits, low cost drainage, soakage channels/ pits, system for collection, segregation and disposal of household garbage etc were to be taken up. Audit, however, noticed that in six out of seven test checked districts, DWSMs did not make adequate planning for taking up such activities although an amount of ₹ 15.59 crore was earmarked for SLWM.

- In three out of seven test checked districts, ₹ 1.73 crore (11.10 *per cent*) was utilised against availability of ₹ 15.59 crore while no expenditure was incurred in three districts and percentage of utilisation in three districts ranged between 0.58 and 15.63. Such low utilisation was due to non-conducting of different activities prescribed under the SLWM programme. During joint inspection (May 2013), 104 out of 206 beneficiaries interviewed stated that

[13] Balasore (29771), Kandhamal (3793), Rayagada (10223) and Bargarh (170)

there was no disposal system of garbage in their villages as required under SLWM.

- In four DWSMs[14], IEC action plans were not prepared during 2009-12 and environmental issues on solid and liquid waste management were not addressed. Rural people were to be made aware of the causes for outbreak of water-borne diseases like diarrhea, jaundice etc. due to pollution of water and environment. In four districts, 3.19 lakh rural people were affected by diarrhea and jaundice with casualty of 93 lives during 2009-12. Joint inspection also revealed that dust bin placed in the Kumelsingha GP under Baragarh district for collection and disposal of household garbage was overflowing creating unhygienic atmosphere as can be seen from the adjoining photograph.

Uncleaned dust bin placed for collection and disposal of garbage in Kumelsingha GP of Bargarh district

The Department stated (January 2014) that DWSMs had been instructed to prepare GP level solid and liquid waste management plan in consultation with village communities.

3.1.3.14 Lack of fairness and transparency in selection for NGP award

GoI launched (October 2003) the Nirmal Gram Puraskar (NGP) to recognise the efforts made by PRIs and institutions who have contributed significantly towards ensuring full sanitation coverage in their areas of operation. To be eligible for NGP, all households in the PRI area must have access to and all members should be using individual toilets/ community complexes. GP should have a functional mechanism for household garbage disposal and drainage system, and cleanliness should be maintained in the inhabited areas. Application for NGP received from PRIs at district level should be verified by DWSM and by Internal Scrutiny Committee (ISC) and State Level Scrutiny Committee (SLSC[15]) at State level before the same is recommended and uploaded on the NGP online system of Department of Drinking Water Supply (DDWS), GoI. DDWS was to conduct a detailed survey of applications received online through various independent agencies of repute before selecting GPs for NGP. As per GoI instructions (January 2009), the second installment of NGP should be paid after six months of verification of GPs for its sustainability.

Audit scrutiny revealed that out of 572 GPs recommended by the SLSC during 2009-12, only 149 GPs were selected for NGP awards given to GPs during 2009-11 as under:

[14] Kalahandi, Kandhamal, Kendrapara,and Rayagada

[15] SLSC: constituted (April 2010) under the Chairmanship of Principal Secretary to Govt., RDD to scrutinise and recommend NGP proposals from the state.

Table 3.3: Showing GPs recommended and selected for NGP

Year	Number of GPs recommended	Number of GPs selected	No. of GPs disqualified	Percentage of GP disqualified
2009	64	20	44	69
2010	235	81	154	65
2011	273	48	225	82
Total	**572**	**149**	**423**	**74**

Source: Records of OSWSM

Of 149 GPs selected for NGP award during 2000-12, the second installment of ₹ 1.95 crore was not released to 133 GPs as of September 2013 by the OSWSM due to non-submission of verification reports/ UCs by the DWSMs. No GP was selected for NGP during 2012.

Latrine of a household of Kumelsingha GP of Bargarh district lying unused

In test checked districts, during joint inspection of 162 households, it was noticed that in 25 (25 *per cent*) out of 97 NGP GPs (selected during 2009-11), none of the GPs fulfilled the eligibility criteria as 42 households in 13 GPs had no toilets and 27 households though had toilets were not using the same due to lack of privacy/ unusable/ broken condition. Thus, the applications were not properly checked at any level *i.e.,* at ISC, OSWSM and the SLSC to ensure eligibility. As a result, 422 (73.90 *per cent)* of 571 GPs recommended by the SLSC were disqualified. Joint inspection of sites also revealed that latrines of NGP awardee GPs were lying unused as can be seen from the given photograph.

The Department stated (January 2014) that toilets constructed initially were not permanent in nature and must be broken/ defunct. Baseline survey is to be undertaken to assess the present sanitation access of rural household and thereby provide toilets to households without latrines under ensuing programme. The Department also felt that continuous persuasion is necessary to motivate people to safe sanitation as households resort to open defecation.

3.1.4 Man power and Monitoring

The programme suffered at various stages of its implementation due to inadequate man power and monitoring at levels as discussed under:

3.1.4.1 Inadequate manpower for implementation of TSC

As per operational guidelines, the District Project Coordinator (DPC) at each DWSM is responsible for day-to-day operations and co-ordination with different agencies involved in implementation of the TSC. The BDOs, as nodal officers at block level are to be assisted by Block Level TSC Coordinators (BLTC) for processing programme implementation, providing guidance for development of GP Plans, collection of information, monitoring progress of implementation and verifying the construction of Individual Household Latrine (IHHL), school and AWC toilets etc.

Audit noticed that adequate staff was not posted at District and Block levels as indicated in table below:

Table 3.4: Showing men-in-position of DPCs and BLTCs

Name of post	State				Test checked DWSMs			
	Requir-ement	Men-in-position	Shortfall	Percen-tage of shortfall	Requi-rement	Men-in-position	Shortfall	Perce-ntage of shortfall
DPC	30	17	13	43	7	3	4	57
BLTC	314	NIL	314	100	69	NIL	69	100

Source: Records of CE, OWSM-DWSM

Apart from the above, no designated staff was posted at Gram Panchayat/ village level to carry out the mission activities. Due to absence of adequate staff at all levels, micro plans of GPs and blocks could not be prepared and consolidated at district level for effective implementation of the programme. Besides, coordination work and other activities of TSC were neglected and the targets remained largely unachieved.

The Department stated (January 2014) that steps were being taken by the DWSMs to engage Project Coordinators at the earliest.

3.1.4.2 Review by OSWSM

As per TSC guidelines, the Governing Body (GB) of OSWSM was to meet twice in a year to review and discuss implementation of TSC under the Chairmanship of the Chief Secretary, GoO and sort out problems and accelerate progress. Similarly, the Executive Body was to meet quarterly.

Audit noticed that against six GB meetings to be held during 2009-12, only two meetings [16] (33 *per cent*) were held. Target of constructing 16 lakh toilets during 2009-10 and completion of all school toilets was set during its meeting (June 2009). The achievement during 2009-10 was, however, only 4.95 lakh (30.93 *per cent*). The GB meeting (March 2012) did not take cognizance of the non-achievement of targets set during its first meeting. Similarly, the Executive Body meetings were not held during the period. GB meetings were not held regularly on account of preoccupation of senior officers.

3.1.4.3 Inadequate field inspections by the field functionaries

MS DWSM was responsible for monitoring the programme at district level through field visits to all blocks to assess the progress of the work, identify gaps, support in implementation, if required, receive information about the progress, make random visits to GPs where intervention takes place and assess the quality of progress. But no such records were made available to Audit.

Department admitted (January 2014) that field monitoring is undertaken by all the officers and field staff, but field notes and visit reports/ meeting notes were not

[16] 9th GB meeting on 12 June 2009 and 10th GB meeting on 23 March 2012

properly documented. Further, the DWSMs had also been instructed to document the same properly.

3.1.4.4 Review by team of expert at district level

The DWSMs were to constitute a team of experts in the districts to review the implementation at least once a quarter. Test check of records in seven test checked DWSMs[17] revealed that the Member Secretaries, did not constitute any team of experts as a result of which review of implementation of TSC in different blocks could not be made during 2009-12. Bottlenecks/ hindrances in generating demands for toilets in the rural areas and causes of low achievement of targets under the programme could not be analysed and sorted out.

While noting the Audit observation, the Department stated (January 2014) that the DWSMs would be instructed to form a Team of Experts at district level to assess the programme once a quarter and submit its suggestion.

3.1.5 Conclusion

Institutional set up for Total Sanitation Campaign (TSC) in Odisha was deficient as Block Resource Centre, for creating awareness and motivating people for hygienic habits in GPs/ villages were not set up as per requirement. Expenditure on the programme was low (38 *per cent*) and stood as major impediment for success of TSC in the state. Fund under IEC programme, being an important component of the programme for success of TSC, was utilised only to the extent of 12 *per cent* (₹ 2.34 crore) of availability. Inadequate and unplanned IEC activities led to lack of awareness and less creation of demand and the objective of TSC programme to provide access to toilet to all rural areas by March 2012 remained largely unfulfilled as 85.90 *per cent* of rural households were not having latrine facilities. The programme suffered at various stages of its implementation due to inadequate monitoring at all levels.

3.1.6 Recommendations

- Adequate institutional set up for carrying out TSC activities may be ensured.
- IEC activities may be conducted in an interactive environment to create awareness among the rural people.
- A robust and effective monitoring mechanism should be put in place to ensure data reliability and for ensuring implementation of various components of TSC so as to achieve total sanitation coverage.

[17] Balasore, Bargarh, Kalahandi, Kandhamal, Kendrapara, Khordha and.Rayagada

RURAL DEVELOPMENT DEPARTMENT

3.2 Functioning of Rural Piped Water Supply Schemes in the State

3.2.1 Introduction

Water is a public good and every person has the right to demand drinking water. The Government is to ensure that the basic need of the people is met by providing every rural person with adequate safe water for drinking, cooking and other domestic basic needs on a sustainable basis. To address the issue, the Government of India (GoI) launched different schemes to provide safe drinking water by different means including Rural Piped Water Supply (RPWS) schemes. With effect from 1st April 2009, GoI launched National Rural Drinking Water Programme (NRDWP) with a goal to move up the water service delivery system so that all rural households are provided with adequate piped safe drinking water supply within the household premises. Rural Development (RD) Department implemented schemes across all the districts in Odisha and installed 8384 RPWS schemes in the State as of March 2013.

3.2.1.1 Institutional set up

RD Department headed by the Principal Secretary is responsible for overall implementation of rural water supply schemes in the State. He is assisted by the Chief Engineer (CE), Rural Water Supply and Sanitation (RWS&S) as the head of the organisation, eight Superintending Engineers (SEs) at Circle level and 38 Executive Engineers (EE) at Division level for implementation of water supply schemes through installation of Tube Wells/ Sanitary Wells/ RPWS schemes. The State Level Scheme Sanctioning Committee (SLSSC) headed by the Principal Secretary, RD Department as Chairman, approves the RPWS schemes to be taken up by the Department.

3.2.1.2 Audit Methodology

Audit was conducted in November/ December 2012 and subsequently during April-July 2013 covering the period 2009-13. Entry Conference was held with the Joint Secretary RD Department on 07 March 2013, in which the audit objectives, criteria, scope and methodology were discussed and agreed to. Audit test checked records of seven RWS&S Divisions[18] out of 38 Divisions selected on stratified random sampling method based on expenditure. Records of RD Department and CE (RWS&S) were also checked. Physical inspections were conducted in presence of the representatives of the EEs. The Audit findings were discussed with the Deputy Secretary, RD Department in an Exit Conference held on 24 January 2014.

[18] Balasore; Bargarh; Kalahandi, Bhawanipatna; Bhubaneswar; Kendrapara; Phulbani; and Rayagada RWS&S Division

3.2.1.3 Audit objectives

The objectives of the audit were to assess whether:

- planning for initial identification of RPWS schemes, their commissioning and maintenance was adequate and effective;
- defunct/ non-functional and incomplete RPWS schemes were made functional timely and effectively for supply of safe drinking water on sustainable basis;
- monitoring and inspection of projects including quality check of water in RPWS schemes was adequate and effective and projects not conforming to the standard were declared closed/ defunct and alternative sources provided.

Audit findings

3.2.2 Planning, commissioning and maintenance of Rural Piped Water Supply schemes

3.2.2.1 Community involvement in planning

As per NRDWP guidelines, Village Water and Sanitation Committee (VWSC) is to be set up in each Gram Panchayat/ Village/ Ward for implementation of water supply schemes to ensure active participation of villagers. The VWSC has to prepare the Village Water Security Plan (VWSP) which would include demographic, physical features, water sources, available drinking water infrastructure and other details by dovetailing various funds available at village level and funds from Rural Water Supply programme. The VWSC has also to monitor demand/ need, consumer's satisfaction and provision of drinking water services available to people on sustainable basis.

Scrutiny of records revealed that the VWSC were not formed despite stipulation in the Guidelines to have such committee from April 2009. In October 2011, SLSSC also decided to form such Committee in all existing and ongoing RPWS village throughout the State. Despite above, only 2906 (25.34 *per cent*) VWSCs were formed till date (December 2013) against requirement of 11469 VWSCs for ongoing/ existing RPWS[19] schemes in the State. Due to delay in formation/ non-formation of VWSC, identification of need based schemes at village level, community monitoring of progress of works of ongoing schemes, revival of defunct schemes etc could not be ensured. Audit noticed that 50 RPWS schemes taken up prior to launching of NRDWP remained ongoing and 175 commissioned RPWS schemes remained defunct till date of audit as discussed in the succeeding paragraphs.

The Government stated (February 2014) that formation of VWSCs for each RPWS scheme was under progress.

[19] 11469=8384 existing + 3085 ongoing

3.2.2.2 Inadequate Commissioning of schemes

As per NRDWP guidelines, the VWSP prepared by the VWSC were to be consolidated at the District and further at State level on the basis of which Annual Comprehensive Water Security Action Plan (CWSAP) was to be prepared. This plan would, *inter-alia,* include tangible targets to be achieved in the financial year taking into consideration the on-going schemes, new schemes as well as schemes which require augmentation. While preparing the CWSAP, completion of the incomplete works should be given priority over new works.

Audit observed that SLSSC approved 7153 RPWS schemes which included 4091 ongoing schemes running prior to NRDWP period and 3062 new schemes sanctioned during 2009-13. The RD Department, however, fixed a target for commissioning of 5576 schemes (78 *per cent)* out of total approved schemes of which 3348 schemes were completed which accounted only 47 *per cent* of the total schemes approved during 2009-13.

Audit further observed that the CE received fund of ₹ 1745.47 crore under NRDWP of which ₹ 1542.86 crore was utilised during 2009-13. However, despite availability of ₹ 202.61 crore under NRDWP, commissioning of 2228 schemes was not achieved.

Department stated that the projects were approved by SLSSC on higher side but targets were fixed keeping in view the provision of funds and attributed the shortfall in utilisation of fund to shortage of adequate manpower. However, the fact remains that even the workable targets fixed by the Department were not achieved.

3.2.2.3 Issue of revival of defunct projects not addressed in annual action plan

As per NRDWP guidelines, the SLSSC was to review the progress of completion and commissioning of the schemes approved earlier and performance of existing water supply schemes for availability of drinking water to provide 40 litres per capita per day (LPCD) to all rural habitations.

Audit observed that the issue regarding repair and maintenance of RPWS schemes and revival of defunct schemes was not included in the Annual Action Plan approved during 2009-13.

In one SLSSC meeting (April 2011), it was decided to take steps for restoration of 412 RPWS schemes identified as shutdown due to various reasons like non-payment of electrical dues, non-repair of damaged pipes, failure of water sources, lack of electrical maintenance etc. by May 2011. But, in subsequent SLSSC meetings (October 2011), the matter was not addressed nor included in the Annual Action Plan 2011-13. Due to inaction, 175 RPWS schemes commissioned at a cost of ₹ 25.80 crore remained defunct in the State as of August 2013.

The Department stated (February 2014) that due to transfer of RPWS schemes to GPs for operation and maintenance, this issue was not discussed initially for two years but discussed by the SLSSC in subsequent years for revival.

3.2.2.4 Lack of responsibility for Maintenance of projects

In pursuance to decision of Government, all existing RPWS schemes were transferred to Gram Pachayats (GP) for their management with effect from October 2006. Operation and Maintenance (O&M) fund under NRDWP together with the State matching share was to be deposited in a corpus fund linked to each scheme operated by the concerned GP.

Scrutiny of records revealed that CE, RWS&S, though received ₹ 95.33 crore under O&M during 2009-13, neither created corpus fund nor transferred O&M fund to GPs concerned and utilised ₹ 84.09 crore towards O&M expenses. Although RPWS schemes are operated by GPs, CE, RWS&S also was responsible for its repair and maintenance as fund was received and utilised by the CE. However, dual responsibility i.e., operation of RPWS schemes by GPs and maintenance by RWS&S, contributed to 175 RPWS projects lying defunct during 2006-13.

In Exit Conference (January 2014), the Department admitted that no Corpus Fund was created and maintenance works of RPWS schemes were hampered due to dual responsibility.

3.2.2.5 Identification of defunct projects

Scrutiny of records of CE, RWS&S revealed that, the CE did not maintain performance status of the existing commissioned RPWS projects since no mechanism existed to furnish report regarding non-functioning/ defunct schemes. Thus, no comprehensive information on regular basis was available at CE or Division level.

During joint inspection (April 2013) in Bhawanipatna, it was found that the RPWS scheme at Rishigaon was non-functional since about a year due to electrical problem but no such information was available in the Division. This indicated that timely identifications of shutdown/ defunct RPWS scheme was not conducted for prompt restoration of water supply system.

Department stated (February 2014) that Management information system (MIS) meeting was being conducted at block and district level once in a fortnight where functioning of RPWS scheme was discussed and submitted to Government by district Collector. At CE level, it was discussed once in a month under the Chairmanship of the Principal Secretary, RD Department in the State level review meeting.

However, no records relating to discussion on non-functioning/ defunct schemes could be made available to Audit.

3.2.3 Incomplete scheme

3.2.3.1 Lack of prioritisation for incomplete projects in NRDWP

As per NRDWP guidelines, completion of incomplete works shall be given priority over new works and it should be ensured that works taken up, are completed as per schedule and there should not be any delay in execution which would result in non-utilisation of assets created and cost escalation.

Scrutiny of records in four[20] out of seven test-checked divisions revealed that in case of 50 schemes,[21] administrative approval was accorded/ work was taken up at an estimated cost of ₹ 16.89 crore between March 2006 and February 2009 i.e., prior to launching of NRDWP to provide safe drinking water to 0.99 lakh rural people. But, these schemes remained incomplete as of March 2013 even after a lapse of three to six years from the dates of their approval/ taking up works despite expenditure of ₹ 11.61 crore.

- In ten schemes though administrative approval for ₹ 3.29 crore was accorded between March 2006 and February 2009 for supply of safe drinking water to 0.19 lakh population, no work commenced (March 2013) despite expenditure of ₹ 89.31 lakh being incurred on purchase of materials.
- In 14 projects, distribution pipelines were not laid despite construction of other component of work worth ₹ 4.02 crore.
- Energisation of 11 projects was not done though construction work worth ₹ 2.56 crore was completed.
- In 15 projects, water supply was not provided to 28,322 rural population after incurring expenditure of ₹ 4.13 crore due to non completion of different components.

Above schemes were left incomplete due to inadequate monitoring on progress of works, land dispute, delay in finalisation of source, delay in external electrification/ energisation, non-synchronisation of various components etc.

Department stated (February 2014) that all efforts were being made for prioritisation of all incomplete schemes in SLSSC.

3.2.3.2 Lack of synchronisation in commissioning of schemes

Installation of RPWS scheme involves execution of different component of works, like head-works, raising mains, distribution systems, treatment plants, overhead/ underground reservoir and external and internal electrification, etc. For commissioning of a RPWS scheme within the time schedule, simultaneous

[20] Bargarh: 5, Bhubaneswar:11, Bhawanipatna: 1 and Phulbani:33

[21] Administrative approval accorded: 30 cases and in 20 cases work commenced but administrative approval not accorded

execution of works of all components including execution of external electrification works was essential.

Scrutiny of records in seven test checked divisions revealed that 191 RPWS projects were approved by the SLSSC during 2009-12 with an estimated cost of ₹ 86.87 crore for providing safe drinking water to 4.53 lakh rural people. These schemes remained incomplete at various stages even after incurring an expenditure of ₹ 27.31 crore as of March 2013 due to lack of synchronisation of different activities and execution of different components of works as discussed in table below:

Table 3.5: Showing reasons of non functional projects

Sl No	Reasons for being non functional	No. of projects	Expenditure (₹ in crore)	People affected (in lakh)
1	Lack of Administrative Approval	09	2.73	0.23
2	Non completion of electrification of works	17	3.45	0.24
3	Non completion of distribution system	13	3.22	0.28
4	Non-execution of work	25	0.77	0.62
5	Only water source constructed	33	2.65	1.28
6	Water source not finalised	3	0.06	0.10
7	Other reasons	91	14.43	1.78
	Total	**191**	**27.31**	**4.53**

(***Source: Records of CE,RWS&S, Odisha)***

Further scrutiny of records and physical inspection of sites revealed as under:

- As per codal[22] provision, administrative approval of the Administrative Department (AD) of Government is essential for execution of any works by the field offices. In case of exigencies of public service, the Government may authorise the commencement of work in anticipation of AA for a particular case, but in such an eventuality, AA should be accorded within three months from the date of issue of such authorisation. Audit found in RWS&S Division, Bhawanipatna, Kalahandi that AA was not accorded by the Department for nine RPWS schemes[23] although they were approved by SLSSC and funds were placed during 2009-13. Out of above nine schemes, external electrification works were pending in case of five schemes, work not started in one scheme, pump houses, distribution system and external electrification remained incomplete in two schemes.

  In one case (Barabakhara village in Kalahandi district), consequent on detection (July 2011) of excess fluoride content ranging from 2.62 mg/ ltr to 4.98 mg/ ltr in existing drinking water sources, the SLSSC approved a new RPWS scheme during 2011-12 to provide safe drinking water to 0.10 lakh population. This urgent nature of work is not yet (May 2013) completed though the source was constructed due to non-availability of AA from the RD Department and people of the above village continued to consume water from the existing fluoride content sources.

[22] OPWD code, Vol-1, Para: 6.1.2 (note)

[23] Status: not energised (2); source completed only (1); OHT not done (1); Incomplete (4); work not commenced (1)

Department stated (February 2014) that delay in administrative approval was due to finalisation of alternative surface source and the project is going to be completed by June 2014.

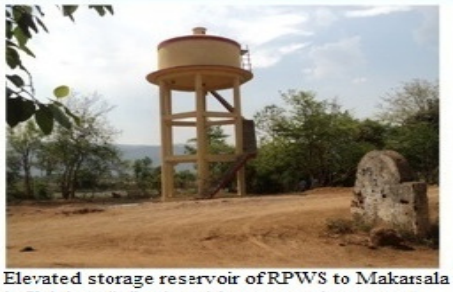
- During joint physical inspection of a RPWS scheme (Janged in Bargarh district) out of the above, it was noticed that the project taken up during 2011-12 remained non-functional (March 2013) for want of energisation only. The concerned EE, Bargarh stated (December 2012) that electrical authorities had been moved for providing electrical estimate for execution of external electrification works.

Photograph of RPWS at Janged in Bargarh district which remained non functional due to non completion of electrification works

- During joint physical inspection (December 2012), Audit found that RPWS to Gopinathpur in Khordha district which was administratively approved in February 2009 was incomplete as of December 2012. Although its source, headwork and electrification of pump house had been completed with an expenditure of ₹ 23.37 lakh but its distribution pipelines had not been laid due to cement concreting of village road. The problem was not sorted out as of March 2013. As a result, the objective of providing safe drinking water to 0.02 lakh beneficiaries remained unachieved.

- During joint physical inspection of the site of RPWS to village Makarsola, Audit found that the project was incomplete. Over Head Tank, source, distribution pipeline and stand posts had been completed. The work had been started one and half year ago as stated by the beneficiaries. Pump house and external electrification works had not been taken up. The beneficiaries stated that they were facing difficulties in getting drinking water due to drying up of existing tube wells and that they were dependent on dug well.

Thus, despite incurring expenditure of ₹ 27.31 crore, these 191 schemes remained incomplete and not put to use since more than one to three years leading to unfruitful expenditure as well as delaying the objective of supplying safe drinking water to 4.53 lakh rural population.



Elevated storage reservoir of RPWS to Makarsala in Kalahandi district without pump house and external electrification works

Department stated (February 2014) that maximum delay occurred in power supply. Further, 166 projects had been completed by January 2014.

3.2.4 Defunct schemes

On scrutiny of records in CE, RWS&S, Audit noticed that 175 RPWS schemes were defunct/ non-functional as of August 2013 due to non-payment of electrical dues (nine), non-repair and restoration of damaged pipes (70) and failure to provide alternative water sources (47), lack of electrical maintenance (47) and non-completion of alternative source for quality affected schemes closed (two) as discussed under:

3.2.4.1 Defunct schemes due to non-payment of electrical dues

The decision of the Government (October 2006) stipulates that GPs are to utilise the 12th/ 13th Finance Commission award for repair/ rejuvenation as well as the O&M cost for management of RPWS systems under the technical supervision of RWS&S organisations.

Audit observed that nine RPWS schemes commissioned during 2003-11 turned non-functional between August 2011 and August 2012 due to non-payment of electricity dues by the RWS&S Division, Sundargarh. These schemes were not revived as of August 2013 resulting in stoppage of water supply for 11 months to 23 months affecting 0.10 lakh beneficiaries depending on these schemes for drinking water.

The Department stated (February 2014) that payment of electricity dues was to be met from the 13th Finance Commission Allotment, for which fund were available with the Panchayati Raj Department and the CE, RWS&S has no role except persuasion with Panchayati Raj Department. The fact, however, remained that the people were deprived of drinking water due to lack of coordination among departments.

3.2.4.2 Non-functioning of RPWS schemes due to damage of pipelines

As per instructions of RD Department (April 2010), the Rural Works (RW) divisions are to intimate the RWS&S Divisions at least 15 days before the execution of the Pradhan Mantri Gram Sadak Yojana (PMGSY) projects, so that water supply in rural areas is not disturbed. Adequate care was to be taken to avoid damage to the existing infrastructure and water supply pipelines for which proper coordination between the two organisations (RW and RWS&S) was essential.

Audit noticed that 70 schemes in 15 divisions commissioned between 1991 and 2011 for providing safe drinking water to 94,055 rural people became defunct between December 2001 and March 2013 due to damage of pipelines, stand posts etc. during construction/ widening of National Highway (NH)/ Public Works Department (PWD)/ PMGSY[24] roads and remained non-functional as of August 2013.

[24] PMGSY Road:13 and PWD/ NH road:57

In two of such schemes (RPWS Charbahal and Mahichalla under Bhawanipatna division), the EE, RWS&S, Bhawanipatna requested (November 2009) the EE, NH Division, Kesinga to place funds for shifting of pipelines due to construction of road on NH-201 by NH Division. But, it was not acceded to (December 2009) on the ground that the former had not taken permission from NH authority before laying of pipeline on NH roadside. Finally, the schemes became defunct (2010-11) in course of widening of roads and no other alternative arrangement was made as of date (May 2013). Interview with the beneficiaries during joint physical inspection (May 2013) revealed that they were facing difficulties due to disruption of drinking water supply and were managing with tube wells/ dug wells.

Department stated (February 2014) that on most of the occasions, the road work was undertaken prior to notice of the EEs, RWS&S. The pipelines would be restored after completion of widening of road. This clearly indicated lack of coordination between line departments of the Government leading to disruption of water supply.

3.2.4.3 Failure of water sources

Audit noticed that 47 RPWS schemes commissioned at a cost of ₹ 5.32 crore[25] between December 2004 and March 2013 turned defunct between July 2008 and February 2013 due to failure of water sources affecting water supply to 54,606 rural people. Alternative sources were not provided and the schemes were not revived due to which water supply remained disrupted for one to more than five years in 37[26] cases.

Out of the above 47 schemes, nine schemes commissioned by RWS&S Division, Malkangiri between 2005-12 at an expenditure of ₹ 2.27 crore remained non-functional since commissioning due to failure of water sources rendering expenditure unfruitful.

The Department stated (February 2014) that in case of failure of ground water source, alternative source (surface) was being provided and all the defunct schemes would be revived by March 2014.

3.2.4.4 Non-repairing/ replacing of damaged electrical parts

As per the agreement and conditions in "Regulations (48 & 49) of Orissa Electricity Regulatory Commission Distribution (Condition of Supply) Code 2004" Electricity Supply Companies[27] shall maintain installation of substations, equipment, transformers etc. in good condition and take prompt action to repair or replace the damaged parts immediately on getting intimation.

Scrutiny of records of CE revealed that 47 projects commissioned during 2002-12 became defunct between May 2008 and February 2013 due to burnt/ breakdown

[25] Expenditure relates to 26 out of 55 projects

[26] Above one year to three years:25, above three years to five years:10, above five years:2 schemes

[27] Four companies

of transformers (21), low voltage (six), non-supply of three phase current(10) and other electrical problems (10) thereby affecting supply of drinking water to 0.59 lakh people.

The CE addressed (November 2012 and February 2013) Chairman-cum-Managing Director of the electricity distribution companies to take prompt steps for restoration of RPWS schemes shut down due to electrical problems. The Principal Secretary, RD Department also requested (March 2013) the Commissioner-cum-Secretary, Energy Department to restore power connection to these schemes and avoid further damage and wastage of public assets.

The Department stated (February 2014) that replacement of damaged electrical parts was being done by the Electricity Distribution Company as per availability and the EE, RWS&S Divisions always remained in touch with them.

3.2.4.5 Non revival of schemes declared defunct due to fluoride contents

Check of records of EE, RWS&S Division, Bhubaneswar revealed that RPWS schemes in Sagargaon and Jaripada in Bolgarh Block of Khordha district commissioned during 1998-99 with an expenditure of ₹ 50.58 lakh were closed in 2000 due to detection (January 2000) of excess fluoride content more than the permissible limit (1.5 mg/ ltr).

Though RD Department accorded AA in January 2007 for renovation of one scheme (Sagargaon) at a cost of ₹ 84.87 lakh and to cover 0.11 lakh population around 10 villages including those villages covered by the above two schemes, renovation of the scheme was not completed and water supply was not resumed (March 2013).

Department stated (February 2014) that delay was due to not finding a proper source and the RPWS scheme would be completed by June 2014. However, the scheme was sanctioned as long as six years back.

3.2.5 Quality of water

3.2.5.1 Inadequate water quality testing

As per NRDWP guidelines, a Monitoring and Investigation Unit should be set up at the State headquarter for monitoring the quality of water. All the water supply sources should be tested at least twice a year for bacteriological contamination and once a year for chemical contamination.

Scrutiny of records found that such Unit was not set up. In three test checked Divisions[28] periodical testing of water quality of RPWS schemes was not ensured since testing was conducted only once/ twice during 2009-13. Due to absence of regular monitoring and testing of water quality, 1.80 lakh people were consuming unsafe water from 73 RPWS schemes as discussed under:

[28] Bhawanipatna, Kendrapara and Phulbani.

- On intimation of audit (May 2013), the EE, RWS&S, Bhawanipatna Division conducted water quality testing of 137 schemes which were not done since their commissioning. The test revealed that water of six schemes contained excess fluoride beyond permissible limit (1.5 mg/ ltr) which ranged between 1.58 mg/ ltr and 1.72 mg/ ltr. These schemes were commissioned during 2007-13 with an expenditure of ₹ 2.12 crore and allowed 0.15 lakh rural population to use water without ensuring the prescribed safety norm.

  The EEs stated (May/ June 2013) that due to shortage/ inadequacy of laboratory staff, periodical testing of water quality could not be conducted.

  However, the Department stated (February 2014) that all efforts were being taken to address fluoride affected habitations. However, the fact remained that the people were still consuming unsafe water.

- Water of 67 schemes had iron content ranging from 1.18 mg/ ltr to 6.5 mg/ ltr which was beyond the permissible limit of 1.0 mg/ ltr as per BIS standard. These schemes were commissioned between 1993-94 and 2012-13 with an expenditure of ₹ 17.66 crore to provide safe drinking water to 1.65 lakh rural population. Though the water of these projects did not conform to the prescribed standard, they were not declared as defunct and no alternative measures taken to provide safe source.

- Test of water samples of 15[29] RPWS projects under three test checked Divisions, collected (April-June 2013) by the representative of EEs in presence of Audit revealed that iron content of water in a scheme to Keredi under Phulbani Division, was 3 mg/ltr being excess over the permissible limit (1mg/ ltr) as per BIS standard/ CPHEO manual. This project was commissioned during 2008-09 at a cost of ₹ 12.12 lakh for supplying water to 0.01 lakh rural people.

Department stated (February 2014) that iron removal plant had been installed in five projects; rain water harvesting structures were to be constructed in other projects for dilution of water to reduce iron concentration. But the Government has not brought out any specific proposal to use rain water for dilution of iron content in RPWS schemes.

3.2.6 Conclusion

Identification of need based RPWS project and their prioritisation was absent in planning due to non formation of Village Level Water and Sanitation Committee and non preparation of Village Water Security Plan (VWSP). Due to dual responsibility *i.e.,* operation of RPWS by PRIs and maintenance by RWS&S, many projects were lying defunct or non functional for years together. Department had not taken adequate steps for timely revival of 175 defunct/ non-functional RPWS projects commissioned at a cost of ₹ 25.80 crore and completion of 241

[29] Phulbani: (1) Dangulu, (2) Keredi, (3) Phiringia (4) Dutipada, (5) Balaskumpa; Bhawanipatna: (6) Loitara, (7) Kandel, (8) Deygoan, (9) Mandel, (10) Gambhariguda; Rayagada: (11) Gujalpadu, (12) Lediri, (13) Bujinanga, (14) Muniguda, (15) Jatli.

incomplete projects despite expenditure of ₹ 38.92 crore. Projects after completion were not functional for want of energisation. Department failed to take adequate precaution to provide safe water and unsafe water with excess chemical content from 73 projects was being used by people from RPWS schemes.

3.2.7 Recommendation

- The Government may ensure that Village Committees are formed for each village to identify need based projects, monitor incomplete projects.
- Chemically contaminated sources must be declared defunct and alternative sources provided promptly.

FOOD SUPPLIES AND CONSUMER WELFARE DEPARTMENT

3.3 Distribution of Superior Kerosene Oil under Public Distribution System

3.3.1 Introduction

GoI with the objective to maintain or increase supplies of essential commodities including petroleum products and to secure their equitable distribution and availability at fair prices enacted Essential Commodities (EC) Act, 1955. In exercise of power conferred under Section 3 of the above EC Act, GoI issued 'The Kerosene (Restriction on Use and Fixation of Ceiling Price) Order 1993 and Public Distribution System (Control) Order 2001'. In pursuance to above Orders, the GoI allocates Superior Kerosene Oil (SK Oil) to States for distribution to beneficiaries at fair prices under Public Distribution System (PDS) for cooking and illumination purposes. As of March 2013, there were 29,482 Fair Price Shops (FPSs) under PDS for distribution of SK Oil to 83.98 lakh ration card holders in the State. SK Oil is supplied through FPS (retailer) who obtains SK Oil as per the allotment from Sub-wholesaler. These are appointed by Collector and obtain the allotted quantity of SK Oil from wholesalers appointed by oil manufacturing companies.

SK Oil was supplied to the card holders at a fair price declared by the respective District Collectors. The difference between market price and declared fair price is borne by GoI as subsidy.

3.3.1.1 Scope of Audit and methodology

Audit of distribution of SK Oil under PDS covering the period 2010-13, was conducted during May 2013 to August 2013 in Food Supplies and Consumer Welfare (FS&CW) Department and District Civil Supplies Offices of five

selected districts[30]. Besides, records of wholesalers, sub-wholesalers and retailers of sample districts were also checked. Joint inspection of Fair Price Shops (FPS) and beneficiary's interview were conducted by the representatives of the audited unit in the presence of Audit, wherever required. Audit findings were discussed with the Commissioner-cum-Secretary of the Department in an exit conference held on 28 January 2014. The replies of the department have been incorporated in the report at appropriate places.

Audit findings

3.3.2 Identification of beneficiaries and issue of ration cards

Paragraph 1 of the Annexure to PDS (Control) Order, 2001 issued by GoI and clause 21 of Orissa PDS (Control) Order, 2008 stipulate that the State Government should identify beneficiaries under Below Poverty Line (BPL) and Antyodaya Anna Yojana (AAY) schemes in accordance with the guidelines issued by GoI. The list of such beneficiaries was to be reviewed every year for the purpose of exclusion of ineligible beneficiaries and inclusion of eligible ones.

Audit noticed that the enumeration of ration cards was last conducted in 1992. Government issued ration cards[31] to BPL/ AAY beneficiaries based on BPL survey conducted during 1997-98 and thereafter neither identification nor annual review of ration card holders was done due to which many eligible beneficiaries were deprived of ration cards for purchase of SK Oil.

Government stated (January 2014) that there was error in the existing ration card database. Identification of beneficiaries/ households would be made afresh under National Food Security Act 2013 which would be mapped with National Population Register (NPR) data and accordingly new cards would be issued.

3.3.2.1 Detection of bogus ration cards

As per Clauses 2(6) and 2(8) of the Annexure to PDS (Control) Order, 2001, the Government has to conduct regular review and checking of the ration cards to weed out fake/ bogus ration cards to prevent diversion of SK Oil under PDS. As the Department had issued ration cards way back in 1998 based on BPL census data, it directed (October 2009) all Collectors to conduct intensive review of the existing ration cards throughout the State to weed out bogus ration cards.

Audit noticed that the Civil Supplies Officers of all five test checked districts, through a drive undertaken during 2009-11, eliminated 59094 (0.7 *per cent*) ration cards[32] due to beneficiaries not found during door to door survey etc. Detection of such bogus cards indicated irregular and non-transparent issue of ration cards. The

[30] Jajpur, Khordha, Koraput, Mayurbhanj and Sambalpur

[31] A document issued under an order or authority of the State Government for purchase of essential commodities from the FPS

[32] 2009-10 - Jajpur : 3365, Khordha: 1377, Koraprut: 4149, Mayurbhanj: 5963, Sambalpur: 4060 2010-11- Jajpur: 4281, Khordha: 15917, Koraput: 512, Mayurbhanj: 8948, Sambalpur: 10522

GoI, therefore, called (September 2011, November 2012 and April 2013) for information regarding actions taken against the delinquent officials responsible for issue of such bogus ration cards, but no action was taken(August 2013) by the Department.

Government stated (January 2014) that at the time of identification of beneficiaries under National Food Security Act (NFSA) 2013, due care would be taken and regular review would be undertaken thereafter.

3.3.2.2 Non-renewal of ration cards

Clause 22(g) of Orissa PDS (Control) Order, 2008 provides that a ration card issued shall be valid for five years from the date of its issue till its cancellation. After five years, the ration card may be renewed or a new one issued. But no such exercise was made by the Civil Supply Officers (CSOs) for renewal of old or issue of new ration cards except verification of cards made during 2009-11.

Department stated (January 2014) that actions were being taken for issue of new ration cards at the time of implementation of NFSA 2013.

3.3.2.3 Non linking of ration card with LPG connection

GoI took a policy decision in 2002 to reduce the allocation of SK Oil to the States taking into account the number of LPG connections released in each State. Accordingly, GoI reduced 10829 Kl of SK Oil from the allocation of Odisha during 2002-04 taking into account 2.26 lakh LPG connections issued in the State during October 2000 to November 2002. GoI refused (June 2003) to increase allocation of SK Oil and advised (July 2003) the State Government to launch a State wide campaign to stamp ration cards of those having LPG connections and discontinue distribution of kerosene to such card holders.

Audit, however, noticed that the State did not take any such action even after 10 years. As a result, possibility of consumer getting subsidised SK Oil as well as LPG for cooking purpose cannot be ruled out.

The Department stated (January 2014) that action was being taken to integrate the database of LPG connections with NPR based on which new ration cards would be issued under the NFSA 2013.

3.3.3 Allocation and distribution of SK Oil

SK Oil is supplied to FPSs through wholesalers who lift oil from designated oil company depots and distribute it among its sub-wholesalers and the sub-wholesalers to retailers FPSs and ultimately from FPSs to beneficiaries. Irregularities in allocation and distribution of SK Oil are discussed as under:

3.3.3.1 Appointment of sub-wholesalers

Government issued (February/ March 2005) detailed guidelines for appointment of kerosene sub-wholesalers and retailers under PDS system. Audit observed that appointments of sub-wholesalers and retailers were made in violation of above guideline as discussed under:

- As per guidelines, new sub-wholesalers would be appointed only after inviting applications and copies of such notices are to be displayed in the Municipal/ Block and GPs concerned. But no applications for appointment of nine sub-wholesalers in three districts[33] were invited during 2009-2014. In Koraput district, appointments were given to six WSHGs/ SHGs, in Jajpur and Khordha districts the appointments were made in three cases to family members of the deceased sub-wholesalers on compassionate grounds.
- Further, any person who is holding another license for dealing in kerosene should not be granted license as wholesaler/ sub-wholesaler/ retailer for SK Oil and would not be allowed to renew his license. Collector, Sambalpur and Jajpur granted (2008-09) wholesaler license to same persons in their respective district for distribution of SK Oil for two different areas. The Collectors also did not review the above appointments while granting renewal of license annually (March 2013).
- In Koraput district, affidavits regarding non holding of another license, by them or their family member, from all wholesalers and sub-wholesalers as required under the guidelines were not obtained at the time of renewal of licenses.

Department stated (January 2014) that a decision has been taken to abolish sub-wholesalership from distribution chain of SK Oil. The same has been implemented in five districts on pilot basis from July 2013. However, fact remained that the sub-wholesalers were appointed in violation of guidelines.

3.3.3.2 Functioning of fair price shops with less than 500 cards

Wadhwa Committee on PDS recommended (September 2011) that there should be a minimum of 500 cards attached to a FPS to earn marginal profit. State Government also issued (February 2011) directions to all Collectors for tagging of minimum 500 ration cards to each of the FPS under PDS to make them economically viable. Besides, Clause 9(1) of PDS (Control) Order 2008, *inter-alia,* prescribed that the licensing authority may refuse to renew any license if the expected size of the operations of the dealer is not economically viable.

Audit noticed that as of March 2013 out of 4932 FPSs in the five test checked districts, 4085[34] (83 *per cent*) were running with less than 500 cards of which 1276 FPSs (26 *per cent*) were operating with less than 200 cards. The Sub-Collectors, being licensing authorities, appointed or renewed the license in violation of Government instructions.

Department stated (January 2014) that instructions had been issued (January 2012) to Collectors to follow the criteria of population of 2000 and card strength of 500 at the time of appointment of FPS. The fact, however, remained that even after issue of such instructions, 4085 FPSs were running with less than 500 cards.

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[33] Jajpur (1); Khordha (2) and Koraput (6)

[34] 211 FPS with less than 100; 1065 FPSs with less than 200, 1295 FPSs with less than 300, 1004 FPSs with less than 400 and 510 FPS with less than 500 cards.

3.3.3.3 Irregularity in allocation of SK Oil to FPS

As per paragraph 4(5) of Annexure to PDS (Control) Order 2001, while preparing monthly allocation for FPSs, district office shall take into account balance stock, if any, lying undistributed with the FPS owners for subsequent allocation. Similarly, Clause 10 of PDS (Control) Order, 2008 requires that licensees of FPS shall be responsible to ensure that they receive PDS commodities from wholesalers as per the quota before the first day of the month so that beneficiaries get their entitlement from the first day of the month. Audit, however, observed the following irregularities:

- Out of 512 FPSs test checked in five districts in 155 test checked FPSs of Koraput (110) and Sambalpur (45) districts, monthly allocation to FPS was released without taking into consideration the left over stocks of previous months by CSOs.
- In all 512 test checked FPSs of five districts, retailers lifted stocks from wholesalers/ sub-wholesalers during the second week of each month as the Department issued allotment order after first week of the month.

Department stated (January 2014) that in most of the months, allocation of SK Oil was being made to the districts within the first week on receiving State allocation from GoI, but there is procedural delay in distribution by the district Administration as well as the OMCs. If any operational delay is noticed, the matter would be taken up with them to sort out the issues.

3.3.3.4 Excess lifting of SK Oil by sub-wholesalers

Under PDS, prescribed quantity of SK Oil was to be lifted on the basis of the card strength as directed by District Administration. Audit observed that against allotment order issued by Collector, Jajpur to issue 50.360 KL of SK Oil to a sub-wholesaler during November 2011, Marketing Inspector (MI) instructed issue of 51 KL of SK Oil against which wholesaler actually issued 57.080 KL of SK Oil.

This indicated that there was no coordination in issue of orders and wholesaler issued SK Oil in disregard of orders of the Marketing Inspectors.

Similarly, against monthly allotment order of Collector for issue 16.380 KL of SK Oil to another sub-wholesaler of Tangi block in Khordha district for the months of November and December 2010, the MI endorsed lifting of 54.220 KL of SK Oil based on which wholesaler issued 53.679 KL.

Department stated (January 2014) that reports from the districts had been called for and instruction was being issued to check these sort of irregularities.

3.3.3.5 Lapse of allotment of SK Oil

GoI while allocating SK Oil for distribution under PDS specifically required that the entire allocation made for a month should be lifted within the month itself and carry forward of unlifted quantity would not be allowed. The Department while reallocating the SKO, instructed the district authorities to lift the entire allotted quantity every month and ensure that the allotted quantity did not lapse. Further,

the wholesalers are to lift 60 *per cent* of their quota by 10th of the month and 25 *per cent* by the next week of the month and the remaining by 25th of the month.

Audit observed that entire monthly allotment of SK Oil was not lifted during 2010-13. Due to such non-lifting of the allotted monthly quota by the wholesalers, 372 KL of SK Oil lapsed during 2010-13.

Department stated (January 2014) that Collectors were being asked to review lifting of SK Oil and take action against wholesalers who failed to lift quota.

3.3.3.6 Diversion of SK Oil for non-card holders and bulk consumers

Paragraph 2 of the allotment orders of GoI requires the States to ensure availability of subsidised kerosene oil meant for distribution under PDS to the targeted beneficiaries (BPL/ AAY/ APL categories) for the purpose of cooking and illumination only and not to be diverted for adulteration or for any unauthorised use. Besides, GoI instructed (August 2012) the States/ Union Territories to draw one month's additional quota of PDS kerosene at non-subsidised rates during each financial year for special needs. The State Government in FS&CW Department also instructed (March 2005) the Collectors to utilise additional quota of kerosene on distribution to non-card holders through hawkers at *haat*/ *Chhak*[35] sale. The non-card holders were allowed to purchase only half litre of SK Oil on *haat* days. Scrutiny of records revealed that:

- Collectors/ Sub-Collectors and BDOs of test checked districts diverted 4670.723 KL of SK Oil involving a subsidy of ₹ 11.98 crore for bulk consumers and *haat* sale during 2010-13. The district wise details of diversion of SK Oil is indicated in the table given below:

Table 3.6: Statement showing district wise diversion of SK Oil

Name of the district	Quantity of SKO diverted (in Kl)	Amount of GoI subsidy involved (₹ in crore)
Koraput	1402.380	3.62
Sambalpur	259.920	0.67
Jajpur	503.555	1.26
Khordha	1159.095	2.95
Mayurbhanj	1345.773	3.48
Total	**4670.723**	**11.98**

Source: Records of CSOs

- As subsidised SK Oil is being allocated by GoI for PDS consumers with specific instructions not to use it for non-PDS purposes, issue of the same to bulk consumers/ non card holders was irregular and in violation of Government directives.

- Further, Collector, Mayurbhanj issued SK Oil to families of non-card holders ranging from 1.835 litre to 1.941 litre every month against the prescribed norm of half litre. This was done by reducing the quota of APL beneficiaries from four litre to three litre per card in rural areas and from four litre to two

[35] Local unorganised market in an area

litre per card in urban areas which resulted in diversion of 4589.419 KL of kerosene oil involving a subsidy of ₹ 12.22 crore during 2010-13 as indicated in the table below.

Table 3.7: Statement showing diversion of subsidy on SKO due to sale to non-card holders

Year	Total quantity of SKO (in litre) issued to non-card holders beyond the prescribed norm	All India average subsidy rate of SKO (₹ per litre)	Subsidy involved (₹ in crore)
2010-11	1175623	18.21	2.14
2011-12	1777368	27.28	4.85
2012-13	1636428	31.98	5.23
Total	**4589419**		**12.22**

Source: Records of CSO, Mayurbhanj

- Out of additional allotment of 24 KL of SK Oil issued (September-October 2011) to Sambalpur district to meet the requirement of flood affected people, 12 KL of SK Oil was diverted by the CSO, Sambalpur for other purposes and seven KL remained unutilised with the sub-wholesalers of Maneswar Block (September 2013). Similarly, 12 KL out of the 24 KL of SK Oil allotted (October 2011) for flood affected people of Jajpur district in addition to the normal quota was distributed among 10 blocks during March 2012 after five months of allotment and the balance 12 KL of SK oil was utilised for purposes other than flood. These are, thus, indicative of poor monitoring over distribution and utilisation of SK Oil by CSOs.

The Department stated (January 2014) that allocation of SK Oil to the districts was based on the total number of ration cards in circulation in the district. District Administration, however, distributed SK Oil to non-card holders and bulk consumers because they were using it for lighting and cooking purposes. As regards utilisation of additional allotment of SK Oil made to Sambalpur and Jajpur districts for flood, report from respective Collectors had been called for.

SK Oil under PDS was meant for card holders and not for bulk consumers or *haat* sale; thus, such diversion resulted in reduction of their entitled quota.

3.3.3.7 Undue gain of subsidy by the wholesalers

Department communicated (September 1992) revised uniform rates of leakage charges payable to SK Oil dealers like wholesalers and sub-wholesalers which included 1 *per cent* of the ex-depot price in case of depot delivery towards leakage.

Audit observed that CSO, Sambalpur allowed leakages ranging from 1.10 *per cent* to 1.29 *per cent* as against admissible leakage of one *per cent* to three wholesalers which resulted in an undue gain of subsidy of ₹ 3.12 lakh[36] to them and less distribution of 13638 litres of SK Oil to beneficiaries.

[36] 2010-11 (7803 litre x ₹ 18.21); 2011-12 (3553 litre x ₹ 27.28); 2012-13 (2282 litre x ₹ 31.98)

Department stated (January 2014) that CSO, Sambalpur had been asked for reports regarding payment of excess leakage.

3.3.3.8 Irregular payment of transit insurance and bank commission charges

As per instructions (September 1992) of the Department, ₹ 6 per KL is added to the sale price of SK Oil towards transit insurance. As such wholesalers and sub-wholesalers should have proper insurance coverage for SK Oil for transportation from oil company depot to wholesaler's depot and from wholesaler's depot to sub-wholesalers depot. Similarly each wholesaler and sub-wholesaler is allowed ₹ 6 per KL towards bank commission. These charges increased the selling price of PDS SK Oil by ₹ 24 per KL which is ultimately passed on to the consumers.

Audit, however, noticed that expenditure of ₹ 52 lakh was reimbursed to 42 wholesalers and 162 sub-wholesalers of five districts without any documents in support of expenditure actually having been incurred by them.

Department stated (January 2014) that instructions were being issued to all Collectors to suitably check and supervise the actual transit insurance and bank commission at the time of fixing the price of SK Oil.

3.3.3.9 Excess payment of barrel depreciation

Clause 12(2) of Orissa PDS (Control) Order, 2008 envisages that dealers holding license to deal in SK Oil are to keep sufficient number of barrels of 215 litres capacity each for storing at least 75 *per cent* of the normal monthly quota. Wholesalers and sub-wholesalers who deal with SK Oil are provided with ₹ 30 per KL per month towards cost of barrel depreciation as per GoO orders (September 1992).

Audit observed that 39 wholesalers and 130 sub-wholesalers did not have sufficient number of barrels to store 75 per cent of SK Oil as per monthly quota but paid barrel depreciation charges in full on allotted quota which resulted in excess payment of ₹ 56.19 lakh.

Government stated (January 2014) that instructions were being issued to Collectors to provide barrel depreciation after physical verification of barrels at the time of fixing the price of SK Oil.

3.3.3.10 Non-maintenance of minimum prescribed "fluid stock reserve"

As per Clause 12(4) of PDS (Control) Order 2008, every wholesaler and sub-wholesaler dealing in kerosene oil was required to keep reserve stock of 2000 litres and every retailer is required to keep 500 litres which was not to be disposed off without written permission of licensing authority or an officer not below the rank of Inspector of Supplies. Audit, however, noticed that in violation of the above order, wholesalers, sub-wholesalers and retailers of five test checked districts did not always maintain the minimum prescribed fluid stock reserve for meeting any unforeseen situations. For example, in Baripada, 33 out of 45 sub-wholesalers and in Khordha 27 out of 43 sub-wholesalers maintained SK Oil less reserve than the prescribed limit. In Baripada, 10 sub-wholesalers maintained

reserves less than 1000 litres throughout 2010-13 with stock position ranging between 500 and 954.

The Department stated (January 2014) that instructions were being issued for maintenance of minimum fluid stock reserve at wholesaler and retailer level.

3.3.3.11 Distribution of SK Oil less than the prescribed quantity

As per decision of the Government, each card holder was to be supplied with four litres of SK Oil per month. Audit, however, noticed that the Collectors issued orders for supply of SK Oil ranging from two litre to 3.879 litre against the prescribed quantity of four litre per month. In order to ascertain the actual quantity of kerosene supplied to the card holders, joint beneficiary interview was conducted wherein 697 out of 1815 beneficiaries confirmed that they were not receiving four litre of SK Oil. Thirty-seven beneficiaries stated that they were receiving less than three litre of SK Oil.

Department stated (January 2014) that GoI had reduced the State quota of SK Oil every year which resulted in less quantity per ration cardholder quota. Though GoI was requested for enhancement of State quota to meet the requirement, favourable response had not been received. However, the fact remains that State had not taken steps for stamping of ration cards of those having LPG connections to discontinue issue of SK Oil to these consumers as per instructions of the GoI which affected adequacy of supply to some extent.

3.3.3.12 Monitoring

Government should ensure the proper procedure for monitoring of the Public Distribution System including functioning of fair price shops as prescribed in Clause 8 of the PDS (Control) order, 2001. Audit, however, noticed that:

- Though regular inspections of FPS were to be conducted not less than once in six months by designated authority, it was not ensured in Koraput district.
- Monitoring of functioning of PDS at the FPS level was to be conducted through computer network of the NIC installed in the district NIC centre and for this purpose, computerised code is issued to each FPS in the district. But, in Koraput district, 44 out of 110 FPSs jointly inspected could not report computerised codes allotted to them although the same were available in district supply office.
- Though, monthly allotment order issued by the State Government requires that CSO monitor lifting of SK Oil by possible dates in a month and report to Government about the progress of lifting of SK Oil, it was not adequate as allotment of 372 KL of SK Oil lapsed during 2010-13 as discussed in ***Paragraph 3.3.3.5***.

Thus, monitoring mechanism put in place for allocation and distribution of SK Oil under PDS was not adequate and effective.

Department stated (January 2014) that suitable instructions were being issued to district Administration to take up regular inspection.

3.3.4 Conclusion

Government failed to review the lists of beneficiaries annually since 1992 for purpose of deletion of ineligible families and inclusion of eligible beneficiaries. During special drive undertaken during 2009-11 by the department, 59,094 ration cards were detected as ineligible. Due to non-lifting of the entire allotted monthly quota by wholesalers, 372 KL of SK Oil lapsed during 2010-13. There was diversion of 9260.142 KL of subsidised SK Oil involving subsidy of ₹ 24.20 crore to non PDS beneficiaries. Wholesalers and sub-wholesalers were reimbursed ₹ 52 lakh towards insurance coverage and bank commission without ensuring its actual payment. Monitoring mechanism for allocation and distribution of SK oil needed improvement.

3.3.5 Recommendation:

The Government may

- ensure review of beneficiary list continuously to provide ration cards to eligible beneficiaries and strengthen monitoring mechanism accordingly;
- stop diversion of PDS SK Oil allotted for targeted beneficiaries to bulk consumers and non card holders.

The Department has agreed to implement the above recommendations after obtaining orders of Government.

HOME DEPARTMENT

3.4 Security related expenditure

3.4.1 Introduction

Considering the burden on State finances in tackling the security situation caused by the outbreak of extremism (LWE) in the States, Government of India (GoI) launched (April 1996) Security Related Expenditure (SRE) scheme, a Centrally Sponsored Scheme with the objective to supplement efforts of the States in dealing with LWE problems effectively by way of reimbursing expenditure incurred by State on security related activities. The scheme was revised (February 2005) comprehensively covering 76 districts of India including nine[37] districts of Odisha. Further, six[38] new districts of Odisha were added (April 2008 and April

[37] Gajapati, Ganjam, Keonjhar, Koraput, Malkanagiri, Mayurbhanja, Nawarangpur, Rayagada and Sundergarh

[38] Deogarh, Dhenkanal, Jajpur, Kandhamal, Nayagarh and Sambalpur

2009) under the scheme. Under the Scheme, 12 areas of expenditure were identified by the GoI as reimbursable.

Security related activities were undertaken by Home Department at State level through Director General & Inspector General (DG&IG) of police, Inspector General (Operation), Special Intelligence Wing and the Superintendents of Police (SsP) at the district level. Deputy Inspector General (DIG) of police, Special Intelligence was the nodal officer for controlling and coordinating the expenditure and for preferring claims for reimbursement from GoI. At the district level, the SP of the LWE affected district concerned would incur expenditure under SRE after identifying the villages and individuals eligible for the Scheme.

Audit covered the period 2009-13 and test checked records of Home Department, DG&IG of Police, the Special Intelligence Wing, the Special Operation Group and the Odisha Police Housing and Welfare Corporation (OPH&WC) and selected Superintendent of Police (SP) office at four (Gajapati, Koraput, Rayagada and Sambalpur) districts on grounds of vulnerability. Audit was conducted during January-March 2013 with respect to guidelines and instructions issued by the State and Central Government from time to time with the objectives to assess whether funds received under SRE were utilised economically and effectively, compensation and *ex-gratia* were made properly and timely and activities were undertaken for implementation of programme commensurate with objectives of the scheme.

Audit findings

3.4.2 Budgetary control and fund Management

Funds for Security Related Expenditure (SRE) were provided in State budget on the basis of proposed Annual Action Plan prepared by Home Department and submitted to GoI for approval. Pending its approval by GoI, expenditure was incurred through State budget and Department claimed reimbursement under the Scheme from GoI against expenditure incurred by the Drawing and Disbursing Officers. The Receipts and expenditure under SRE during 2009-12 were as under:

Table 3.8: Expenditure incurred vis-à-vis Budget provision ***(₹ in crore)***

Year	Amount proposed in the Annual Action Plan	Amount approved by MHA for Annual Action Plan	Budgetary Estimates (BP)	Variation with proposed Annual Action Plan	Actual Expe-nditure	Percentage of expenditure over BP
2009-10	39.18	24.23	57.12	(+) 17.94	42.33	74
2010-11	167.95	155.47	125.28	(-) 42.67	89.80	72
2011-12	146.08	86.26	160.44	(+) 14.36	72.75	45

Source: Records of Director General & Inspector General of Police

Audit noticed that the provision of fund in the budget provision assessment was not in conformity with the Annual Action Plan since variations ranged between (+) ₹ 14.36 crore and (-) ₹ 42.67 crore. Budgetary estimates were not realistic as expenditure therefrom ranged from 45 to 74 *per cent*. This indicated that the provisions made both in AAP and in Budget estimates were unrealistic.

Deficiencies noticed in budgetary control and financial management are discussed as under:

3.4.2.1 Preparation of unrealistic budget and surrender of funds at the fag end of the financial Year

Rule 46 of Odisha Budget Manual stipulates that the budget estimates for each year should be as accurate as possible. Further, Rule 146 *ibid* also envisages that all anticipated savings are to be surrendered to Government immediately as soon as foreseen and latest by 10 March of the financial year.

Audit observed that low expenditure resulting in savings of ₹ 137.96[39] crore led Department to surrender funds on the last working day (31 March) of the financial year during 2009-12 without any scope for expenditure for SRE purpose. Scrutiny of records also revealed that though provisions were surrendered due to non-utilisation of funds, additional budget provision for ₹ 13.91 crore was made in the supplementary budget for 2011-12 which was also surrendered in full along with the savings of ₹ 73.78 crore of the year. This indicated that there was improper assessment of requirement and management of funds.

Confirming variations in funds between the State budget and the approved Annual Action Plan, the Home Department stated (November 2013) that the Ministry of Home Affairs (MHA), GoI restricted the quantum of funds proposed while approving the Annual Action Plan during or after June every year. However, when Annual Action Plan was sanctioned during or after June every year, surplus balances could have been surrendered immediately instead of making additional supplementary provision and refunding later.

3.4.2.2. Reimbursement of expenditure disallowed by Central Government

As per SRE Guidelines (February 2005), the GoI reimburses expenditure incurred by the State on SRE under 12[40] prescribed items.

Audit scrutiny revealed that Home Department incurred expenditure of ₹ 204.89 crore under SRE during 2009-12 of which ₹ 200.41 crore (97 *per cent*) was claimed for reimbursement. But, MHA permanently disallowed ₹ 15.60 crore due to incurring of expenditure on inadmissible items, as detailed in the table below.

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[39] ₹ 14.79 crore (2009-10), ₹ 35.48 crore (2010-11) ₹ 87.69 crore (2011-12)

[40] (1) payment of ex-gratia to the families of civilian/ security personnel killed, (2) transportation, communication and other logistic support for CPMFs deployed in the State, (3)ammunitions used by the State Police Personnel for anti-Naxalite activities, (4) Training to the State Police(5) need based hiring of weapons/ vehicles including helicopters, (6) rehabilitation of Naxalites (7) strengthening of police Stations/ Out Posts, (8) creation of security related infrastructure in villages, (9) honorarium to Special Police Officers,(10) preparation of publicity material for disseminating information about various welfare and developmental schemes of Government, (11) community policing by the local police (12) premium for insurance of police personnel engaged in anti-Naxal operations

Table 3.9: Expenditure disallowed by Central Government for reimbursement

(₹ in lakh)

Sl. No	Particulars of expenditure	2009-10	2010-11	2011-12	Total
1	Cash Payment (beyond ₹ 20,000)	0	61.91	0	61.91
2	Hiring of A C vehicles during joint operation	0	1.75	2.03	3.78
3	Use of vehicles for administrative purpose	0	4.02	0	4.02
4	Idle charges of vehicles paid	0	4.58	1.66	6.24
5	Inadmissible materials purchased	0	3.14	0	3.14
6	Irregular payment of ex-gratia	0	72.00	0	72.00
7	Other reasons	0	0	2.48	2.48
8	Expenditure disallowed beyond the provisions of Annual Action Plan for the year.	1406.60	0	0	1406.60
Total		**1406.60**	**147.40**	**6.17**	**1560.17**

Source: Analysis from audit report of Internal Audit Wing of MHA

Government stated (November 2013) that there was no clear and convincing Guidelines while applying for reimbursement of expenditure.

However, the fact remains that items of expenditure are specified in the Guidelines and any discrepancy/ doubts should have been clarified from the MHA before incurring the expenditure.

3.4.2.3 Inadmissible expenditure on training

SRE guidelines prescribe that expenditure incurred on office equipment/ establishment expenses of the training institute are ineligible items of expenditure for reimbursement.

Audit observed that office equipment like steel almirah, executive chair, CFL bulbs, carom board etc., worth ₹ 5.19 lakh were procured by Special Operation Group (SOG) deployed to curb naxal activities in violation of the scheme guidelines.

Commandant, SOG stated (February 2013) that consumable training materials were procured as per requirement. But, Department did not give specific reason for violation of guidelines.

3.4.3 Payment of *ex-gratia*/ compensation

3.4.3.1 Delay in payment of ex-gratia

As per SRE guidelines, in case of death of civilians in extremist violence, the District Magistrate concerned is required to collect the application and send it to the General Administration Department for sanction and disbursement of the quantum of assistance to the next of kin for sanction, at the rate of ₹ one lakh per family up to October 2006 and thereafter at the rate of ₹ two lakh, out of which ₹ one lakh is reimbursable under SRE scheme.

Scrutiny of 41 cases of ex-gratia payment in two (Koraput and Rayagada) out of four sampled districts revealed that in 28 (68 *per cent*) cases, payment of ex-gratia

to families was made with delays ranging between 10 months and 28 months. In two other cases though sanctions were accorded, payment was not made even after 20 to 27 months from date of death of civilians. In the rest 11 cases, sanctions were not accorded even after a lapse of 13 months to 42 months from the date of death of civilians.

Government stated (November 2013) that cases were found to be delayed as wide coordination is required among different departments/ establishments of Government. The fact, however, remained that the families of the victims did not get assistance in time.

3.4.3.2 Delay in payment of rehabilitation package

To wean away misguided youths from LWE and bring them back to mainstream, the State Government introduced (June 2006) a scheme for surrender and rehabilitation of extremists which was allowed for reimbursement under SRE. According to the revised guidelines notified (February 2012) by the Government, the District Level Screening Committee[41] was required to categorise each person who surrenders as "A" or "B" taking into consideration his/ her involvement in crime. On surrender, each person was eligible to get four decimal[42] of land or its cash equivalent with effect from 26 August 2009 and the rehabilitation process was required to be completed within one month. Besides the above, each "A" category person who surrenders was eligible to get:

- ₹ 0.50 lakh as immediate cash assistance and
- ₹ two lakh deposited in Fixed Deposits in the joint account of the surrenderee and the Nodal Officer (NO)[43] of the district, of which ₹ 0.50 lakh would be payable after one year and the balance amount after three years subject to satisfactory conduct of the surrenderee.

Similarly, each "B" category person who surrenders was eligible to get:

- ₹ 0.50 lakh as immediate cash assistance; and
- ₹ 0.50 lakh deposited in Fixed Deposits in the joint account of the person who surrenders and the NO of the district which would be payable after one year subject to satisfactory conduct of the person who surrenders.

Audit noticed that in three districts (Koraput, Rayagada and Gajapati), there were nine "A" category and 12 "B" category persons who surrendered but not provided four decimal of land or its cash equivalent (₹ 25,000) by the NOs as of March 2013. Besides, all the "A" category persons who surrendered were paid ₹ 0.40 lakh as immediate cash assistance in lieu of ₹ 4.50 lakh; and ₹ 13.20 lakh

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[41] Comprising of the District Magistrate, Superintendent of Police, a representative of the Intelligence Department nominated by the Director, Intelligence, a representative of Central Armed Police Force (CAPF) where CAPF was deployed

[42] A unit for measurement of land prevalent in Odisha

[43] The Superintendent of Police was the Nodal Officer of the Screening Committee of the district concerned

deposited as fixed deposits in the joint accounts of the persons who surrendered and the NO, in lieu of ₹ 18 lakh.

Similarly, 11 out of 12 "B" category persons who surrendered were only paid ₹ 1.10 lakh as immediate cash assistance in lieu of ₹ 5.50 lakh. No fixed deposits were made in favour of "B" category persons who surrendered by the Nodal Officers even after lapse of more than one year from the date of notification of revised surrender package.

Thus, there was delay and inadequate payment of rehabilitation package to the persons who surrendered defeating the objectives of the scheme.

3.4.4 Implementation of Activities

3.4.4.1 Strengthening of Police Stations and providing logistic support to Central Para-Millitary Forces (CPMFs)

SRE guidelines (Para 16 and 17) stipulated that expenditure incurred for strengthening police Stations/ Outposts housed in Government buildings and providing logistic support to CPMFs *e.g.,* construction of defensive and logistic support temporary structures, barbed wire fencing, etc., required for their efficient operations are reimbursable. During 2009-12 the DG&IG of Police, Cuttack sanctioned 455[44] such works and released ₹ 143.24 crore to the OPH&WC for execution. Status of works as of March 2013 is indicated in the table below.

Table 3.10: Status of execution of SRE works by OSPHWC

Year	No of works sanctioned	Estimated cost (₹ in crore)	Status of work		
			Completed	Incomplete	Not started
2009-10	41	28.26	37	3	1
2010-11	223	72.27	159	45	19
2011-12	191	42.71	51	75	65
Total	**455**	**143.24**	**247**	**123**	**85**

Source: Records of Odisha Police Housing and Welfare Corporation

Audit observed that there were cases of completed works not handed over to the user agencies, idling of funds due to non-commencement of works, non-refund of savings by the executing agency and inadmissible and infructuous expenditure as discussed below:

3.4.4.2 Non handing over of completed works and non-completion of works timely resulted in idling of scheme fund

Out of 455 works entrusted to OPH&WC during 2009-12, only 247 (54 *per cent*) works were completed utilising ₹ 56.22 crore. Out of the completed works, 140 (40 *per cent*) works though completed utilising ₹ 23.74 crore as of March 2013, were yet to be handed over to the user agencies due to lack of proper co-

[44] 310 works under logistic support and 145 works under fortification of police stations

ordination between Odisha Police Housing Corporation and the User agencies concerned.

Similarly, 123[45] (27 *per cent*) works, estimated at ₹ 48.14 crore, commenced during 2010-12, utilising ₹ 27.21 crore, remained incomplete as of March 2013, though works were stipulated to be completed within three to six months. Delay in completion of works due to absence of monitoring by the Department resulted not only in idling of funds but also caused delay in reimbursement of fund from GoI. Besides, the objective of strengthening of the Police stations remained unfulfilled.

Government stated (November 2013) that it has always been a difficult task to timely deliver the matter in adverse conditions and there exist difficulties in mobilising resources at local level. However, most of the works have been completed and handed over to user agencies.

3.4.4.3 Arbitrary release of advance resulted in idling of fund

Audit noticed that, all the 85 works sanctioned during 2009-12 under SRE were pending at different stages as under.

- 23 works not commenced due to non fulfillment of prerequisites *e.g.,* non-selection of sites (11 works), pending approval of deviations/ modifications by the DG&IG of Police (three works), non-finalisation of tender (nine works);
- 34 works not commenced even after issue of work orders; and
- 28 works though claimed to have been taken up, no expenditure was booked as of March 2013.

Despite non-fulfillment of pre-requisites and non-commencement of work in respect of 57 works, DG&IG of Police released the full estimated cost of works of ₹ 29.79 crore, in favour of the Executing Agency *i.e.,* OPH&WC which eventually resulted in idling of fund up to three years.

3.4.4.4 Avoidable expenditure of ₹ 5.31 crore on assets created beyond the prescribed specification

On provision of logistic support, the MHA clarified (April 2012) that, brick wall structures would be permissible for construction of barracks etc., under the SRE scheme for CAPFs camps provided the roof be of temporary nature instead of Reinforced Cement Concrete (RCC).

[45] Three works from 2009-10 and 45 works from 2010-11 and 75 works from 2011-12

Audit noticed that in providing logistic support to the CAPFs, construction of nine barracks in six[46] districts was taken up under SRE scheme with an estimated cost of ₹ 12.64 crore, against which expenditure of ₹ 5.27 crore was incurred as of March 2013. All those works were of permanent nature since RCC roof was constructed in each case in violation of SRE guidelines.

Construction of barrack at CPMF Headquarters, Koraput with RCC roof

Physical verification of 99 out of 158 works relating to four[47] SRE districts conducted by the Joint/ Deputy Manager, OPH&WC in presence of Audit also confirmed that in three[48] works permanent RCC works were undertaken instead of temporary roof structures. Similarly, though a lighting system was installed at a cost of ₹ 3.18 lakh and two sentry posts were created on the roof of the CPMF camp building at Meghpal Anti National Police Protection (ANPP) in Sambalpur district for ₹ 0.74 lakh, the assets were lying unusable due to non provision of electricity and ladder to the roof. As such, the entire expenditure of ₹ 3.92 lakh incurred under SRE was infructuous.

Installation of lighting system at Meghpal ANPP, Sambalpur without power supply

Government stated (November 2013) that few barracks with RCC roof were taken up on the demands of CAPF authorities in order to fortify against hostile security environment.

3.4.4.5 Non-levy and collection of hire charges of helicopter

As per SRE revised (February 2005) guidelines, the expenditure on need based hiring of helicopters would be reimbursable for being used in anti naxal operations.

Audit observed that the Home Department hired one Mi-172 helicopter with effect from 7 August 2011 for providing air support to anti-Naxal operations in the State. Out of total flying hours of 193 hours and 35 minutes shown as utilised by the Home Department, actually 143 hours and 55 minutes were utilised for SRE purposes and the balance 49 hours and 40 minutes were utilised by different

[46] Dhenkanal (1), Keonjhar (3),Koraput (1), Nayagarh (1), Rayagada (2), Sambalpur (1)

[47] Sambalpur, Gajapati, Rayagada and Koraput

[48] (1) Construction of 100 men barrack at CPMF Headquarters, Koraput, (2) Construction of 100 men barrack at Kuchinda, Sambalpur, (3) Additional Infrastructure Officer Transit Mess for CPMF

authorities for non SRE purposes. In respect of utilisation of helicopter for 42 hours and 50 minutes for relief work, the Home Department has intimated (March 2012) that the Special Relief Commissioner, Odisha pay ₹ 2.46 crore towards hire charges directly to the service provider. On the remaining flying hours of 6 hours 50 minutes, the cost of hire charges of ₹ 24.91 lakh was paid out of SRE fund without getting the amount collected from the user agencies and the same was also got reimbursed from the GoI.

Government stated (November 2013) that steps were being taken for recovery of amount from the user department and to adjust the same to the SRE Scheme 2013-14.

3.4.5 Monitoring and supervision

Audit noticed that the Home Department neither constituted any committee to monitor the implementation of SRE scheme nor fixed any norm of inspection for State and district level officers. Due to improper monitoring, 140 works could not be put to use even after their completion at a cost of ₹ 23.74 crore, 123 works remained incomplete for more than one year after spending ₹ 27.21 crore and 57 works with an estimated cost of ₹ 29.79 crore, though released in favour of the Executing Agency, were not started even after one year from the date of sanction.

Government stated (November 2013) that it would further streamline the matter with regard to timely completion of the assigned civil projects under the SRE Scheme.

3.4.6 Conclusion

Shortcomings in budgetary control, advance release of funds to the executing agency, delayed payment of rehabilitation package to the persons who surrendered etc., affected the implementation of SRE Scheme. Further, due to expenditure on inadmissible items, the GoI disallowed ₹ 15.60 crore during 2009-12.

3.4.7 Recommendations

- Completion of works under SRE within the stipulated time frame to achieve the intended objectives may be ensured.
- Rehabilitation package may be paid as per rule.
- Effective monitoring mechanism may be put in place.

3.5 Assessment and realisation of cost of deployment of police personnel in other than Government organisations

3.5.1 Introduction

Any private individual or non-Government body requiring the services of police for special duty to regulate traffic and keep order in or outside private premises on the occasion of large gathering like football matches, athletic meets, theatrical

performance and generally for services which are not within the ordinary duty of the police, shall be charged the cost of deployment of police guards, at the rates notified by Government from time to time for which application is required to be made and fee is to be deposited in advance.

In order to examine the assessment and recovery of cost of deployment of police personnel in other than Government organisations, Audit examined the records of Commissioner of Police, i.e. Bhubaneswar-Cuttack City and 13 out of 44 Superintendents of Police (SsP) offices.

Audit findings

Audit noticed that cost of deployment of police guards both in cricket matches as well as in nationalised banks remained outstanding against the user agencies even for over one to seven years. Besides, there was also conspicuous absence of any uniform procedure in assessing the cost of police guards as discussed below:

3.5.2 Non-adoption of uniform procedure for assessing the cost of deployment

As per Rule 1000 of the Odisha Police Manual, the cost of deployment of police personnel for private individuals or non-Government bodies consisted of the average costs of pay and allowances, contribution for leave salary and pension, cost of fire arms, clothing and equipment charges, probable travelling allowance at 20 *per cent*, contingencies at 25 *per cent* on the amount of pay etc., as prescribed by the Government from time to time.

Scrutiny revealed that 323 Constables and 70 Havildars were deployed for maintaining security in 10 nationalised banks in six districts of Odisha during 2006-13. In assessing average cost of pay of the deployed Police personnel the SP followed different formulae. While four (*viz*., Gajapati, Kendrapara, Jagatsinghpur and Angul) SsP adopted an arithmetical average[49] of pay method, other two SsP followed a different[50] method. This indicated that no uniform method of calculation was adopted across the Police Districts of the State.

DG & IG of Police, Odisha, Cuttack instructed (May 2013) all the district SsP to adopt the calculation procedure uniformly as envisaged below formula No. 4 of Rule 61 of OGFR and instructed (September 2013) the differential cost of deployment of police personnel retrospectively from 1 January 2006 be realised.

3.5.3 Outstanding cost of deployment

As per Rule 999 of Orissa Police Manual, the entire cost of police guards was required to be deposited in advance in cases where deployment was effected for private individuals and non-Government bodies. Audit noticed that deployment of police personnel was made without assessing cost of deployment or insisting for

[49] Formula(4): [(Minimum + Maximum of the pay band)/2] + Grade Pay
[50] Minimum of the pay band + 2/3 (Maximum pay – Minimum pay)

its advance deposits in Government Treasuries as required under Police Manual. Thus, cost of police guards either remained un-realised or realised belatedly as discussed below:

- During 2006-13, an amount of ₹ 14.44 crore was due towards the cost of deployment of police forces, from 10 user agencies under six districts, of which ₹ 10.92 crore was only realised, resulting in non-realisation of ₹ 3.52 crore as detailed in table below.

Table 3.11: Outstanding cost of deployment of police guards in nationalised banks/ agencies

(₹in lakh)

Sl No	Name of the District	Name of the User Agency	Demand raised	Actual realisation	Amount outstanding
1	Angul	SBI, Athamalik	154.35	123.28	31.07
		SBI, Samal	154.35	123.28	31.07
		OHPC Ltd, Rengali	154.35	123.28	31.07
2	Bolangir	SBI, Bolangir	136.17	119.55	16.62
3	Gajapati	SBI, Paralakhemundi	154.35	110.35	44.00
4	Jagatsinghpur	SBI, Paradip	150.16	111.42	38.74
		UBI, Paradip	128.73	59.20	69.53
		SBI, Jagatsinghpur	128.73	93.26	35.47
5	Kendrapara	SBI, Kendrapara	154.35	133.98	20.37
6	Subarnapur	SBI, Sonepur	128.73	94.20	34.53
Total			**1444.27**	**1091.80**	**352.47**

(Source: Information received from SsP offices)

The authorities did not take adequate step for realisation despite dues pending since one to seven[51] years. The approach for realisation was confined to issue of reminders only.

- In response to the request (February 2010) of Odisha Cricket Association (OCA) for providing security to players and maintaining law and order for cricket match, the Commissioner of Police, Bhubaneswar assessed the cost of deployment of police personnel for ₹ 59.92 lakh and requested (March 2010) OCA to deposit the amount in advance. However, without doing so and attaching any condition against any eventuality of non-payment/ delay in payment of dues, the Commissioner of Police deployed security. The above amount was revised to ₹ 69.14 lakh due to inclusion of ₹ 2.76 lakh for enhanced dearness allowance (DA) and service tax ₹ 6.46 lakh of which only ₹ 10 lakh was realised (June 2012) as of March 2013 after lapse of two years leaving the ₹ 59.14[52] lakh unrealised.

  In May 2012, wherein the police were deployed for security in cricket match, at the behest of a franchisee, with an advance payment of ₹ 10 lakh against the cost of deployment of ₹ 39.23 lakh, the department could not realise the

[51] ₹ 3.52 crore = 2006-07: ₹ 87.23 lakh, 2007-08: ₹ 88.57 lakh, 2008-09: ₹ 95.02, 2009-10: ₹ 25.23, 2010-11: ₹ 18.26, 2011-12: ₹ 29.85, 2012-13: ₹ 8.31 lakh.

[52] ₹ 59.92 lakh + ₹ 2.76 lakh (additional demand) + ₹ 6.46 (Service Tax)- ₹ 10 lakh

balance amount of ₹ 29.23 lakh. As such, ₹ 88.37 lakh remained to be realised from franchise although it was closed.

The DG & IG of Police, Odisha, Cuttack stated (May 2013) that instructions were issued to Ss P for timely recovery of outstanding dues and the banks/ agencies were reminded to deposit the outstanding dues. In respect of IPL matches, the Commissioner of Police, Bhubaneswar–Cuttack, Bhubaneswar stated (October 2013) that a recovery case was registered against the OCA and franchisee. However, such a situation could have been avoided, had the cost of deployment been realised in advance from the user agencies as per rule.

3.5.4 Absence of enabling provisions to levy interest/ penalty on delayed/ non-payment of cost of deployment

Audit also noticed that in all cases the deployment of police guards preceded the realisation of its cost on the ground of urgent necessity of maintaining security. No intimation/ notice was served to the user agency to deposit the cost within a reasonable period. Besides, there was no provision in the Act/ Rule/ Police Manual for protecting the interest of Government in such case of delayed payment/ non-payment, either by imposing penalty or charging interest for the period of delay in payment of the cost of such deployment. This ultimately resulted in delayed/ non-payment of the cost of deployment.

The DG & IG of Police stated (May 2013) that the Government was being moved for obtaining necessary orders for imposition of penal interest in case of delay in payment of cost of Police guard.

3.5.5 Conclusion:

Deployment of police personnel without collection of the assessed cost of deployment in advance resulted in non-realisation of dues. No provision was made for execution of agreement between user agency and the service provider with a view to safeguard Government interest in the event of non-payment or delay in payment of prescribed fees.

REVENUE AND DISASTER MANAGEMENT DEPARTMENT

3.6 Sale and disposal of river sand

3.6.1 Introduction

The Orissa Minor Minerals Concession (OMMC) Rules, 2004 was notified (August 2004) by the Government of Odisha and empowered Revenue & Disaster Management (R&DM) Department to grant leases[53] and permits[54] of quarries of

[53] A lease granted on tenure basis for extraction, collection and/ or removal of minor minerals over a compact area.

[54] A permit granted for a period not exceeding one year for extraction, collection and/ or removal of any specified quantity of minor minerals other than decorative stones not exceeding one thousand cubic metre.

minor minerals including sand or dispose the source through public auction. For strict enforcement of revenue earning measures and to ensure proactive role of the filed level officers, Rule 35 stipulates that all sources of minor minerals[55] appearing in item No. 1(i) of schedule-III under Rule-2(f) thereof, should be sold or disposed of by public auction on such terms and conditions as specified by the competent authority[56]. As per Rule 37 read with Rule 38 of the OMMC Rules, the minor mineral sources were to be disposed of through public auction by giving reasonable publicity and fixing an upset price . Further, as per Rule 56 (xii) the auction holder is required to keep correct monthly account of minor mineral quarried and dispatched and furnish monthly as well as annual returns in the forms prescribed.

Audit of auction of minor minerals (sand) was conducted during January to April 2013 covering the period from 2009-12, of seven[57] *tahasils*, selected on the basis of highest revenue demand to assess whether all the sources of sand were identified and their quantity properly assessed, auction of sand source was fair, levy and collection of auction price was proper and the monitoring mechanism was effective to check illegal and unauthorised transportation of minor minerals. For the criteria, Audit relied on the *Tahasil* Accounts Manual (TAM), Orissa Minor Mineral Concession (OMMC) Rules 2004 and Orders/ Circulars of the Government on the disposal of minor mineral sources.

Audit findings

3.6.2 Identification and assessment of sand source

3.6.2.1 Assessment

In order to have an appropriate upset price, quantum of sand in each source should be assessed before it is put to auction. Audit, however, observed that no quantity of sand for the source was assessed before it was put to auction. Registers maintained in *Tahsil* offices, as per Rule 56 (xii) of the OMMC Rules 2004, though recorded the area of each sand sources, did not contain the quantum of sand lifted in the previous year. This was due to non-furnishing of monthly/ yearly accounts of minerals quarried and dispatched by the auction holders. Department also did not insist on proper recording of the quantum of sand lifted.

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[55] Ordinary clay, silt, rehmatti, ordinary sand other than the sand used for industrial and prescribed purposes, brick-earth, ordinary earth, moorum, laterite slabs, ordinary boulders, road metals including ballasts, chips, bajri and rock fines generated from stone crushers, gravels of ordinary stones and river shingles and pebbles.

[56] *Tahasildar* in case the upset price of the source is within ₹ 50,000 and the Sub-Collector when it exceeds ₹ 50,000

[57] Balianta, Barang, Bhubaneswar, Dhenkanal, Jaleswar, Remuna, Talcher

Due to non-assessment of quantum of sand in source before it was put to auction, fixation of appropriate upset price could not be ensured. In reply the *Tahasildar* stated that assessment of quantity of sand was not feasible as the quantity of sand deposit depended on flood in the river during rainy season and public auction and settlement of the sources were finalised well before the commencement of sand deposit in the sources.

However it was observed that *Tahasildar*, Balianta imposed (June and August 2012) penalty on the basis of assessment of quantity of sand lifted from Bhargavi river unauthorisedly.

R&DM Department assured (November 2013) that feasibility of a mechanism to fix the upper limit of lifting of sand would be examined.

3.6.3 Auction, Levy and Collection

3.6.3.1 Non-execution of auction agreements

As per Rule 53 read with Rule 50 of OMMC Rules, an agreement, containing the terms & conditions of auction sale, quarrying operations etc., was to be executed between the successful bidder and the competent authority under the provisions of the Indian Stamp Act, 1899 within seven days from the date of payment of bid amount in full, failing which the security deposit was liable to be forfeited, in whole or in part, by the competent authority.

Scrutiny of 26 out of 100 cases in four *Tahasils* (Bhubaneswar, Baranga, Talcher and Jaleswar) revealed that without executing any agreement for quarrying operation of ₹ 2.50 crore during 2009-12, the competent authorities allowed the successful bidders to operate the sources. Due to non-execution of agreement, stamp duties of ₹ 12.53 lakh chargeable at the rate of five *per cent* on the bid amount could not be realised from the bidders.

The Government stated (November 2013) that the Collectors were advised to ensure 100 *per cent* registration of agreements.

3.6.3.2 Award of sand source on negotiation

The OMMC Rules, 2004 *vide* Rule 41, 42 and 45 permits the bidders to participate in the process of auction of a minor mineral source, on deposit of earnest money which is ten *per cent* of the upset price of the source and the same is refundable without any interest to the unsuccessful bidders within a reasonable time not exceeding seven days from the closure of the auction process. Further, Rule 46 of above rules provided that where the auction price falls short of the upset price, the competent authority shall refer the matter to the next higher authority, who may order resale/ re-auction if he is of the view that the price is lower than what it ought to be.

Audit noticed in two (Remuna and Balianta) out of seven Tahsils, as detailed below, that the auction holders after accepting the offer, did not deposit the bid value which compelled the authority to settle the bid value at a lower price.

- Sand source of *Nuapur bada sand quarry* for 2009-10 under Remuna Tahasil was put (March 2009) to auction with an upset price of ₹ 2.31 lakh. Though nine bidders participated in the open tender process depositing earnest money of ₹ 0.23 lakh each, only two of them offered calls for ₹ 0.49 lakh and ₹ 0.50 lakh and the other seven bidders remained silent. Since the upset price was not achieved, the sale was adjourned and the earnest money deposit was refunded to the bidders by the concerned *Tahasildar*. But, all the bidders filed a joint petition praying to fix up the upset price at ₹ 0.50 lakh which was also turned down by the *Tahasildar*. Since the bid could not be settled on four successive auctions (March and April 2009), the Sub Collector, Balasore negotiated (April 2009) with 12 participants asking to quote bid price in sealed envelope, however, no EMD was sought for from the bidders while submitting the bids. Out of 12, ten participants quoted prices higher than the upset value, the highest being ₹ 9.01 lakh. After one hour from the opening of the sealed cover, nine highest bidders refused to take the source one after the other without assigning any reason thereof. Denial of the source by the bidders, after quoting the bid value, forced the Competent Authority to settle the auction of the source to the lone remaining bidder, who quoted ₹ 2.39 lakh. Since there was no EMD available, the bidders participated in the auction and backed out from the bid without any loss at their end.
- Similarly, *Bhargavi river* sand source under Balianta Tahasil for the year 2012-13 was put to auction (March 2013) with an upset price of ₹ 28.60 lakh. Though five participants participated in the auction process, the source was settled at a price of ₹ 64.77 lakh in favour of highest bidder, who failed to deposit 25 *per cent* of the bid value on the date of auction. As such, the bid was cancelled by the concerned *Tahasildar*. It was further noticed that all the subsequent three highest bidders were found absent and they did not turn up at the call of the *Tahasildar*. As such, the *Tahasildar* was forced to settle the source in favour of the fifth highest bidder of auction at a price of ₹ 29.65 lakh.

Thus, the auction did not conform to the provisions of OMMC Rules 2004.

Government stated (November 2013) that issue relates to possible cartel formation and the Steel & Mines Department had been requested to make provision of registered sealed tender and forfeiture of EMD of participants, if they quote less than upset price.

3.6.3.3 Award of contract to defaulters of Government dues

Rule 40(c) of OMMC Rules, 2004 prohibits participation of defaulters of Government dues in the process of auction for minor minerals.

Scrutiny revealed that despite pendency of arrear of auction monies and penalties of ₹ 10.84 lakh for one to eight years, against seven defaulters of two Tahasils (Jaleswar and Balianta), they were awarded contract of 10 sand sources during 2009-13. One example is discussed below:

In the auction process of *Sekh Sarai sand source (Kha)* under Jaleswar *Tahasil* for 2010-11, *Tahasildar* Jaleswar permitted one bidder to participate, despite pendency of auction money of ₹ 3.13 lakh against him since 2004-05 and source was awarded at ₹ 5.70 lakh. The bidder deposited 25 *per cent* of the bid value (₹ 1.43 lakh) and was awarded (March 2010) the source. It was further noticed that the bidder defaulted in payment of balance amount of ₹ 4.27 lakh and paid only ₹ 3.75 lakh with a delay of 30 months. As a result, ₹ 3.65 lakh including previous dues (₹ 3.13 lakh) remained unrealised from the auction holder as of March 2013.

As per Rule 65 of the OMMC Rules 2004, if the lessee/ permit holder fails to make payment of any sum within the due time, simple interest at the rate of 24 *per cent* per annum on such pending dues shall be charged until payment is made. So participation of defaulters in the process of auction not only encouraged bidders to default in payment of Government dues but also resulted in loss of interest of ₹ 8.45 lakh to Government calculated at the rate of 24 *per cent* on the arrears as of March 2013.

Government stated (November 2013) that Collectors of Balasore and Khordha were asked to submit proposals for initiation of Departmental proceedings against the erring officials.

3.6.3.4 Adjustment of security deposit

Rule 50 of OMMC Rules, 2004 stipulates that after realisation of the bid amount in full from the successful bidder, the earnest money deposit (EMD) is required to be converted into security deposit, which may be forfeited in whole or part by the competent authority, in case, any of the conditions of assignment is violated.

- Audit, however, noticed that during 2009-12, six auction holders of sand sources in Baranga *Tahasil* and eight auction holders in Talcher *Tahasil* though deposited the bid amount of ₹ 3.79 crore in full, either did not execute the agreement with the authority as required under Rule 53 of OMMC Rules, 2004 or did not pay 75 *per cent* of the bid amount in lump sum within 30 days from the date of confirmation of the bid. In both cases, though terms and conditions of auction were violated by auction holders, the *Tahasildar*s, instead of forfeiting the security deposits either in full or in part, released the full amount of security deposits of ₹ 29.80 lakh extending them undue favour.
- In Jaleswar *Tahasil* security deposits of ₹ 7.43 lakh in respect of sixteen cases were required to be released to auction holders after completion of the auctionable period. But, within the currency of auction period, the competent authority unauthorisedly adjusted the security deposits of ₹ 7.43 lakh towards

the arrear bid value pending against the auction holders. Even after adjustment of the security deposits, ₹ 23.14 lakh was still outstanding against the auction holders.

Government stated (November 2013) that Collectors, Balasore and Cuttack had been asked to submit proposals for initiation of departmental proceedings against the erring officials.

3.6.3.5 Acceptance of bid amount in instalments

As per Rule 47 of OMMC Rules, 2004, read with Rule 48 and Rule 49 *ibid* the successful bidder is required to deposit 25 *per cent* of the bid amount instantly on the day, when the bid is finalised/ concluded and the balance 75 *per cent* in lump sum within 30 days from the date of confirmation of the bid, failing which, the confirmation order would be cancelled and amount deposited forfeited by the competent authorities.

Audit, however, noticed that in 38 cases of four[58] *Tahasils*, the auction holders were unauthorisedly allowed to deposit 75 *per cent* of the bid amount in un-equated installments without any specification of time leading to delays in payment ranging between 11 days and two years 10 months. Few instances are discussed below:

- *Gobarghat Mali Pala* sand source under Jaleswar *Tahasil* was settled (March 2010) through auction at a bid amount of ₹ 46.48 lakh. Though the auction holder was required to deposit 25 *per cent* of the bid value instantly on the date the bid was confirmed, the auction holder deposited (March.2010) ₹ 11.21 lakh only as against ₹ 11.62 lakh, violating the terms of agreement. Subsequently, the remaining dues of ₹ 35.27 lakh were deposited in 13 instalments, spreading over 15 months from the date the auction was confirmed.
- In 23 cases of Jaleswar *Tahasil*, payment of 75 *per cent* of the bid amount was deposited after lapse of the auction period extending undue favour to the auction holders. Despite realisation of bid amount in instalments, the *Tahasildar*s failed to recover the arrears in full and an amount of ₹ 23.14 lakh in respect of 10 cases was still outstanding. Allowing payment of auction amount in instalment resulted in loss of interest of ₹ 39.23 lakh as of March 2013.

Despite violation in realisation of the bid value, the competent authority neither cancelled the confirmation order nor forfeited the amount so deposited including the EMD, rather accepted the bid amounts in un-equated instalments favouring the auction holders.

Government stated (November 2013) that Collectors, Balasore, Angul, Cuttack and Khordha had been directed to submit draft charges against the erring officials for initiation of departmental proceedings against them.

[58] Baranga (4), Jaleswar (23), Remuna (2) and Talcher (9)

3.6.3.6 Disposal of pending certificate cases/ payment of sand dues

As per Section 3 read with Section 4 of the Orissa Public Demand Recovery (OPDR) Act, 1962 when any public demand payable to any person other than the Collector is due, such person may send to the Certificate Officer a written requisition in the prescribed form and the Certificate Officer, on being satisfied, may cause the certificate to be filed in his office.

Audit noticed that in 48 cases of six[59] *Tahasils*, dues of Government amounting to ₹ 76.05 lakh relating to sand sources remained unpaid since 1966-67 onwards. Of the above, though Certificate cases under OPDR Act, 1962 were instituted against 25 defaulters for realisation of ₹ 35.82 lakh as of March 2012, not a single case was disposed of and no Government dues were recovered (December 2013). Neither any review nor monitoring of the pending cases was done by the *Tahasildars/* Sub Collectors for a time-bound disposal. The year wise breakup of the pending cases is furnished in the table below:

Table 3.12: Year wise break up of certificate cases instituted

Sl No	Year of institution of certificate cases	No of Certificate cases instituted	Amount involved (₹ in lakh)
1	1966- 2000	10	6.00
2	2001-05	10	24.02
3	2005-06	2	5.52
4	2007-08	1	0.05
5	2008-09	1	0.08
6	2010-11	1	0.15
Total		**25**	**35.82**

Source: Compiled by Audit from the records of Tahasildars

Similarly, in the remaining 23 cases though Government dues aggregating ₹ 40.23 lakh remained unrecovered since 1999-2000 onwards; no action was initiated by the Government for recovery of the same. Details of the pending cases are furnished below:

Table 3.13: Year wise break up of pending cases

Sl No	Year to which relates	No of cases pending	Amount involved (₹ in lakh)
1	1999-2000	1	0.27
2	2002-03	1	0.50
3	2003-04	2	0.93
4	2004-05	1	0.03
5	2005-06	1	1.80
6	2008-09	1	0.82
7	2009-10	1	0.50
8	2010-11	6	10.48
9	2011-12	7	24.44
10	Not known	2	0.46
Total		**23**	**40.23**

Source: Compiled by Audit from the records of Tahasildars

[59] Balianta, Bhubaneswar, Baranga, Dhenkanal, Talcher and Jaleswar

Thus, though all the cases were pending for more than one year and were fit for institution of certificates cases against the defaulters under OPDR Act 1962, no initiative was taken by the *Tahasildars*.

Government stated (November 2013) that disposal of Certificate cases are monitored by the Department from time to time and they are being impressed for early disposal of cases.

3.6.4 Monitoring

Rule 72 of OMMC Rules 2004 empowers the Competent Authority and the Director of Mines to enter into and inspect any area, survey and take measurement in any such workings, examine the registers for weighing and taking measurement of the stocks of minor minerals lying in any quarry to ensure systematic, scientific and safe quarrying operations. In case any deficiency is observed as a result of such inspection, the lessee or the auction holder shall not operate the quarry unless the deficiencies are made good.

Scrutiny of records revealed that monitoring mechanism was not adequate and effective as discussed under:

- As per Rule 68 of the OMMC Rules, 2004, whenever any person is found involved in illegal extraction or transportation of any minor mineral, he shall be punishable with simple imprisonment extendable up to two years or with fine which may extend to ₹ 25,000 or with both.

  Penalty of ₹ 108.12[60] lakh was imposed in 137 cases due to illegal extraction/ transportation of sand, of which only ₹ 12.09 lakh was collected during 2009-12 from 136 cases leaving ₹ 96.03 lakh unrealised. Despite pendency (June 2012) of the amount against one auctioneer in Balianta *Tahasil*, no step was taken by the *Tahasildar* for recovery of the dues. Though illegal extraction and transportation of sand were noticed, inspections were not conducted during the above period.

- Though *Tahasildar*s claimed to undertake monitoring and supervision of the sand sources during the supervision of the Revenue Inspector offices, no tour diary, inspection notes/ reports and deficiencies noticed on the quarrying operations were on record and no follow up action was initiated. The Director of Mines did not pay any visit or inspect any source during 2009-12. No internal audit was conducted in any of the seven Tahasils to ensure systematic, scientific and safe quarrying operations.

This indicated that limited checks and raids were conducted to prevent possible loss on illegal extraction of sand from the sources and consistent monitoring mechanism required for improvement.

Government stated (November 2013) that Collectors had been directed to

[60] Balianta (25 cases) ₹ 100.62 lakh, Bhubaneswar (19 cases) ₹ 2.09 lakh, Dhenkanal (15 cases) ₹ 1.85 lakh, Talcher (37 cases) ₹ 0.98 lakh, Remuna (36 cases) ₹ 2.43 lakh, Jaleswar (5 cases) ₹ 0.15 lakh

strengthen the inspection process and maintenance of Inspection Reports by *Tahasildar*s.

3.6.5 Conclusion

Activities with regard to sale and disposal of river sand were tardy as Government did not make assessment of the sources, irregularly awarded sources on negotiation, allowed bidders mining without execution of agreement and unauthorisedly accepted bid amounts in installments. Though 23 cases (₹ 40.23 lakh) were pending for more than one year and were fit for institution of certificates cases against the defaulters under OPDR Act 1962, no initiative was taken. Further, penalty for ₹ 96.03 lakh towards illegal extraction and transportation of sand was not realised though pending since June 2012. Inspection and monitoring was inadequate.

3.6.6 Recommendation

Government may:

- assess the quantum of sand to be extracted through scientific methods and determine the quantum to be auctioned to obtain adequate revenue;
- ensure registration of agreement with bidder;
- ensure forfeiture of the earnest money deposit wherever required as per tender conditions; and
- prescribe schedule of monitoring and supervision to guard against illegal quarrying, lifting and transportation of sand.

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

3.7 Payment of dues/ fees in replacement of original challans

Bhubaneswar Development Authority (BDA) collects different types of dues like application fee, sanction fee, security deposit, compounding fee etc. as prescribed in the Odisha Development Authorities Rules 1983 and Regulation made there under. As per procedure, the required dues are deposited through the quadruplicate challans in different designated banks.

Out of four copies of bank challans, one copy is given to the depositor, one copy kept by bank and other two copies were sent by the bank to the Accounts Section of BDA along with scrolls/ statement (i.e. daily collection statement) by the Bank concerned. The challans received by BDA are verified and codified in Accounts Section before sending to the Management Information System (MIS) branch for preparation of Daily Collection Register (DCR) report. After receipt of the DCR from MIS Branch, vouchers are entered into the Bank Book in Accounts Section.

The allottees/ applicants after depositing the fees, submit the original/ photocopy of the challan (depositor's copy) to the Allotment/Planning Section, as the case may be, to credit/ adjust the fee in their accounts. In some cases, Allotment Section and Planning Section send the files along with challans to Accounts Section for verification of the fees actually paid.

On test check (May 2012) of records of BDA, Audit noticed that after collection of original challans and scroll from the Bank (BDA Campus Branch) during February 2008-May 2011, Accounts Section replaced 52 challans of ₹ 1.11 lakh with equal number of other challans of ₹ 11.70 lakh bearing same challan number and dated bank seal and the amount were credited into the names of 10 allottees of a Housing Scheme towards payment of their installment though ₹ 1.11 lakh was deposited for other purpose by other people. Accordingly, the DCR was also prepared. Although 52 challans deposited towards different plan approval dues were replaced, it did not affect the related depositors as their plan approval works were done in Planning Section on the receipt of depositor's copy of the challan without verification of the records of the Accounts Section. In order to keep daily receipts in DCR tallied with amount shown in Bank Pass Book, equal amount was reduced from daily receipts of other depositors by replacing original challans.

Audit also noticed that these 10 allottees submitted these replaced challans (depositor's copy) of ₹ 11.70 lakh in Allotment Section as proof of cash deposits in bank and got their installments adjusted though the same had not been actually deposited by them.

Though Allotment Section sent challans (depositor's copies) for verification by Accounts Section, these replaced challans could not be detected as these were verified from records (challans, scrolls, DCR) already prepared on the basis of replaced challans. In the process, BDA sustained loss of ₹ 11.70 lakh.

Besides, in 44 bank challans (BDA copies), original amount of ₹ 0.32 lakh deposited between January 2009 and April 2011 in Bank towards deposit of required fees (sanction fee, scrutiny fee etc.) were changed to increase the same to ₹ 1.37 lakh. Thereby the applicant/ depositors could get benefit of ₹ 1.05 lakh.

Thus, BDA sustained a loss of ₹ 12.75 lakh (₹ 11.70 + ₹ 1.05). Audit intimated (May 2012) the above case to the State Vigilance Department, who stated (September 2012) that they have taken up the matter for detailed enquiry and the result would be intimated in due course. Further, Audit requested the BDA to conduct detailed verification of all challans to ascertain, if similar transactions were made.

Government stated (January 2014) that after detection of transaction by Audit, show-cause notices for cancellation of the allotment of the houses of those 10 allottees had been served and a special audit of the Allotment and Planning Branch of BDA for the years from 1992-93 to 2012-13 by the Internal Auditor is

in progress. An amount of ₹ 11.87 lakh out of ₹ 12.75 lakh had been realised from the allottees/ applicants and an in-house inquiry by the Secretary, BDA in addition to Vigilance inquiry by State Government is under progress (January 2014).

SCHOOL AND MASS EDUCATION DEPARTMENT

3.8 Procurement and distribution of dual desks

3.8.1 Introduction

The School and Mass Education (S&ME) Department has 3518 Government high schools (April 2008) in the State including taken over high schools and high schools of Urban Local Bodies (ULB). The Government provided (2008-09) ₹ 50 crore out of the Twelfth Finance Commission (TFC) grants to enable the S&ME Department to purchase dual desks for all high schools. The entire amount was utilised on purchase of 1.67 lakh dual desks supplied to these high schools during 2009-10.

Audit findings

Scrutiny of records relating to procurement of dual desks revealed the following irregularities:

3.8.2 Non assessment of requirement of dual desks for 3518 high schools.

The S&ME Department instructed (April 2008) the Director Secondary Education (DSE), Odisha, Bhubaneswar to assess the requirement of dual desk for the schools and furnish a detailed proposal by 15 April 2008 so that the same would be procured and distributed. In July 2008, the S&ME Department reminded the DSE to assess requirement of dual desks and furnish inspector wise list for Government approval.

Audit noticed that the DSE failed to collect information on requirement of dual desks from the government high schools before procurement. DSE, Odisha procured 167002 dual desks during 2009-10 worth ₹ 50.34 crore without taking into account requirement of dual desks in tandem with the students strength for each school. Initially, the S&ME Department intimated (April 2008) DSE that each dual desk can accommodate two students and on an average at least per 100 students 50 dual desks can be considered for supply to each school. But DSE clarified (March 2012) that according to availability of funds the dual desks were supplied (2009-10) to most of the high schools at 23/ 46 desks per school irrespective of the students' strength in these schools.

Joint inspection in 60 schools conducted, (February 2013 & May 2013) by audit in presence of school representatives, revealed that requirement of dual desks were not assessed before procurement. In one school dual desks were supplied in

excess of the requirement and in the balance 59 schools supply was far below the requirement and varied between five and 92 *per cent* of student strength of the schools which indicated unequal distribution. Further, Check of store and stock records of 101 schools revealed that four schools were supplied with 23 dual desks while 97 schools were supplied with 46 each.

In reply, the S&ME department stated (August 2013) that as no dual desks were supplied to the school previously under any scheme, it was decided to supply equal number of dual desks (23 Nos per school) at the first phase without waiting for assessment. It was also stated that the DSE had no sufficient time to assess the actual requirement from the field level.

However, the S&ME Department had specifically instructed (April 2008) the DSE to assess requirement inspector wise in order to ensure fairness in distribution.

3.8.3 Improper selection of SSI units for supply of dual desks resulting in excess payment of transportation expenditure.

As per the recommendation (15 April 2008) of SLPC, orders were to be placed with local SSI units having EPM rate contract to avoid unnecessary transportation cost. It was also recommended that in case of non-availability of SSI units in the same district where schools are situated, orders were to be placed with the SSI units of nearby district.

The S&ME Department instructed (January 2009) the DSE to procure 50 *per cent* of the requirement of dual desk with MDF board from the existing rate contract holders of dual desk and the balance 50 *per cent* of dual desk with particle board from the rate contract holders through OSIC. Further the S&ME Department instructed (February 2009) the DSE to distribute orders amongst the EPM rate contract holders proportionately according to their certified capacity. The orders were to be placed with local/ nearby districts in conformity with the above recommendation of the SLPC also.

Scrutiny of supply orders given to SSI units by the DSE, Bhubaneswar and OSIC, Cuttack, revealed that the requirement of dual desks of a particular district, availability of local SSI units and their production capacity were not considered at the time of issue of supply order. The Department did not make an attempt to link the local SSI units and their production capacity with the requirement of desks by the schools to which the concerned units were to supply desks and issue supply orders**.** Some such instances are given below:

- Though SSI units under Sambalpur district had adequate capacity for producing 3000 dual desks, 184 dual desks (Particle board) were procured for eight schools of Sambalpur district from the SSI units of Cuttack district.
- Similarly, SSI units of Khordha district supplied 92 dual desks to four schools of Mayurbhanj district although SSI units in Mayurbhanj district had production capacity for supply of 6000 dual desks.

Due to non-selection of SSI units for supply of dual desks in the same or nearby district as per the criteria fixed by government, department procured desks from distant districts and as such incurred excess expenditure of ₹ 22.93 lakh on transportation cost during 2008-10.

The S&ME Department replied (August 2013) that the DSE cancelled the supply orders of the SSI units failing to supply dual desks and placed orders with successful SSI units located in distant districts and these arrangements were made with an intention to utilise the fund before March 2009.

Bhubaneswar
The

(Amar Patnaik)
Accountant General (G&SSA)
Odisha

Countersigned

New Delhi
The

(Shashi Kant Sharma)
Comptroller and Auditor General of India

Appendices

Appendix 2.1.1
(Refer paragraph 2.1.2 at page 13)
Extent of achievement against targets set under NRHM (Odisha)

Sl. No.	Activity	Timeline fixed under NRHM frame work	Timeline fixed by the SHS in PIP	Achievement up to 31 March 2013
	Activities fully achieved			
1	Fully trained Acredited Social Health Activitists (ASHA) for every 1000 population / large isolated habitations.	50 *per cent* by 2007 and 100 *per cent* by 2008	72 *per cent* by 2007 and rest by 2008	Target: 41102 Posted: 40562 (98.69 *per cent*)
2	Village Health and sanitation Committee constituted in at 47529 villages and untied grants provided to them.	30 *per cent* by 2007 and 100 *per cent* by 2008	10 *per cent* by 2007 and rest by 2008	Target: 45469 Formed: 45407 (99.86 *per cent*)
3	22 sub-divisional hospitals strengthened to provide quality health service	30 *per* cent by 2007 50 *per cent* by 2010 100 *per cent* by 2012	10 by 2008, Other 12 by 2009	Completed
4	32 district hospitals strengthened to provide quality service.	30 *per cent* by 2007 60 *per cent* by 2009 100 *per cent* by 2012	32 by 2007	Completed
5	Rogi Kalyan Samitees/ Hospital Development Committees established in all CHCs/ Sub-divisional hospitals / district hospitals	50 *per cent* by 2007 100 *per cent* by 2009	405 by 2007 (DHH-32, SDH-22, CHC-231, Area hospital: 120)	Fully achieved.
6	Untied grants provided to each of the 47529 Village Health and Sanitation Committees	100 *per cent* by 2008	10 *per cent* by 2007 Rest by 2009	Fully achieved
7	Annual maintenance grant provided to every Sub-centre, PHC, CHC and one time support to RKS at sub-divisional / district hospital	50 *per cent* by 2007 100 *per cent* by 2008	*All by 2007 and every year*	Fully achieved
8	State and District Health Society established and fully functional with requisite management skill.	50 *per cent* by 2007 100 *per cent* by 2008	*100 per cent by 2007*	Fully achieved.
9	Mobile Medical Units provided to each of the 30 districts.	30 *per cent* by 2007 60 *per cent* by 2008- 100 per cent by 2009	10 *per cent* by 2007 *100 per cent by 2008*	Fully achieved
	Activities partially achieved			
10	2 ANM Sub-Health centres strengthened / established to provide service guarantees as per IPHS	30 *per cent* by 2007 60 *per cent* by 2009 100 *per cent* by 2010	15 *per cent* by 2007 45 *per cent* by 2008 Rest by 2010	4226 achieved against 6688 SCs. (63.19 *per cent*)
11	1362 PHCs including 1282 existing strengthened / established with 3 staff nurse to provide service guarantee as per IPHS.	30 *per cent* by 2007 60 *per cent* by 2009 100 *per cent* by 2010	10 *per cent* by 2007 30 *per cent* by 2008 Rest by 2010	1226 PHC established. But not upgraded to IPHS
12	348 CHCs including 231 existing strengthened / established with seven specialists and nine staff nurses to provide service guarantees as per IPHS.	30 *per cent* by 2007 50 *per cent* by 2009 100 *per cent* by 2012	30 by 2007, 80 by 2008, 130 by 2009, 348 by 2010	377 CHC established. But not upgraded to IPHS

Sl. No.	Activity	Timeline fixed under NRHM frame work	Timeline fixed by the SHS in PIP	Achievement up to 31 March 2013
13	System of community monitoring put in place	50 *per cent* by 2007 100 *per cent* by 2008	10 *per cent* by 2007 *100 per cent by 2008*	RKS formed. Community Monitoring not in place
14	Procurement and logistics streamlined to ensure availability of drugs and medicines at sub-centres/ PHCs. CHCs	50 *per cent* by 2007 100 *per cent* by 2008	*100 per cent by 2007*	Up to PHC, CHC but not for all essential drugs
	Activities not even taken up			
15	District Health Action Plan for 2005-12 prepared by each of the 30 districts.	50 *per cent* by 2007 100 *per cent* by 2008	100 *per cent* by 2007	No achievement
16	Sub-centres, PHCs, CHCs, Sub-divisional and district hospitals fully equipped to develop intra health sector convergence, co-ordination and service guarantees for family welfare, vector borne disease programmes, TB, HIV/AIDS etc.	30 *per cent* by 2007 50 *per cent* by 2008 70 *per cent* by 2009 100 *per cent* by 2012	80 *per cent* by 2007 *100 per cent by 2008*	No achievement
17	District health plan reflects the convergence with wider determinants of health like drinking water, sanitation, women's empowerment, child development, adolescent, school education, female literacy etc.	30 *per cent* by 2007 60 *per cent* by 2008 100 *per cent* by 2009	*100 per cent by 2007*	No achievement
18	Facility and household surveys carried out in each and every district of the State.	50 *per cent* by 2007 100 *per cent* by 2008	*40 per cent by 2008* 100 *per cent* by 2009	No achievement
19	Annual State and district specific public report on health published	30 *per cent* by 2008 60 *per cent* by 2009 100 *per cent* by 2010	*30 per cent by 2008* 60 *per cent* by 2009 100 *per cent* by 2010	No achievement
20	Institution-wise assessment of performance against assured service guarantee carried out.	30 *per cent* by 2008 60 *per cent* by 2009 100 *per cent* by 2010	*10 per cent by 2008* 30 *per cent* by 2009 100 *per cent* by 2010	No achievement

(Source: Information furnished by the Mission Director)

Appendix 2.1.2
(Refer paragraph 2.1.4.5 at page 18)
Statement showing diversion of funds from one programme to another programme

Name of unit	From	To	Amount (₹ in lakh)	Period of diversion
DHS,Cuttack	GFATM (Global fund for Aids Tuberculosis and Malaria)	Integrated Disease Surveillance Project (IDSP)	0.10	February 2011 to January 2012
CHC, Binjharpur, (Jajpur)	JSY	Rogi Kalyan Samiti (RKS)	1.26	April 2009 to October 2009
CHC,Koira (Sundargarh)	NRHM	JSY	10.08	April 2010 to January 2011
CHC,Hemgir (Sundargarh)	NRHM	JSY	1.20	June 2011
CHC,Borda (Kalahandi)	GKS	National Disease Control Programme (NDCP), Intensive Pulse Polio Immunisation (IPPI), Mobile Health Unit (MHU), JSY etc.	4.08	October 2010 to December 2011
DHS,Mayurbhanj	NRHM	RCH	150.00	August 2011
CHC, Kosta(Mayurbhanj)	NRHM	JSY,RKS	15.50	June 2010 to July 2011
DHS, Nabarangpur	RKS	Mega Health camp	3.50	2011-12
	NRHM	RI Training under Odisha Health Sector Plan (OHSP), Revised National Tuberculosis Control Programme (RNTCP)	4.19	2011-12
CHC, Papadhandi	NRHM	JSY, Block Programme Management Support Unit (BPMSU), Malaria A/c	15.37	2011-12
Total			**205.28**	

(Sources: Cash books/ other Records of CDMOs)

Appendix 2.1.3
(Refer paragraph 2.1.7.1 at page 26)
Statement showing status of Health institutions

Name of the test checked district	Population as per Census 2011 (provisional)	Status of Health institutions								
		Community Health Centre			Public Health Centre			Sub Health Centre		
		Req-uired	Exi-sting	Shortage (%)	Req-uired	Exi-sting	Shortage (%)	Req-uired	Exi-sting	Shortage (%)
Bolangir	1648574	14	15	0	55	42	13(24)	330	226	104(31)
Cuttack	2618708	22	18	4(18)	54	54	0	524	332	192(37)
Jajpur	1826275	15	12	3(20)	61	59	2(3)	365	260	105(29)
Kalahandi	1573054	13	16	0	52	45	7(13)	340	242	98(29)
Koraput	1376934	17	16	1(6)	69	49	20(29)	459	307	152(33)
Mayurbhanja	2513895	31	28	3(10)	126	77	49(39)	838	589	249(30)
Nabarangpur	1218762	15	11	4(27)	61	39	22(36)	406	289	117(29)
Sundargarh	2080664	26	20	6(23)	104	57	47(45)	694	390	304(44)

(Sources: Information as furnished by CDMOs) (Figures in the bracket denote the per cent)

Appendix 2.1.4
(Refer paragraph 2.1.7.2 at page 27)
Statement showing availability of buildings for the health units in test checked districts

Districts	Total no. of PHC/ SHC	Own building	Private Buildings	Sub Health Centre functioning in a room of PHC/ CHC
Bolangir	268	127	141	0
Cuttack	389	181	208	0
Jajpur	314	145	169	0
Kalahandi	286	250	32	4
Koraput	356	335	21	0
Mayurbhanja	668	358	310	0
Nabarangpur	328	198	130	0
Sundargarh	446	343	103	0
Total	**3055**	**1937**	**1114**	**4**

(Source: Information as furnished by CDMOs)

Appendix 2.1.5
(Refer paragraph 2.1.8.4 at page 34)

Statement showing availability of Specialists and Paramedical staff in CHCs of Sampled Districts

District	No of CHC	Required as per Frame-work	Sanct-ioned	Available	vacancy as per Frame-work	Percentage of vacancy as per Frame-work	Vacancy as per SS	Percentage of vacancy as per SS
A: Specialist								
Balangir	15	105	34	18	87	82.86	16	47.05
Cuttack	18	126	43	28	98	77.78	15	34.88
Jajpur	12	84	38	16	68	80.95	22	57.89
Kalahandi	16	112	48	14	98	87.50	34	70.83
Koraput	16	112	32	0	112	100.00	32	100.00
Mayurbhanj	28	196	63	21	175	89.29	42	66.67
Nabarangapur	11	77	29	1	76	98.70	28	96.55
Sundargarh	20	140	45	28	112	80.00	17	37.78
Total	**136**	**952**	**332**	**126**	**826**	**86.76**	**206**	**62.04**
B: Staff Nurse (SN)								
Balangir	15	135	23	19	117	86.67	4	17.39
Cuttack	18	162	53	42	120	74.07	11	20.75
Jajpur	12	108	20	17	91	84.26	3	15.00
Kalahandi	16	144	61	49	95	65.97	12	19.67
Koraput	16	144	48	12	132	91.67	36	75.00
Mayurbhanj	28	252	130	130	122	48.41	0	0.00
Nabarangapur	11	99	41	27	72	72.73	14	34.15
Sundargarh	20	180	53	51	129	71.67	2	3.77
Total	**136**	**1224**	**429**	**347**	**878**	**71.73**	**82**	**19.11**
C: Radiographer								
Balangir	15	15	1	0	15	100.00	1	100.00
Cuttack	18	18	4	2	16	88.89	2	50.00
Jajpur	12	12	4	3	9	75.00	1	25.00
Kalahandi	16	16	7	5	11	68.75	2	28.57
Koraput	16	16	1	1	15	93.75	0	0.00
Mayurbhanj	28	28	7	6	22	78.57	1	14.29
Nabarangapur	11	11	2	1	10	90.91	1	50.00
Sundargarh	20	20	3	2	18	90.00	1	33.33
Total	**136**	**136**	**29**	**20**	**116**	**85.29**	**9**	**31.03**
D: Laboratory Technician (LT)								
Balangir	15	15	20	12	3	20.00	8	40.00
Cuttack	18	18	19	12	6	33.33	7	36.84
Jajpur	12	12	13	11	1	8.33	2	15.38

District	No of CHC	Required as per Frame-work	Sanct-ioned	Available	vacancy as per Frame-work	Percentage of vacancy as per Frame-work	Vacancy as per SS	Percentage of vacancy as per SS
Kalahandi	16	16	35	30	(-)14	(-)87.50	5	14.29
Koraput	16	16	18	15	1	6.25	3	16.67
Mayurbhanj	28	28	37	29	-1	(-)3.57	8	21.62
Nabarangapur	11	11	30	20	-9	(-)81.82	10	33.33
Sundargarh	20	20	11	9	11	55.00	2	18.18
Total	**136**	**136**	**183**	**138**	**(-) 2**	**(-) 1.47**	**45**	**24.59**

(Source: Information furnished by CDMOs of test checked districts)

Appendix 2.1.6

(Refer paragraph 2.1.8.4 at page 34)

Statement showing availability of Specialists in 24 CHCs of Sampled Districts

District	Name of sampled CHC	Med-Specialist		Surgery Specialist		O&G Specialist		Paediatric Specialist		Anaesthesia Specialist		Public health Programme Manager		Eye Surgeon	
		Norm	Avai-lable	Norm	Avai-lable	Norm	Avai-lable	Norm	Avai-lable	Norm	Avai-lable	Norm	Avai-lable	Norm	Avai-lable
Balangir	Tureikela	1	0	1	0	1	0	1	0	1	0	1	0	1	0
	Kholan	1	0	1	0	1	0	1	0	1	0	1	0	1	0
	Ghasian	1	0	1	0	1	0	1	0	1	0	1	0	1	0
Jajpur	Bijharpur	1	0	1	0	1	1	1	0	1	0	1	0	1	0
	Mangalpur	1	0	1	0	1	1	1	0	1	0	1	0	1	0
	Sukinda	1	0	1	0	1	1	1	0	1	0	1	0	1	0
Koraput	Kotpad	1	0	1	0	1	0	1	0	1	0	1	0	1	0
	Mathalput	1	0	1	0	1	0	1	0	1	0	1	0	1	0
	Boipariguda	1	0	1	0	1	0	1	0	1	0	1	0	1	0
Sudergarh	Sargipali	1	0	1	0	1	1	1	0	1	0	1	0	1	0
	Hemgiri	1	0	1	0	1	0	1	0	1	0	1	0	1	0
	Koira	1	0	1	1	1	1	1	0	1	0	1	0	1	0
Cuttack	Kanpur	1	0	1	0	1	1	1	1	1	0	1	0	1	0
	Maniabandha	1	1	1	1	1	1	1	0	1	0	1	0	1	0
	Tangi	1	0	1	0	1	1	1	1	1	0	1	0	1	0
Kalahandi	Borda	1	0	1	0	1	1	1	1	1	0	1	0	1	0
	Chapuria	1	0	1	0	1	1	1	0	1	0	1	0	1	0
	Junagarh	1	0	1	0	1	1	1	2	1	0	1	0	1	0
Mayurbhanja	Kosta	1	0	1	0	1	0	1	0	1	0	1	0	1	0
	Manada	1	0	1	0	1	0	1	1	1	0	1	0	1	0
	Badampahad	1	0	1	0	1	1	1	0	1	0	1	0	1	0
Nabarangapur	Tentulikhunti	1	0	1	0	1	0	1	0	1	0	1	0	1	0
	Hatabharandi	1	0	1	0	1	0	1	0	1	0	1	0	1	0
	Papadahandi	1	0	1	0	1	0	1	0	1	0	1	0	1	0
Total		**24**	**1**	**24**	**2**	**24**	**12**	**24**	**6**	**24**	**0**	**24**	**0**	**24**	**0**

(Source: IPHS and information furnished by CDMOs of test checked districts)

Appendix 2.1.7
(Refer paragraph 2.1.9.2 at page 39)
Statement showing receipt and administration of 'Not of Standard Quality' (NSQ) medicines

Name of District.	Name of Medicine	Total medicines received			Medicines utilised		Balance	
		Quantity	Rate per unit (in ₹)	Amount (₹ in lakh)	Quantity	Amount (₹ in lakh)	Quantity in stock	Amount (₹ in lakh)
Balangir.	Tab Roxithromycin	105220	1.38	1.45	0	0.00	105220	1.45
	Tab Antacid	140000	0.13	0.18	129500	0.17	10500	0.01
	Tab Amoxycilin	37000	0.69	0.26	0	0.00	37000	0.26
	SypAlbendazole	7500	2.7	0.20	0	0.00	7500	0.20
	Chlormyectim Ointment	108500	0.26	0.28	97750	0.25	10750	0.03
	Inj. Dexomethasone	4350	2.3	0.10	3140	0.07	1210	0.03
	Tab Ibuporsin	49600	0.33	0.16	19600	0.06	30000	0.10
	Sergical Spirit	600	38.91	0.23	600	0.23	0	0.00
Sundargarh.	Syp.Cefadroxyl	1000	2.29	0.02	320	0.01	680	0.02
	Syp. Cefadroxyl	260	2.3	0.01	0	0.00	260	0.01
	Tab. Ranitidine 150 mg	9000	0.21	0.02	0	0.00	9000	0.02
	Tab. Ranitidine 150 mg	32000	0.21	0.07	5600	0.01	26400	0.06
	Tab. Famotidine	63000	0.09	0.06	35100	0.03	27900	0.03
	Tab. Vitamin B Complex	400000	0.1	0.40	0	0.00	400000	0.40
	Urinary Drainage Bag	1040	6.15	0.06	760	0.05	280	0.02
	Black Disnfectant fluid	108 lit.	27.5	0.03	2	0.00	106	0.03
	Black Disnfectant fluid	2624 lit.	27.5	0.72	624	0.17	2000	0.55
Jajpur	Inj.Rabeprazole20.mg	200 vials	35.91	0.07	20 vials	0.01	180 vials	0.06
	Surgical Spirit (bottles)	200	42.4	0.08	181	0.08	19	0.01
Koraput	Tab. Antacid	50000	0.13	0.07	10000	0.01	40000	0.05
	Tab. Famotidine	94500	0.17	0.16	81000	0.13	13500	0.02
	Tab. Ranitidine	27000	0.23	0.06	0	0.00	27000	0.06
	Tab. Antenolol	14000	0.13	0.02	0	0.00	14000	0.02
	Tab.Norflox (100 mg)	40000	0.31	0.12	0	0.00	40000	0.12
	Inj. Dexamethazone	5200	2.33	0.12	0	0.00	5200	0.12
	Tab. Ofloxacin+Ornidazole	225000	1.77	3.98	142100	2.52	82900	1.47
Cuttack	Tab. Famotidine	65000	0.1431	0.09	65000	0.09	0	0.00
	Tab. Ranitidine 150.mg	36000	0.285	0.10	36000	0.10	0	0.00
	Urinary drainage bag	726	6.148	0.04	726	0.04	0	0.00
	Tab. Catrimoxazole	24700	0.4822	0.12	24700	0.12	0	0.00
	Urinary drainage bag	280	6.148	0.02	280	0.02	0	0.00
	Inj.Dextrose Sodium Cloride(DNS)5% Dextros.	3120	7.84	0.24	3120	0.24	0	0.00
	Tab. Paracetamol.500 mg.	7200	0.218	0.02	7200	0.02	0	0.00
	Tab. Halazone 4 mg.	500000	0.03	0.15	500000	0.15	0	0.00

Name of District.	Name of Medicine	Total medicines received			Medicines utilised		Balance	
		Quantity	Rate per unit (in ₹)	Amount (₹ in lakh)	Quantity	Amount (₹ in lakh)	Quantity in stock	Amount (₹ in lakh)
	Susp. Roxithromycin	4500 bottles	12.16	0.57	4500	0.57	0	0.00
	Tab. Rabeprazole 20mg	120300 Tab	0.34	0.41	42590	0.14	77710	0.26
Mayurbhanj	Tab.Chloropheniramine, 4mg (Tab)	160000	5800/	0.09	153500	0.09	6500	0.00
			Per 100000 Tab	0.00		0.00		0.00
	Tab. Amlodipine Besylate	250000	0.90/	0.23	242560	0.22	7440	0.01
			Per 10 Tab	0.00		0.00		0.00
	Syp. Roxithromycin	872 bottles	11.90/	0.10	337 bottles	0.04	535	0.06
			per bottle	0.00		0.00		0.00
	Tab. Artesunate, 50 mg	7812	1.15/	0.09	7812	0.09	0	0.00
			per tab	0.00		0.00		0.00
	Surgical spirit	140 bottles	41.24/	0.06	140 bottles	0.06	0	0.00
			per bottle	0.00		0.00		0.00
Grand Total		**2017652**		**11.28**	**1190151**	**5.80**	**683282**	**5.48**

(Source: Information furnished by CDMOs of test checked districts)

Glossary of Abbreviations

AA	Administrative Approval
AAP	Annual Action Plan
AAY	Antyodaya Anna Yojana
ACSO	Assistant Civil Supplies Officer
AD	Administrative Department
AHS	Annual Health Survey
ANM	Auxiliary Nurse Mid-wive
ANPP	Anti National Police Protection
APL	Above Poverty Line
ASHA	Accredited Social Health Activist
BHAP	Block Health Action Plans
BHWSC	Block Health Water and Sanitation Committee
BPL	Below Poverty Line
BPM	Block Programme Manager
BRC	Block Resource Centre
CCDU	Communication and Capacity Development Unit
CDMO	Chief District Medical Officer
CE	Chief Engineer
CHC	Community Health Centre
CPMF	Central Para Military Force
CPSMS	Central Plan Scheme Monitoring System
CWSAP	Comprehensive Water Security Action Plan
DAM	District Accounts Manager
DBT	Direct Benefit Transfer
DG&IG	Director General and Inspector General
DHAP	District Health Action Plan
DHH	District Headquarter Hospital
DHM	District Health Mission
DLVMC	District Level Vigilance Monitoring Committee
DWSM	District Water and Sanitation Mission
EMD	Earnest Money Deposit
FPS	Fair Prices Shop
GB	Governing Body
GDP	Gross Domestic Product
GKS	Gaon Kalyan Samiti
GP	Gram Panchayat
GSDP	Gross State Domestic Product
HRD	Human Resource Development

IEC	Information, Education and Communication
IHHL	Individual Household Latrine
IMR	Infant Mortality Rate
IPC	Inter-personal Communication
IPHS	Indian Public Health Standards
JSY	Janani Surakshya Yojna
LWE	Left Wing Extremism
MIS	Management and Information System
MMR	Maternal Mortality Rate
MoA	Memorandum of Association
MoU	Memorandum of Understanding
NGP	Nirmal Gram Puraskar
NH	National Highway
NIC	National Information Centre
NPCB	National Programme for Control of Blindness
NPR	National Population Register
PDS	Public Distribution System
RHS	Rural Health Statistics
SIHFW	State Institute of Health & Family Welfare
SIW	Special Intelligence Wing
SK Oil	Superior Kerosene Oil
SRE	Security Related Expenditure
SRS	Sample Registration System
SsP	Superintendents of Police
TAM	Tahasil Accounts Manual
TFC	Twelfth Finance Commission