

## Chapter III

### Compliance Audit

#### Health and Family Welfare Department

#### 3.1 Neonatal/ paediatrics care in Government run hospitals

##### 3.1.1 Introduction

Paediatrics care is for infants and children up to 18 years of age whereas neonatal care is up to 28 days from the day of birth. As per the last Sample Registration System bulletin, 2013, the Infant Mortality Rate (IMR) in the State was 51 per thousand in comparison to the national average of 40 and Neonatal Mortality Rate (NMR) was 37 per thousand against national average of 29. In the State, there are three<sup>1</sup> Government Medical College and Hospitals (GMCH), 30 District Headquarter Hospitals (DHH) and two other Government hospitals such as Capital hospital, Bhubaneswar and Government hospital, Rourkela where Sick Newborn Care Units (SNCUs) exist to provide neonatal health care. Sardar Vallabhbhai Patel Post Graduate Institute of Paediatrics (SVPPGIP), Cuttack which is attached to SCB Medical College and Hospital, Cuttack is the only institute in the State which is exclusively meant for neonatal/ paediatrics care. Since Odisha is the third highest State in IMR and first in NMR in the country, effective preventive and curative interventions are of paramount importance to address the neonatal mortality.

The hospitals are administered by the Health and Family Welfare (H&FW) Department of the Government. The Department is headed by the Principal Secretary who is assisted by the Director of Health Services and Director of Medical Education and Training in administering the Government hospitals including hospitals attached to Government Medical Colleges. The Chief District Medical Officers (CDMOs) are responsible for administering the health care at DHHs. Audit was conducted between May and August 2016, covering the period 2013-16, in seven sampled DHHs<sup>2</sup> and three GMCHs of the State to assess the effectiveness in the administration of neonatal/ paediatrics care, utilisation of physical infrastructure and human resources. The Audit findings are discussed in the succeeding paragraphs.

#### Audit findings

##### 3.1.2 Planning

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

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

<sup>2</sup> Balasore, Baripada, Bargarh, Jharsuguda, Kandhamal, Puri and Rourkela

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

### 3.1.3 Financial Management

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

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

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

*(Source: Mission Director, NRHM)*

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

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

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

### 3.1.4 Service Delivery

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

#### 3.1.4.1 Inadequate hospital infection control standards

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

Audit observed that none of the test-checked units had HICC and HICT. As a result, establishing and maintaining infection prevention and control, its monitoring, reporting and educating the officials involved, could not be ensured. During 2013-16, 427 neonates out of 27,804 babies born in sampled hospitals, succumbed to infectious diseases like sepsis, pneumonia, etc. Overcrowding of wards, unlimited entry of attendants and inadequate training to health personnel were the causes of infectious diseases as discussed in subsequent *Paragraphs 3.1.5.1* and *3.1.6.3*.

Confirming the fact, the ADMOs stated (July 2016) that steps would be taken to prevent hospital associated infection.

#### 3.1.4.2 Shortage of life saving drugs in central store of the MCH and DDHs

The State Government launched (June 2013) 'Free Medicine Distribution Scheme' under which life saving drugs are to be distributed to the patients free of cost.

As per the Odisha State Drug Management (OSDM) Policy, 80 per cent of total funds allotted for procurement of medicines is provided to Odisha State Medical Corporation Limited (OSMCL) for bulk purchase of medicines and the remaining 20 per cent is allotted to the GMCHs and DHHs for procurement at their level. Further, the GMCHs and DHHs could purchase medicines from the user fees at the time of exigency. Audit observed that

despite availability of funds, eight out of 10 test-checked units did not have stock of life saving drugs for periods ranging from one (DDH, Puri) to 80 months (DHH, Kandhamal) during 2013-16. Medical Officers/ storekeepers had not conducted periodical verification of stores to assess the stock position of life saving drugs. Audit interviewed 41 mothers in the presence of departmental officials in test-checked hospitals, out of which 15 mothers stated that they procured essential drugs from outside agencies as the hospitals did not supply the same. Audit also checked the stock registers and observed that these medicines were not available in the hospitals.

The ADMOs stated (July-August 2016) that the matter would be referred to OSMCL for supply of medicines in time.

### **3.1.4.3 Non-conduct of quality testing of medicines administered to patients**

As per OSDM Policy, random sample of 20 *per cent* of medicines procured is to be collected from each batch at supply/ distribution/ storage points. The samples are to be sent to the State Drug Management Unit<sup>3</sup> (SDMU) for quality testing within three days of receipt of medicines.

Audit observed that the test-checked hospitals had purchased medicines worth ₹ 12.37 crore including medicines for neonates and paediatrics during 2013-16. However, none of the test-checked hospitals had collected samples during 2013-16 for conducting quality test at SDMU, due to which medicines were administered to children without quality test.

ADMOs of the test-checked hospitals stated (June-July 2016) that necessary steps would be taken to send the drug samples for quality test.

### **3.1.4.4 Inadequate laboratory services**

Laboratory services are an integral part of disease diagnosis, treatment, monitoring, response to treatment, disease surveillance programme and clinical research. Laboratory tests are used to support patient care. The test results, therefore, should be reliable, accurate and reproducible for appropriate and prompt intervention to reduce the overall burden and promote health.

As per the guidelines for Good Clinical Laboratory Practices (GCLP), the laboratories in hospitals were to be equipped with appropriate infrastructure and qualified and trained staff. However, Audit observed in the laboratories of seven DHHs that different types of tests were either not conducted or inadequately conducted due to non-availability of equipment and re-agents as shown below.

**Table 3.1.2: Availability of laboratory services in the hospitals test-checked**

| Test facilities relating to | Number of test-checked DHHs |                   |               |
|-----------------------------|-----------------------------|-------------------|---------------|
|                             | Available                   | Partial available | Not available |
| Biochemistry                | 1                           | 5                 | 1             |
| Microbiology                | 1                           | 4                 | 2             |
| Pathology                   | 3                           | 4                 | 0             |

*(Source: Test-checked DHHs)*

<sup>3</sup> State Drug Management Unit was the Government agency managing pooled procurement of drugs and medical consumables till March 2015. OSMCL is acting as procurement agency for the H&FW Department from April 2015 onwards

During joint physical inspection of seven DHHs, the following deficiencies were observed.

- Three DHHs did not have re-agents (a substance used to produce a chemical reaction) for conducting laboratory tests. In all sampled DHHs, Flow Cytometer Electro Process (used to analyse the physical and chemical characteristics of particles in a fluid when it passes through the laser) and machines for PT and PTT test (blood clotting factor activities) were not available in the laboratory.
- In six<sup>4</sup> out of seven sampled DHHs, equipment like Electrolyte Analyser, Semi Auto Analyser, Auto Analyser and Flow Cytometer, Microscope and Centrifuge machines were lying defunct for periods from 6 to 60 months. Further, none of the test-checked DHHs had entered into any Annual Maintenance Contract for timely repair and maintenance of the equipment.
- In the laboratories of all sampled DHHs, critical equipment such as Sodium Potassium Analyser, Incubator, QBC count machine and Auto Biochemistry Analyser, *etc.*, were not available.

Thus, the neonatal and paediatric patients could not avail pathological investigation facility in the test-checked DHHs during 2013-16 due to want of adequate resources.

The Chief Medical Officers of Rourkela and Balasore stated (August 2016) that the proposal would be sent to the Government for filling up the posts of technicians and procuring the equipment.

#### **3.1.4.5 Non-validation of laboratory reports by external laboratory**

The Indian Public Health Standard (IPHS) stipulates that external validation of laboratory report is to be done on a regular basis. Validation of results of laboratory reports is an important measure to ensure that the patients are given accurate reports on which treatment by doctors would be based. Audit observed that in three<sup>5</sup> out of seven test-checked DHHs, the laboratory results were not validated by external laboratories. In absence of validation of test reports, the credibility of results remained unestablished.

#### **3.1.4.6 Shortage of medical equipment**

Schedule-III of the 'Minimum Standard Requirements for Medical Colleges Regulations (MSRR), 1999 for 250 admissions annually, prescribes the minimum requirement of equipment for GMCHs and IPHS prescribes norms for requirement of equipment for SNCUs of DHHs.

From scrutiny of records and information furnished, Audit observed that 11<sup>6</sup> out of 40 essential equipment were not available in these hospitals and in spite

<sup>4</sup> Bargarh, Baripada, Jharsuguda, Kandhamal, Puri and Rourkela

<sup>5</sup> DHHs at Jharsuguda, Kandhamal and Rourkela

<sup>6</sup> Horizontal laminar flow (8), Electronic weighing scale (one), Infanto meter (2), Procedure trolley (4), Spot lamp (4), Portable x-ray machine (6), Room thermometer (3), Vertical autoclave (one), Disinfectant sprayer (7), Formaline vaporizer (5) and Power generator (3)

of that, eight test-checked hospitals had not sent the requisition for these equipment to the Department during 2013-15. Though two medical colleges had sent the requisition during 2013-16, the Department did not take steps for procurement and supply of these equipment. Audit observed that Department had released ₹ 115.90 crore<sup>7</sup> to the Odisha State Medical Corporation Limited (OSMCL) in February, November and December 2015 for procurement of equipment and instruments for 32 DHHs and three GMCHs. However, neither the CDMOs submitted their requirements in time nor did the Department take initiative to assess the requirements of the districts, before procurement and supply of equipment. Subsequently, OSMCL placed (April 2016) purchase orders for equipment of ₹ 13.22 crore only based on the requirements received in 2015-16. The balance amount of ₹ 102.68 crore had been retained by OSMCL as of August 2016 without any utilisation.

The General Manager (Finance and Accounts), OSMCL stated that (September 2016) tender would be floated by first week of October 2016 for procurement of equipment.

#### ***3.1.4.7 Ineffective service delivery by grass-root level health workers***

The Anganwadi Centres (AWC) under Women and Child Development (W&CD) Department is the focal point for all health and nutrition services. Anganwadi Worker (AWW) working in the AWC is to provide supplementary nutrition to the pregnant women and lactating mothers and immunisation for ensuring healthy babies from pregnant women and proper nurturing of infants by lactating mothers. Under H&FW Department, ASHA works with communities at village level for social mobilisation and improving access to services. ASHA serves as a depot holder for package of basic medicines. The unit closest to the community is the Sub-Centre (SC) staffed with an Auxiliary Nurse Midwife (ANM), who provides services for primary health care interventions which are substantially focused on maternal and child health.

Audit observed that there were substantial deficiencies of infrastructure of AWCs in the State. There was shortfall of 644 ANMs in the State as 7,263 ANMs were in position against 7,907 ANMs. Similarly, in test-checked units, 3,125 ANMs were available against 3,426 ANMs. Further, 253 out of 6,688 SCs of the State were functioning without ANM. Such deficiencies led to shortfall in safe maternal and child health as discussed below.

- During 2013-16, Iron Folic Acid and other vitamin tablets which are critical for improving the immunisation power of the pregnant women, were not provided to 6.37 lakh (26 *per cent*) out of 24.43 lakh registered pregnant women in the State. This was one of the major causes of malnutrition and Low Birth Weight (LBW) babies. Audit observed that 1,752 neonatal deaths were registered due to Low Birth Weight (LBW) out of 27,804 babies born in nine out of 10 test-checked hospitals, during 2013-16.
- Further, 20.58 lakh children (80 *per cent*) were immunised against the target of 25.82 lakh in the State and in 10 test-checked districts, 8.55

---

<sup>7</sup> 2014-15 : ₹ 35.90 crore and 2015-16 : ₹ 80.00 crore

lakh (79 *per cent*) were immunised against the target of 10.83 lakh children.

The CDMOs attributed (July-August 2016) the reason of malnutrition of mothers to inadequate and ineffective health care services of field level health workers like ANM and AWW.

#### **3.1.4.8 Non-conduct of Death Review/ Prescription Audit**

The objective of the death review is to analyse the circumstances which led to death of patient, to identify the reasons and to take remedial measures in future. The Department had constituted (August 1984) a committee to review the causes of death occurring in the GMCHs, which was to meet regularly at least once in a month and submit the proceedings to DMET. Subsequently, the Department directed (September 2013) clinical departments of all GMCH to conduct death review once in a month.

Prescription audit ensures rational use of medicines and discourages promotion of any particular brand or manufacturer. As per H&FW Department orders of September 2012, prescription audit should be conducted at State level by Director of Health Services annually engaging professional organisations and at the institutional level, by both internal and external sources (peer doctors).

Though the neonatal mortality rate (37 per thousand) of the State was highest in the country and there were 16,651 deaths of neonatal and paediatric patients in the test-checked GMCHs and DHHs during 2013-16, the GMCHs had not conducted any death review to identify the causes of death. During 2013-16, the committee did not meet at all. The State Government did not ensure sitting of the committee at regular intervals.

Audit observed that prescription audit was not conducted in any of the test-checked units as of July 2016.

ADMOs of five test-checked hospitals stated (June-July 2016) that steps would be taken to conduct death review and prescription audit, while ADMOs/ Superintendents of remaining test-checked hospitals stated (May and August 2016) that death review was conducted. However, they failed to provide any document in support of the same.

#### **3.1.5 Infrastructure**

As per the IPHS norm, hospitals should be adequately equipped with required physical infrastructure, human resources and equipment for ensuring minimum health care services to public at minimum affordable charges. Deficiencies observed in the test-checked Government-run hospitals are discussed below.

##### **3.1.5.1 High Bed Occupancy Ratio (BOR)**

As per clause B.1.1 and B.1.8 of MSRR 1999, the minimum bed occupancy rate of the teaching hospital should be 75 *per cent*. According to the Indian

Standard (IS): 13808, the BOR should not exceed 90 *per cent* for providing quality service to in-patients. As per IPHS, all hospitals providing service to neonates should have a 10-bedded Newborn Care Ward (NCW). Neonates requiring minimum support should be put therein along with their mothers. The critical patients were to be shifted to SNCUs. Audit observed the following in the 10 test-checked hospitals:

- There were no NCWs in any of the test-checked hospitals. As per MCI/ IPHS guidelines, the distance between the beds in the SNCUs should be one and a half meter. However, the actual distance between the beds of all test-checked hospitals was less than one and a half metre. In SVPPGIP, the sanctioned bed strength of 200 was increased to 356 without increasing the floor area. The over-occupancy of SNCUs was due to absence of mother-child hospitals which were to be constructed with the funds released under National Health Mission.
- During 2013-16, the BOR in paediatric and neonatal wards of three out of ten test-checked hospitals<sup>8</sup> ranged from 121 to 393 *per cent* and 121 to 190 *per cent* respectively.



*View of a new born child treated on the floor of SNCU, DHH, Balasore*

ADMOs of test-checked hospitals stated (July-August 2016) that after completion of new mother child health care building and increase in bed strength, the problem would be sorted out. However, high BOR affected quality health care provided to the neonatal and paediatric patients.

### ***3.1.5.2 Inadequate physical infrastructure in the hospitals***

As per the MSRR, 1999, there should be a well equipped and updated Intensive Care Unit (ICU) for paediatric/ neonatal care in GMCHs.

Audit observed the following shortfalls in availability of ICU in three sampled GMCHs:

- In SVPPGIP, there were 12 beds in Paediatric ICU, which were insufficient. During test-check of records for the month of August 2015, Audit observed that 15 paediatric patients got admission after waiting for four to 56 hours due to non-availability of beds in ICU.
- Non-availability of ICU beds in the Paediatrics Department at MKCG Medical College, Berhampur was reported in Paragraph 2.1.7.2 of the Report of C&AG of India, Government of Odisha for the year ended March 2014. Audit observed that 858 out of 39,143 neonatal/ paediatric patients admitted during 2013-16 in this hospital were referred to outside hospitals for specialised emergency health care.

---

<sup>8</sup> SVPPGIP, Cuttack: 121 to 153 *per cent* (31 months), GMCH, Berhampur: 126 to 190 *per cent*; DHH, Baripada: 150 to 393 *per cent*



- **Duty room for Doctors/Nurses:** IPHS stipulates that the SNCU should have a duty room of 100 square feet each for duty doctors and nurses to attend to the critically ill neonates. In none of the SNCUs of the test-checked DHHs, duty rooms for doctors and nurses were available. In absence of duty rooms, staff nurses failed to maintain ancillary formalities and had to remain inside the SNCUs along with patients. During interview with 27 nurses, all of them stated that they had been facing difficulties in discharging their duties and maintaining records of SNCU patients.
- **Step Down Unit (SDU):** This is an additional 6 to 10 bedded unit where recovering neonates *i.e.*, neonates who don't need intensive monitoring, can stay. On joint physical inspection of test-checked hospitals, it was observed that six test-checked hospitals<sup>9</sup> did not have SDUs, resulting in over occupancy in SNCU of these hospitals.
- **Day and night shelter:** As per the IPHS norm, there should be day and night shelter room for the attendants of the patients in SNCU. In the SNCUs of test-checked hospitals, day and night shelter rooms were not available. Attendants of the patients used different corridors for taking shelter at night.
- **Provision of Power laundry:** IPHS stipulates for provision of power laundry in each hospital for ensuring cleanliness and disinfection. Audit observed that none of the test-checked hospitals had power laundry, due to which they had to depend on outside sources for supply of clean linens to patients. Thus, cleanliness and disinfection could not be achieved to the desired extent.



Parents of newborn taking rest in the corridor of the hospital

The ADMOs/ Superintendents of test-checked hospitals stated (June-July 2016) that matter would be moved to Government for improvement of infrastructure.

### 3.1.6 Human Resources

#### 3.1.6.1 Shortage of specialists/ doctors/ nurses in SNCUs

As per the IPHS, there should be four Medical Officers in SNCU of a DHH to provide health care services round the clock. In the test-checked hospitals, Audit observed that against the requirement of 40 doctors in the SNCUs, only nine doctors were posted. In six<sup>10</sup> out of 10 test-checked hospitals, no doctor was posted in the SNCUs. In these hospitals, the available paediatric specialists were attending all the patients of OPD (paediatric), IPD and SNCU.

<sup>9</sup> VIMSAR, Burla, DHH, Balasore, DHH, Baripada, DHH, Kandhamal, DHH, Puri and Government Hospital, Rourkela

<sup>10</sup> SVPPGIP, Cuttack, MKCG Medical College, Berhampur, VIMSAR, Burla and DHHs (Bargarh, Kandhamal and Puri)

Thus, the objective of providing special medical care to sick new born babies at SNCUs remained unachieved.

In SVPPGIP, Cuttack, Audit observed that against the sanctioned strength of 54 posts of doctors, there was vacancy of 34 (62 *per cent*) posts. Similarly, in the sanctioned strength of 257 nursing staff, there was a vacancy of 10 *per cent*. In case of attendants (sanctioned strength-95), the vacancy was 28 *per cent*. Further, H&FW Department, instead of filling up the existing vacancies, had sanctioned (March 2015) 29 posts (Doctors: 15 and Staff Nurses: 14). However, the same were not filled up as of July 2016.

Thus, in the absence of adequate medical and paramedical staff, neonatal and paediatric care was compromised.

The ADMOs/ Superintendents of test-checked hospitals stated (June-August 2016) that the matter would be moved to Government for posting of requisite staff in the SNCU.

### **3.1.6.2 High nurse-baby ratio in SNCU**

As per IPHS norm for SNCU, the required nurse-baby ratio is one to three/ four neonates per shift. Audit observed in 10 test-checked hospitals that against the requirement of 315 Staff Nurses, only 99 (31 *per cent*) were available. This shortage of Staff Nurses led to high nurse-baby ratio (ranging from 1:7 to 1:10) in the SNCUs, denying the sick neonates of getting the required nursing care in the hospitals. Government had not taken enough steps to fill up the vacancies of staff nurses in the SNCUs.

### **3.1.6.3 Inadequate training to medical/ para medical staff**

As per Facility Based Newborn Care (FBNC) Operational Guidelines, trainings like *Navjaat Shishu Suraksha Karyakram* (NSSK), Facility based Integrated Management of Neonatal and Childhood Illness and FBNC are required to be imparted to doctors, staff nurses for development of skill for providing appropriate level of neonatal health care.

Audit observed that during 2013-16, out of 2018 doctors targeted for training, 906 doctors (45 *per cent*) were imparted training. Similarly, against the target of 15,305 paramedical staff for training, 10,106 (66 *per cent*) staff personnel were covered. The reasons for not achieving the target of training were less nomination of staff for training, non-availability of suitable venue, *etc.* Due to inadequate training, the purpose of skill development of medical/ para medical staffs remained unachieved, which affected health care in the State.

### **3.1.6.4 High mortality rate in SVPPGIP, Cuttack**

As mentioned in preceding paragraphs, in SVPPGIP, there was 62 *per cent* vacancy in the post of doctors and 10 *per cent* vacancy in the post of nurses. Compared to inflow of patients, there were insufficient beds in ICU. In the month of August 2015, SVPPGIP was in news due to death of 53 paediatrics and neonatals in one month.

Audit checked Enquiry Report of Technical Committee relating to 30 death cases and observed that 14 out of 30 deaths occurred due to sepsis/septicemia<sup>11</sup>, three deaths due to Birth Asphyxias<sup>12</sup> and three due to prematurity with Respiratory Distress Syndrome. The causes attributed by the Committee for the increased mortality rate included over-burden of work of doctors, inadequate infrastructure, non-availability of residential doctors, *etc.*

This indicated that the gaps in the human resources and infrastructure were not filled in by both the Government as well as by the hospital authorities to arrest the paediatric and neonatal death rate.

### 3.1.7 Inspection and monitoring

- There was no system or prescribed procedure for monitoring in the Department. The Directorate had not put in place a monitoring cell to monitor activities of the hospitals.
- In seven out of 10 test-checked hospitals, there was shortfall in holding Governing Body and Executive Committee meetings to monitor the activities and addressing the issues in the district hospitals.
- Internal Control Mechanism (ICM) is an integrated process by which an organisation governs its activities so as to give reasonable assurance for achieving its objectives. In the absence of adequate ICM, the deficiencies in service delivery, equipment and drugs management, *etc.*, persisted in test-checked units.
- Rule 111 of OGFR provides physical verification of store, at least once in a year by Head of the office or his nominee. It was observed that no physical verification of store had been carried out in any of the test-checked hospitals during 2013-16. Had periodical verification of equipment and drugs been done, the demand and utilisation of essential drugs and inadequacy of equipment could have been assessed and corrective action taken.

### 3.1.8 Conclusion

The Government did not have a clear vision for enunciating specific perspective and annual plan to address the issue of alarming Neonatal Mortality Rate and Infant Mortality Rate in the State in spite of substantial expenditure incurred on health sector. Further, the district authorities were also not proactive for effective service delivery in health care to achieve the objectives on neonatal and infant mortality rate. The availability of physical infrastructure and human resources was not in conformity with the prescribed guidelines. Government-run hospitals did not enforce and adhere to the instructions and guidelines relating to neonatal and infant health issues. Monitoring and inspection by State and District level authorities were absent, as a result of which due importance could not be given to the health component of neonatal and paediatrics care.

---

<sup>11</sup> Sepsis involves causes like Bronchopneumonia, Meningitis Aspiration, Preterm, Very Low Birth Weight, Acute Kidney Injury, *etc.*

<sup>12</sup> Asphyxias: Deprivation of oxygen during birth causing damage of brain

The issues discussed in the report were referred (September 2016) demi-officially to the Government; their reply is awaited (December 2016).

## **Law Department and Home Department**

### **3.2 Modernisation of Judicial Infrastructure in the State**

#### **3.2.1 Introduction**

Judicial infrastructure includes court complexes, court buildings, residential buildings for judicial officers/ judges, furniture and fittings, computers, *etc.* The primary responsibility of infrastructure development for the subordinate judiciary rests with the State Government. The Central Government also augments the resources of the State by releasing financial assistance under the Centrally Sponsored Scheme (CSS) for development of judicial infrastructure. The Law Department sanctions establishment of new courts and the Home Department releases funds for creation and maintenance of judicial infrastructure.

During 2013-16, the infrastructural projects were executed through the Public Works Department and Odisha State Police Housing and Welfare Corporation Limited (OSPHWC). In order to examine efficiency and economy in utilisation of funds, adequacy of planning for creation of infrastructure and timeliness in execution of projects, an Audit was conducted during April-June 2016, covering the period 2013-16. Audit test-checked records of Home Department, Law Department, Odisha Judicial Academy, Odisha State Legal Services Authority (OSLSA), Registrar (Judicial), Orissa High Court (OHC) and District Courts/ Gram Nyayalayas of five sampled districts<sup>13</sup>. Audit also test-checked records of the executing agencies *i.e.*, Roads and Building Divisions of Public Works Department in the sampled districts and two Divisions<sup>14</sup> of OSPHWC.

#### **Audit Findings**

#### **3.2.2 Receipt and utilisation of funds**

The receipt and utilisation of funds pertaining to the State Plan and 13<sup>th</sup> FC grants during the year 2013-16 are given in **Table 3.2.1** below:

*Table 3.2.1: Statement showing Receipt and Utilisation of funds during 2013-16*

*(₹ in crore)*

| Source              | OB           | Receipt       | Total availability | Expenditure   | Percentage of expenditure |
|---------------------|--------------|---------------|--------------------|---------------|---------------------------|
| State Plan          | 24.49        | 268.41        | 292.90             | 192.66        | 66                        |
| 13 <sup>th</sup> FC | 14.53        | 19.17         | 33.70              | 10.50         | 31                        |
| <b>Total</b>        | <b>39.02</b> | <b>287.58</b> | <b>326.60</b>      | <b>203.16</b> | <b>62.20</b>              |

*(Source: CE, Building; CMD, OSPHWC and Member Secretary, OSLSA)*

<sup>13</sup> Cuttack, Ganjam, Jharsuguda, Khurda and Sambalpur

<sup>14</sup> Sambalpur and Koraput

Besides the above, an amount of ₹ 24.67 crore had also been received under 13<sup>th</sup> Finance Commission (FC) grant during 2010-13.

Audit observed the following:

- The overall percentage of utilisation of funds received during 2013-16 was 62.20 and the percentage of utilisation of funds received under State Plan was nearly 66. However, utilisation of funds under 13<sup>th</sup> FC up to the stipulated period *i.e.*, March 2015 was only 31 *per cent*. The reasons for low utilisation of funds were absence of proper planning (**Paragraph 3.2.3.1**), non-identification of suitable land in advance for projects, non-sanction of revised estimates in time (**Paragraph 3.2.4.1**), *etc.*, as discussed in the succeeding paragraphs.
- During 2013-16, the Home Department released ₹ 82.41 crore to OSPHWC for execution of 38 projects. Unspent funds of ₹ 34.01 crore (balance of ₹ 24.49 crore as on 31 March 2013 and interest of ₹ 9.52 crore) were also available with OSPHWC. Out of the total funds of ₹ 116.42 crore, OSPHWC had utilised ₹ 78.98 crore (68 *per cent*) as on 31 March 2016. Though OSPHWC earned interest amounting to ₹ 9.52 crore on unspent funds, it neither refunded the amount to the Department nor sought approval from the Department for utilisation in other projects.

The Home Department stated (October 2016) that utilisation of interest amount in other approved projects was under active consideration.

### 3.2.3 Deficiency in Planning

#### 3.2.3.1 Non-preparation of Court Development Plan

The report of the ‘Sub-committee of the National Court Management System’ set up by the Apex Court on ‘Court Development Planning System’ had emphasised (September 2012) the need for preparation of short term (annual plan), medium term (five year plan) and long term (ten year) plans by the concerned High Courts. Further, it was decided in the Chief Justices’ Conference, held in April 2013, that Vision Statements and Court Development Plans (CDP) should be drawn up for all High Courts and District Courts, covering matters relating to infrastructure, computerisation, human resources development, *etc.*

Audit observed that the Registry of the OHC had submitted (May 2015) a CDP to the State Government proposing establishment of 391 new courts. The new courts would, *inter alia*, cover 194 Blocks, where no courts had been established. The High Level Committee of the State Government approved the CDP in January 2016 with the decision to open new courts in a phased manner. During 2013-16, 180 new courts<sup>15</sup> were also sanctioned. Out of these 180 new courts, construction of buildings for 140 courts were taken up, out of which 125 projects were completed and 15 were under progress. However, no action was taken for creation of infrastructure in respect of the remaining 40 new courts, as discussed in **Paragraph 3.2.3.3**.

<sup>15</sup> 2013: 60, 2014: 38, 2015: 55 and 2016 (up to June 2016): 27

### **3.2.3.2 Non-provision of funds for Gram Nyayalayas**

The Gram Nyayalayas Act<sup>16</sup>, 2008 envisaged establishment of the Gram Nyayalayas (GNs) at grassroot level for providing access to justice at doorsteps at low cost. GN was to be established for every Panchayat or a group of contiguous Panchayats at intermediate level in a district. OHC had proposed (4 January 2010) to Law Department for establishing 30 GNs in different districts of the State.

Audit observed that 16 GNs were sanctioned during 2011-15 out of which 13 GNs were made functional as of March 2016. However, no provision of funds was made to build infrastructure for these GNs and the GNs were operating from buildings of existing courts (3), other Departments (9) and hired building (1). The remaining three sanctioned GNs could not be made functional due to non-posting of officers and non-availability of buildings. Audit test-checked three<sup>17</sup> out of 13 functional GNs and observed that two GNs were functioning in dilapidated houses provided by Block Development Officers, while one was functioning in a Government quarter. In one case<sup>18</sup>, the court was functioning in a dilapidated asbestos roofed house, with no public transport facility and drinking water supply.

The Law Department stated (November 2016) that less thrust was given for setting up of GNs, as OHC had resolved (April 2014) to establish new courts only. However, since GNs had already been sanctioned, the Department should have ensured necessary infrastructure to make them functional.

### **3.2.3.3 Absence of plan for constructing building for courts**

As of March 2016, out of 612 subordinate courts functioning in the State, 80 courts did not have own buildings<sup>19</sup>. In five test-checked districts, 12 out of 144 courts did not have own building<sup>20</sup>. Besides, the Law Department had sanctioned 180 new courts during 2013-16. Audit observed the following:

- Out of 80 courts of the State, which did not have own buildings, construction of buildings for 41 courts had been undertaken during 2011-15 and the works were in progress as of March 2016. Further, no plan had been prepared for construction of the buildings for the remaining 39 courts though interest of ₹ 9.52 crore was available with OSPHC as of March 2016.
- For the 180 new courts sanctioned during 2013-16, 125 court buildings were constructed, out of which only 89 courts were made functional

---

<sup>16</sup> A Central Act

<sup>17</sup> 1) Gram Nyayalaya, Lakhanpur, District Jharsuguda, 2) Gram Nyayalaya, Tangi, District Khurda and 3) Sankhemundi, District Ganjam

<sup>18</sup> Gram Nyayalaya, Lakhanpur, District Jharsuguda

<sup>19</sup> Five courts functioning in rented building for 1 to 10 years; 55 courts functioning in buildings of other Departments; three courts functioning in ADR building; one court functioning in building provided by Railways and 16 courts were functioning in accommodation provided by local Bar Associations

<sup>20</sup> Functioning in rented building: one; building provided by local bar council: three ; in buildings of other departments: eight

and 36 courts could not be made functional due to non-posting of judicial officers, as of March 2016. Out of the remaining 55 courts, constructions of buildings for 15 courts were under progress and no plan had been started in respect of the remaining 40 buildings.

The Home Department stated (November 2016) that selection of projects for creation of infrastructure was subject to plan outlay. The reply was not acceptable, as plan for phase-wise construction of buildings for these 40 courts had not been framed (November 2016).

#### **3.2.3.4 Absence of plan for providing adequate physical infrastructure**

The Report of the ‘Sub-committee of the National Court Management System’ set up by the Hon’ble Chief Justice of the Supreme Court of India, in consultation with the GoI, had recommended (September 2012) norms for new court buildings. Audit observed that availability<sup>21</sup> of infrastructures was not in conformity with the norms recommended by the above Sub-Committee. Despite this, Government had not chalked out any plan for mitigating the same.

Audit examined citizen-centric infrastructure requirements in 144 courts of five sampled districts and observed the following deficiencies:

- 104 sampled courts had no utility rooms/ space for the public and other stakeholders.
- 88 out of the 144 sampled courts were not barrier-free to cater to the needs of the persons with disabilities, senior citizens and infirm persons. Further, security or surveillance equipment were also lacking in 82 courts.
- Fire safety equipment were not available in 106 courts, while judicial lock ups were not available in 27 courts.

Despite these shortcomings, the Government had not framed any plan for up-gradation of the basic facilities in subordinate courts across State, thereby, depriving the citizens of hassle-free justice.

The Home Department stated (November 2016) that the report of the ‘Sub-committee of the National Court Management System’ was under their consideration.

### **3.2.4 Creation and maintenance of judicial infrastructure**

#### **3.2.4.1 Delay in completion of projects**

During 2013-16, the Home Department released ₹ 268.41 crore in favour of two executing agencies viz., Works Department and OSPHWC for execution of 831 projects<sup>22</sup>. As of March 2016, 755 projects were completed utilising

<sup>21</sup> Power back up, security and surveillance, IT enable court building, fire safety equipment, judicial lock up, etc.

<sup>22</sup> Court building: 43; Staff quarters: 428; others: 360

₹ 59.32 crore. Out of the remaining 76 projects, 55 projects were under progress and 21 projects, sanctioned during 2013-14 to 2015-16<sup>23</sup>, had not been taken up. In this connection, Audit observed the following:

- The R&B Divisions of the Works Department had not completed 27 major projects (*Appendix 3.2.1*), which accounted for about 31 per cent of allocation. These 27 incomplete works included 9 buildings for which scheduled completion date (May 2015 to April 2016) had already expired while in remaining 18 cases, scheduled completion dates had not been fixed by the Department. On test-check of five cases, it was seen that slow pace in execution of works by the contractors was the reason for non-completion. Besides, seven projects had not been started by the Executive Engineers (EEs) due to want of revised estimate (1), non-release of funds (1), proposal to replace the projects (2) and no recorded reason (3). This resulted in surrender of ₹ 72.33 crore released to R&B Divisions.
- Similarly, the OSPHWC completed only 2 out of 38 projects entrusted to it, utilising ₹ 19.04 lakh against the released amount of ₹ 82.41 crore<sup>24</sup>. Scheduled completion dates were not fixed by the Department while according administrative approval to the projects. Besides, 14 projects were not taken up, despite release of funds due to non-handing over of site (6), want of revised estimate (4), non-release of funds (2), and no recorded reason (2). This resulted in blockage of the funds of ₹ 13.35 crore.
- Though the reasons for delay in completion of 10 projects executed by EEs were attributable to the contractors, penalty/ compensation amounting to ₹ 2.98 crore was not levied/ recovered from them.

The Home Department stated (November 2016) that they had been monitoring the progress of works for timely completion. The reply was not acceptable, as effective steps were not taken for timely completion of buildings, resulting in non-commencement of 21 projects and non-completion of 55 projects.

#### ***3.2.4.2 Inadequate number of quarters for judicial officers***

Out of 129 Judicial Officers in the 144 test-checked courts, 81 were provided with Government quarters, 22 were residing in common pool quarters and the remaining 26 Judicial Officers were residing in hired buildings. Thus, adequate numbers of quarters were not available for the judicial officers.

#### **3.2.5 Non-utilisation of Thirteenth Finance Commission grant**

GoI guidelines (September 2010) on Thirteenth FC grant had prescribed that funds should not be utilised for creation of any permanent structure except Alternative Dispute Resolution Centre (ADRC) buildings.

---

<sup>23</sup> 2013-14: 2, 2014-15:18 and 2015-16:1

<sup>24</sup> 2013-14: ₹ 55.89 crore for 10 projects; 2014-15: ₹ 13.39 crore for 27 projects and 2015-16: ₹ 13.13 crore for one project



The Home Department had released ₹ 42.52 crore<sup>25</sup>, received under 13<sup>th</sup> FC grant, to the Member Secretary, Odisha State Legal Services Authority (OSLSA) during 2010-15. The funds were to be utilised by 31 March 2015 for construction of one ADRC in each district (₹ 30 crore) and providing training to mediators (₹ 12.52 crore). OSLSA released ₹ 17.89 crore to the R&B Divisions for construction of ADRCs in 19 districts. As of March 2016, ADRCs in 11 districts had been completed.

Audit observed the following:

- Out of the remaining 11 districts, OSLSA had proposed (August 2014) construction of additional floors in the existing court buildings, instead of independent ADRC buildings. However, no action was taken by Home Department to place the matter before the High Level Monitoring Committee, which met in November 2014, for utilisation of Thirteenth FC funds. Thirteenth FC period was over in March 2015. As a result, ADRC buildings could not be taken up in these districts and an amount of ₹ 23.19 crore remained idle with OSLSA.
- OSLSA allowed *pro rata* supervision charges of ₹ 26.85 lakh on construction of three ADRC<sup>26</sup> buildings to the concerned R&B Divisions, though the same was not permissible under the guidelines. The Member Secretary, OSLSA stated that necessary instructions would be issued to R&B Divisions for refund/ adjustment of *pro rata* charges.
- Finance Department had instructed (October 2012 and November 2014) retention of unspent scheme funds in flexi accounts with banks, instead of saving bank accounts, to fetch higher interest. OSLSA had received Thirteenth FC grants amounting to ₹ 42.52 crore during 2010-15. It retained unutilised amounts, ranging from ₹ 12.43 crore to ₹ 24.56 crore, in one saving bank account during 2013-16 and earned interest of ₹ 2.02 crore. Had the amount been kept in flexi accounts, it could have earned ₹ 4.40 crore<sup>27</sup> as interest. This resulted in loss of interest amounting to ₹ 2.38 crore. On being pointed out in Audit, OSLSA transferred (October 2016) the funds to flexi accounts.

### 3.2.6 Other points of interest

As per the provisions of OPWD Code, execution of works having estimated cost above ₹ 50,000 (revised to ₹ 5 lakh from 31 August 2015) were to be put to open tender. Estimates for works were not to be split up to avoid wide publicity and sanction of higher authority.

Audit test-checked 78 out of 105 works executed by two Divisions<sup>28</sup> of OSPHC (13) and five R&B Divisions<sup>29</sup> (92) and observed the following:

<sup>25</sup> 2010-11: ₹ 8.16 crore; 2011-12: ₹ 8.15 crore; 2012-13: ₹ 8.37 crore; 2013-14: ₹ 8.21 crore; 2014-15: ₹ 9.63 crore

<sup>26</sup> Berhampur: ₹ 13.36 lakh, Bargarh: ₹ 9.75 lakh and Sambalpur: ₹ 3.74 lakh

<sup>27</sup> Calculated on the minimum balance retained for each year during 2013-16

<sup>28</sup> Koraput and Sambalpur

<sup>29</sup> Berhampur, Cuttack, Jharsuguda, Khurda and Sambalpur

- In 58 works<sup>30</sup> executed by two R&B Divisions, works with individual estimated cost ranging from ₹ 0.85 lakh to ₹ 5.00 lakh were split up during July 2014 to August 2015 into 2 to 10 reaches each, with estimated cost below ₹ 50,000 to avoid wide publicity. However, all reaches of each work were awarded to the same contractor. Similarly, during September 2015 to March 2016, 16 works each with estimated cost above ₹ 5 lakh were split up to reaches below ₹ 5 lakh to avoid the tender process.
- Estimate for the work ‘District Court building at Deogarh’ was prepared (July 2014) by OSPHWC considering transportation cost of building materials from quarries situated at 55 to 65 km. However, as per the lead chart of Rural Works Division, Deogarh, the materials were available in the nearest quarries situated at 10 to 45 km. Thus, provision of excess lead in the estimate led to extra cost of ₹ 23.95 lakh. OSPHWC stated (October 2016) that stone products and sand had been procured from distance places as good quality materials were not available in the nearby quarries. The reply was not convincing as there were no recorded evidences like transit pass, royalty paid, *etc.*, on procurement by the contractors from distant quarries.
- Paragraph 4.2 of Coastal Regulation Zone (CRZ) notification, 2011 stipulated that necessary CRZ clearance should be obtained from Ministry of Forest and Environment before undertaking construction of project, which was undertaken in coastal High Tide Zone. Contrary to this, R&B Division, Berhampur, awarded the work of construction of Court Guest House at Gopalpur for ₹ 2.45 crore on 30 November 2015 without obtaining CRZ clearance. As of July 2016, expenditure of ₹ 57.65 lakh was incurred in the work. Construction of guest house violating the CRZ Regulation was irregular. In reply, Law Department stated (November 2016) that action would be taken to obtain the CRZ clearance.

These are indicative of deficiencies in preparing estimates, site survey and ineffective contract management.

### **3.2.7 Conclusion**

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

---

<sup>30</sup> Cuttack Division-I: 21 and Berhampur: 37

## Home Department

### 3.3 Fire Services in the State

#### 3.3.1 Introduction

The Orissa Fire Services (OFS) Act was enacted in December 1993 with the objective of making fire fighting services *viz.*, fire prevention, fire extinction, and disaster mitigation more efficient and effective in the State. The other objectives of OFS are to save life and property from fire and rescue people during natural/ unnatural disasters. OFS is the first responder in all types of emergencies in addition to its role in fire fighting and its prevention. As of March 2016, there were 290 Fire Stations (FSs) located in 30 districts of the State. During 2011-16, 79,788 fire incidents and 58,792 other emergencies were reported<sup>31</sup> in the State, in which 3,808 lives<sup>32</sup> and properties worth ₹ 395.28 crore were lost.

The Director General of Home Guards, Fire Services and Civil Defence {DG (FS)} is the operational head of the OFS which functions under the administrative control of Principal Secretary, Home Department. DG (FS) is assisted by one Chief Fire Officer (CFO), three Fire Officers (FOs) in range offices and 30 Assistant Fire Officers (AFOs) posted at district headquarters.

An Audit was conducted during April to August 2016, covering the period 2011-16, to assess planning, funds management, efficiency in creation of infrastructure, procurement of equipment, operational efficiency and preparedness of OFS. Audit test-checked records of the DG (FS), CFO, three FOs and 45 FSs in nine districts. Besides, two divisions (Sambalpur and Koraput) of Odisha State Police Housing & Welfare Corporation Limited (OSPHWC) were also covered to examine the economy and efficiency in execution of civil works relating to OFS. The Audit findings are discussed in the following paragraphs.

#### Audit findings

#### 3.3.2 Absence of comprehensive plan for revamping Fire Service

The State Government decided (October 2010) to open FSs in all uncovered blocks by 2014 and take advance action to identify land for construction of infrastructure for these FSs. Subsequently, the National Disaster Management Authority (NDMA) had issued (April 2012) guidelines recommending to all States to assess requirement of manpower, equipment and FSs taking into consideration the States' vulnerabilities, classifications of hazardous industries in rural and urban areas as per the norms laid down by the Standing Fire Advisory Council<sup>33</sup> (SFAC) and plans for funding. On the basis of this

<sup>31</sup> As per the information furnished by the Chief Fire Officer

<sup>32</sup> 282 human beings and 3,526 animals

<sup>33</sup> A standing committee constituted by the Ministry of Home Affairs comprising of representatives of all States and Union Territories, who issues recommendations for taking various measures in the matter of civil defence

exercise, the States were to prepare a comprehensive plan for revamping of fire service. In this context, Audit observed the following:

- SFAC and NDMA guidelines prescribed the norm for setting up FS based on population, area, forest cover, etc., i.e. one FS per 50,000 population or for 50 Sq km area in rural areas and 10.36 Sq km in urban areas. Prior to issue of NDMA guidelines, the State had 180 FSs. Based on NDMA norm, requirement of the State was 840 FSs. Thus, there was a shortage of 660 FSs. Against this, the Government sanctioned 155 new FSs during 2012-16 as per its 1993 decision. Out of 335 FSs sanctioned, 290 had been made functional as of March 2016. No step was taken by the Department to identify areas vulnerable to fire and make good the shortfall in FSs in the State as well as deficiencies in existing FSs to match the same with the SFAC and NDMA norms on manpower, equipment and FS. Further, database on hazardous industries was not prepared. As such, no comprehensive plan was prepared for revamping OFS and setting up FSs as per SFAC norm in a phased manner. Due to inadequate number of FSs, 40 out of 45 test-checked FSs had to cover area ranging from 100 Sq km to more than 500 Sq km<sup>34</sup>. This had adversely affected the operational efficiency of OFS, as discussed in **Paragraph 3.3.6**.

The Department stated (November 2016) that FSs were being set up as per the criteria fixed by the Government in April 1993 and December 1998. The fact, however, remained that the criteria, so fixed, had not been reviewed after issue of guidelines by NDMA.

- As of March 2016, 290 FSs had been set up in 271 out of 314 Blocks and urban areas of the State. In the remaining 43 Blocks, construction works for FSs had not been started, despite sanction and allocation of funds during 2009-14<sup>35</sup>. Moreover, delay in finalisation of land had also contributed to non-completion of infrastructure for FSs, as discussed in **Paragraph 3.3.4.1**.

The Department assured (November 2016) that areas vulnerable to fire would be identified and database of hazardous industries would be maintained. It also stated that in the meantime eight more FSs including six in six blocks had been made functional.

### **3.3.2.1 Deficient institutional arrangements**

SFAC had recommended creation of adequate institutional arrangements to increase the operational efficiency of fire services. Audit observed the following in the existing organisational structure:

**Table 3.3.1: Institutional arrangement required as per SFAC and that available in the State**

| Requirement as per SFAC  | Existing institutional arrangement                   |
|--|--|
| Six bureaus to be created to act as operational wing of Fire Services, i.e., Headquarters Bureau, Communications and | No operational wing was created in the OFS, except a |

<sup>34</sup> Above 500 sq km: 13 FSs, less than 500 and more than 100 sq km: 27 FSs  
<sup>35</sup> 2009-10: 1, 2011-12: 4, 2012-13: 16 and 2013-14: 22

| Requirement as per SFAC  | Existing institutional arrangement  |
|--|---|
| Alarm Bureau, Fire Prevention Bureau, Community Relation Bureau, Training Bureau and Research and Development Bureau.  | Fire Prevention Wing in the Directorate.  |
| State should be divided into several Zones, each Zone being termed as a "Fire Service Command". Each Fire Service Command should be commanded by a Director who should be assisted by a Chief Fire Officer and a Deputy Chief Fire Officer. At the Division level, the Officer-in-charge of a Division should be of the rank of Deputy Chief Fire Officer and he/ she should be assisted by Divisional Fire Officer and Assistant Divisional Fire Officer. | There was no Fire Service Command in the State. Instead of Zones, the State was divided into three ranges and only Fire Officer was in-charge of each range instead of CFO. Districts were headed by AFO instead of FO. |

(Source: SFAC recommendation and Audit analysis)

In absence of adequate institutional arrangements, mandatory fire prevention measures could not be enforced and violators could not be prosecuted as discussed in *Paragraph 3.3.6.4*.

The Department assured (November 2016) of creating separate Bureaus in the OFS as per the recommendation of the SFAC in due course.

### 3.3.2.2 Deficient legal framework

Section 26 (1) of OFS Act provided for making rules for carrying out provisions of the Act. SFAC also recommended the States to enact legislation on fire prevention covering all aspects of fire safety. However, even after 23 years of enactment of OFS Act, Rules for enforcement of its provisions had not been approved by State Government. Audit observed that DG (FS) had prepared and submitted Draft Odisha Fire Service Rules and Draft Odisha Fire Prevention and Safety Rules to the Home Department several times (latest in March 2015), which had not been approved by the Department as of October 2016.

As a result, neither the provisions of National Building Code (NBC) regarding fire safety measures could be made mandatory nor required enforcement powers could be given to the fire service personnel as discussed in *Paragraph 3.3.6.4*. In absence of legal authority, fire service personnel have been seeking consent of occupiers/ builders/ owners to enter into their premises even to inspect and assess compliance with fire prevention and safety measures.

The DG (FS) confirmed (November 2016) the fact. Response of the Department had not been received (December 2016).

### 3.3.3 Funds Management

Details of receipt of funds and expenditure incurred by the DG (FS) during 2011-16 are indicated in the following table:

Table 3.3.2: Receipt and utilisation of funds during 2011-16

| Year         | Receipt of funds |                |   |                          |               | Utilisation of funds |
|--------------|------------------|----------------|---|--------------------------|---------------|----------------------|
|              | State Plan       | State Non-Plan | 13 <sup>th</sup> Finance Commission Award | Centrally Sponsored Plan | Total         |                      |
| 2011-12      | 6.73             | 5.20           | 37.50                                     | 0                        | 49.43         | 49.42                |
| 2012-13      | 20.00            | 1.68           | 35.10                                     | 8.24                     | 65.02         | 65.02                |
| 2013-14      | 20.81            | 2.44           | 38.99                                     | 0                        | 62.24         | 62.24                |
| 2014-15      | 27.06            | 3.90           | 38.41                                     | 0                        | 69.37         | 68.92                |
| 2015-16      | 41.00            | 2.10           | 0   | 0                        | 43.10         | 43.08                |
| <b>Total</b> | <b>115.60</b>    | <b>15.32</b>   | <b>150.00<sup>36</sup></b>                | <b>8.24</b>              | <b>289.16</b> | <b>288.68</b>        |

(Source: Information furnished by DG (FS) and Audit scrutiny)

Out of ₹ 289.16 crore released during 2011-16, ₹ 212.06 crore<sup>37</sup> was released for building new infrastructures and ₹ 77.10 crore<sup>38</sup> for procuring equipment. Audit observed the following:

- **Loss of Central assistance:** Out of ₹ 150 crore recommended by the 13<sup>th</sup> Finance Commission (FC) for up-gradation of fire services in the State, GoI had released ₹ 135 crore during 2011-15. The balance amount of ₹ 15 crore was to be released on submission of completion certificate (CC) for all infrastructure projects by the State Government by 31 March 2015. In anticipation of receipt of Central assistance, the State Government also released (2014-15) the remaining fund of ₹ 15 crore from its own resources. DG (FS) released ₹ 110.82 crore during 2011-15 to OSPHWC for creation of infrastructure and purchased equipment and fire tenders at ₹ 39.05 crore<sup>39</sup>. OSPHWC utilised only ₹ 64.76 crore by March 2015, as it could not complete 153 out of 244 projects due to non-finalisation of site, land dispute, identified site not suitable, etc., as discussed in **Paragraph 3.3.4**. As a result, the Department could furnish utilisation certificates (UCs) for only ₹ 111.59 crore up to March 2015 and could not furnish any CC. Due to non-utilisation of full amount released and non-submission of CCs, GoI did not release the remaining funds. Since the 13<sup>th</sup> FC period expired on 31 March 2015, the possibility of release of the remaining quantum of funds was remote. Thus, delay in utilisation of funds deprived the State of Central assistance of ₹ 15 crore.

The Department, while accepting the fact, stated (November 2016) that 56 projects were completed and 23 projects were not started while 74 were under construction and the delay was due to non-availability of suitable land, land dispute, unwillingness of contractors, etc. The fact, however, remained that due to delay, CCs could not be submitted to GoI and the State was deprived of Central assistance of ₹ 15 crore.

<sup>36</sup> Including ₹ 15 crore released by the State Government anticipating release of withheld amount by GoI

<sup>37</sup> 13<sup>th</sup> FC: ₹ 110.82 crore, State Plan: ₹ 91.60 crore and State non-Plan: ₹ 9.64 crore

<sup>38</sup> 13<sup>th</sup> FC: ₹ 39.18 crore, Centrally Sponsored Plan: ₹ 8.24 crore, State Plan: ₹ 24 crore and State non-Plan: ₹ 5.68 crore

<sup>39</sup> Remaining ₹ 13.00 lakh had been surrendered

- **Submission of inflated UC:** Out of ₹ 111.59 crore for which UC was submitted to GoI, the actual expenditure was ₹ 103.81 crore<sup>40</sup>. This resulted in submission of excess UC for ₹ 7.78 crore by the State Government.
- **Non-refund of interest by OSPHWC:** Out of the interest of ₹ 17.05 crore earned during 2011-16 on unspent fund by OSPHWC, only ₹ 9.83 crore was refunded to the Department. The balance amount of ₹ 7.22 crore was not refunded as of October 2016.

The Department stated (November 2016) that the interest would be utilised in 10 old projects for which revised estimates had been called for (March 2015 to August 2016) from OSPHWC.

### 3.3.4 Creation of infrastructure

#### 3.3.4.1 Delay in completion of construction

Government had allocated ₹ 212.06 crore to OSPHWC under State Plan and 13<sup>th</sup> FC for construction of 127 FS buildings, 1,178 residential quarters (377 projects) and 16 other non-residential buildings<sup>41</sup> during 2011-16. The year-wise projects taken up and their status as on 31 March 2016 are indicated in the table below:

**Table 3.3.3: Year-wise status of projects as on 31 March 2016 (Figures are no. of Projects)**

| Category of infrastructure      | 2011-12   | 2012-13    | 2013-14    | 2014-15   | 2015-16    | Total      | Status as on 31 March 2016 |                    |                 |
|---------------------------------|-----------|------------|------------|-----------|------------|------------|----------------------------|--------------------|-----------------|
|                                 |           |            |            |           |            |            | Completed                  | Under construction | Not yet started |
| Fire Station Buildings          | 30        | 51         | 39         | 3         | 4          | 127        | 35                         | 73                 | 19              |
| Residential Buildings           | 53        | 86         | 88         | 45        | 105        | 377        | 121                        | 125                | 131             |
| Other Non-Residential Buildings | 4         | 0          | 0          | 10        | 2          | 16         | 2                          | 1                  | 13              |
| <b>Total</b>                    | <b>87</b> | <b>137</b> | <b>127</b> | <b>58</b> | <b>111</b> | <b>520</b> | <b>158</b>                 | <b>199</b>         | <b>163</b>      |

(Source: Information furnished by DG, FS and OSPHWC)

It can be seen from the above table that 163 projects (31 per cent) were not commenced as on 31 March 2016 despite availability of funds with OSPHWC, mainly due to non-availability of site, delay in preparation of estimate, tendering and non-fixation of timeline for completion by the Department, as discussed below:

- The Government had instructed (October 2010) that advance action be taken for identification of land for FSs so that construction could be taken up as and when the FSs were sanctioned. However, the said instruction was not complied with, leading to time and cost overrun, as discussed in **Paragraph 3.3.4.3**. In case of 16 projects<sup>42</sup>, which had

<sup>40</sup> OSPHWC: ₹ 64.76 crore and DG (FS): ₹ 39.05 crore

<sup>41</sup> Range Office building, Control room, Transit hostel and Workshops

<sup>42</sup> FSs at Jharbandha, Kanasa, Baliana, Belaguntha, Bahanaga, Bijatola (Rairangpur), Kuliana, Shyamakuntha and Morada; Staff quarters at Hinjilikatu (2), Krushnaprasad (3) and Ghasipura (2)

been sanctioned and funds had been received during 2013-15, lands were not allotted up to June 2016 even after 15 to 27 months of release of funds.

- In case of 10 projects<sup>43</sup> sanctioned during 2011-12 (2) and 2014-15 (8), the works could not be taken up in time due to delay in finalisation of land leading to cost escalation and revision of the estimates. In case of two projects (2011-12), OSPHC submitted revised estimate in October 2015 and the approval was awaited (May 2016). Regarding the remaining eight projects (2014-15), OSPHC had not submitted revised estimates.
- Even after issue of work orders for 26 projects<sup>44</sup> sanctioned during 2012-15<sup>45</sup>, works had not been started (March 2016) due to delay in handing over of site (Bijepur and Chandrapur), non-receipt of permission to cut standing trees (Kashipur), non-sanction of revised estimates, etc.
- Further, 199 projects (38 per cent) were under construction as of March 2016 even after lapse of one to five years since the date of sanction. These included 73 FSs, 125 residential buildings and one non-residential building.
- In none of the cases, timeline for completion was fixed by the DG (FS) while according administrative approval.

The Department stated (November 2016) that OSPHC had been requested to complete the projects at the earliest. The fact, however, remained that no timeline for completion of the projects had been fixed by the DG (FS) for completion of projects by OSPHC.

#### **3.3.4.2 Idling of FS buildings due to absence of approach road**

OSPHC had completed construction of FS buildings at 19 different Blocks at a cost of ₹ 11.38 crore during June 2014 to July 2015 (*Appendix 3.3.1*). However, the DG (FS) did not take over these buildings as approach roads were not available. Audit observed that non-preparation of composite estimate for buildings along with approach road by OSPHC led to these completed buildings remaining idle, apart from not fulfilling the intended objective. Audit test-checked six such projects completed (April 2015 to April 2016) at ₹ 2.48 crore and observed that:

- Estimates for five<sup>46</sup> projects for ₹ 1.64 crore for site development, approach road, etc., were submitted (June 2015) by the Joint Manager,

---

<sup>43</sup> Sambalpur: Transit hostel, Range Office, Berhampur: Transit hostel, Range Office, Control room and Workshop, Cuttack: Range office, Central Workshop, Control room and Auditorium at OFDRA

<sup>44</sup> FSs at Chandrapur, Loisingha, Mathili, Bijepur, Kashipur and Tarava; Quarters at: Kasinagar (3), Boriguma (3), Bamuru (3), B.Maharajpur (3), Rampur (3), One barrack, One hostel, Library hall, Laboratory, Class room at Orissa Fire Disaster Response Academy, Bhubaneswar

<sup>45</sup> 2012-13: 3, 2013-14: 2 and 2014-15: 21

<sup>46</sup> Lahunipada (₹ 37.80 lakh); Kolabira (₹ 39.06 lakh); Laikera (₹ 15.64 lakh), Gurundia (₹ 49.42 lakh) and Kirimira (₹ 22.38 lakh)



Sambalpur to the Chief Engineer, OSPHWC for onward submission to Fire Services Directorate for sanction. However, administrative approval of the same was not accorded as of May 2016. The expenditure of ₹ 2.98 crore incurred on these completed FS buildings remained unfruitful. For the remaining project, *i.e.*, Koida FS, estimate for approach road was not prepared as of June 2016.

- In respect of two FSs (Narayanpatna and Dasamantapur), taken up in December 2011 and February 2014, estimates for approach roads were submitted belatedly and were not sanctioned as of June 2016, though civil works had been completed (March 2016) at a cost of ₹ 1.41 crore.
- In absence of approach roads, FSs could not be made functional in eight Blocks<sup>47</sup> and the FSs continued to function from buildings of the other Departments/ hired premises in seven Blocks,

The Department stated (November 2016) that buildings and approach roads for 7 out of these 16 FSs had since been completed and taken over during July-October 2016 and OSPHWC had been requested for early completion of approach roads of remaining nine FSs. However, construction of FS buildings without approach roads was indicative of improper planning.

#### 3.3.4.3 Cost escalation due to time overrun

The Finance Department had instructed (July 2005) to prepare the design and estimate of projects carefully and meticulously in order to maintain strict financial discipline, as required under the provisions of the Fiscal Responsibility and Budget Management (FRBM) Act, 2005 read with Paragraph 3.7.1 (a) of OPWD Code Vol-1. It was also instructed to freeze the project cost as soon as the design and estimate was technically sanctioned and the project was administratively approved by the competent authority.

Audit test-checked construction of FS buildings and staff quarters in two test-checked divisions (Koraput and Sambalpur) of OSPHWC and observed that during 2008-14, 24 projects with estimated cost of ₹ 8.97 crore remained incomplete as of June 2016 after incurring expenditure of ₹ 5.18 crore (*Appendix 3.3.2*). The reasons for non-completion were delay in handing over of land, improper site survey leading to revision of drawing and design, slow pace of execution by the executants, *etc.* Meanwhile, due to upward revision of Schedule of Rates (SoR), the estimated project cost was revised to ₹ 14.32 crore leading to cost overrun by ₹ 5.35 crore. However, administrative approval to the revised estimate submitted by OSPHWC during March 2010 to March 2016 was yet to be given by the DG (FS). Some instances are discussed below:

- In case of FS building at Attabira, sanctioned at a cost of ₹ 39.51 lakh, the design and specification of the work was changed (April 2016) by OSPHWC after commencement (December 2010) of the work by the contractor, as the site was in a low-lying area. The revised estimate for

<sup>47</sup> Lahunipada, Kolabira, Laikera, Gurundia, Kirimira, Koida, Narayanpatna and Dasamantapur

₹ 65.29 lakh submitted in April 2016 was not approved by DG (FS) as of October 2016 and the building remained incomplete.

- Construction of FS building at Bijepur was sanctioned in 2013-14 for ₹ 58.30 lakh and land was handed over to OSPHWC on 16 August 2013. However, the sanctioned amount was found (February 2014) to be insufficient by OSPHWC. The revised estimate of ₹ 70.30 lakh was submitted to DG (FS) only in December 2015, *i.e.*, after about two years. DG (FS) stated (November 2016) that approval of the Home Department for the same had not been received.
- Construction of six 'F' type quarters at FS, Bisamkatak with estimated cost of ₹ 39.26 lakh was approved (August 2010) based on SoR 2010. The work was, however, commenced in April 2013. OSPHWC stopped (March 2015) further execution after utilising ₹ 40.75 lakh on the ground of increase in cost. The revised estimate of ₹ 75.53 lakh was prepared in March 2016 and the approval by DG (FS) was pending as of May 2016.

Thus, preparation of improper estimates without proper site survey led to delay in completion of projects and cost escalation.

The Department stated (November 2016) that 9 out of 24 projects had been completed, six not started and nine were under construction. It also stated that OSPHWC had been requested to expedite completion of the projects.

#### **3.3.4.4 Deficient contract management**

Paragraph 3.5.18 of OPWD Code Vol. 1 read with Paragraph 2.3.1 of Government instructions (December 2005) as well as Clause 2 of contracts executed with the contractors envisaged that the contractor shall be liable to pay as compensation an amount equal to 1.5 *per cent* of the amount of the estimated cost per month computed on day basis for the work remained un-commenced or un-finished after the stipulated date of commencement/ completion subject to maximum 10 *per cent* of the tendered value. Audit observed the following deviations from the Codal provisions:

- Contractors of two works<sup>48</sup> left the works incomplete after executing works valued at ₹ 18.33 lakh against the contract value of ₹ 1.43 crore. Though the contracts were rescinded (August 2014 and August 2015) with penalty of ₹ 26.48 lakh, only ₹ 0.30 lakh was recovered. Against Government dues of ₹ 26.18 lakh, only ₹ 0.51 lakh was available with OSPHWC. No action was taken to recover the balance amount of ₹ 25.67 lakh from the contractor (July 2016). The work remained incomplete (April 2016).
- Construction of FS building at Mathili was awarded (February 2013) to a contractor for completion by February 2014. The contractor did not commence the work and, therefore, the contract was rescinded (July

---

<sup>48</sup> FS building at Gudari; Construction of one D type, two E type and six F type quarters at Naktideul FS

2014) with penalty of ₹ 9.64 lakh. However, no action was taken to recover the penalty. The work has not commenced (April 2016).

- Construction of FS building at Kudumuluguma was awarded (April 2013) to a contractor for completion by April 2014. The contractor executed work valued at ₹ 19.89 lakh up to March 2016 and did not turn up despite repeated requests. However, against compensation of ₹ 5.67 lakh recoverable from the contractor, only ₹ 1.32 lakh was recovered. This resulted in short realisation of compensation of ₹ 4.35 lakh. The work was stopped since March 2015 and was not recommenced.

Thus, non-recovery of penalty of ₹ 39.66 lakh for the failure of the contractors in completing the works in time resulted in undue favour to them.

### 3.3.5 Purchase and utilisation of equipment

#### 3.3.5.1 Irregular selection of supplier

As per the Finance Department instructions (February 2012), goods with estimated value of ₹ 5 lakh and above should be procured through open tender.

Audit observed that DG (FS) while purchasing equipment, clothing, *etc.*, at a cost of ₹ 3.18 crore during 2015-16, did not resort to open tender. Instead, repeat purchase orders were placed on different agencies at rates finalised with them during 2014-15 and also without obtaining approval of the Purchase Committee (*Appendix 3.3.3*), which was irregular.

The Department confirmed (November 2016) that purchase of equipment during 2015-16 without convening Purchase Committee meetings at rates finalised in 2014-15 was irregular.

#### 3.3.5.2 Idling of equipment

Under 13<sup>th</sup> FC award, ₹ 39.18 crore was provided for purchase of equipment for 100 new FSs. Equipment were purchased for 100 new FSs at a cost of ₹ 39.05 crore. Audit test-checked 45 out of 290 FSs and observed the following:

- In 10 FSs, fire tenders and equipment purchased at a cost ₹ 3.92 crore under 13<sup>th</sup> FC award were lying idle for one to two years due to non-completion of FS buildings. In absence of garage, these vehicles were kept in open making them prone to wear and tear. The Department accepted (November 2016) that the vehicles had been procured prior to completion of buildings of FSs, rendering them idle.
- One vehicle mounted with Hydraulic Platform (Bronto-sky lift) valued at ₹ 9.79 crore purchased in July 2014 was not repaired after it met with an accident in August 2015. The Department stated (November 2016) that the vehicle had to be sent to Finland for repair and the estimated cost of repair would be ₹ 7 crore.

- During 2013-16, 174 vehicles which had completed 16 to 29 years of their life span were declared as unserviceable. Out of these, 115<sup>49</sup> unserviceable vehicles had been declared condemned (2013-14 to October 2016) and auctioned by October 2016. The remaining 59 vehicles were lying in the office of the CFO, Cuttack as of June 2016.

### **3.3.6 Operational efficiency**

SFAC had recommended a maximum response time of five minutes for built up urban areas and 20 minutes for non-built up open/ rural areas. As per the norm prescribed by SFAC, one central Control Room at FS Headquarters, Command Control Rooms in each Fire Service Command Headquarters and Divisional Control Rooms in each district FS headquarters were required to be established. The Control Room should be equipped with auto-telephones, automatic recorders for recording all communications which may be transmitted/ received, PBX for internal communication and high frequency 100W radio telephone set for instant communication.

#### **3.3.6.1 Higher response time**

Audit test-checked fire call reports of two months (March 2015 and March 2016) in 45 test-checked FSs and observed that 1,005 Fire Calls were received during these two months. In 355 cases (35 per cent), calls were attended within the prescribed time; while in 650 cases (65 per cent), there was delay ranging from 1 to 62 minutes<sup>50</sup>. However, in absence of automatic recorders, authenticity of fire call time recorded in the Station Diary could not be assessed.

Audit observed that higher response time was due to inadequacies in infrastructure/ equipment as well as coverage of larger geographical area than the norm specified by SFAC.

The Department assured (November 2016) that steps would be taken to attend the Fire Calls promptly.

#### **3.3.6.2 Deficient infrastructure in existing FSs**

Out of 290 FSs functioning in the State as of March 2016, 59 FSs were functioning from rented (9) and other departmental buildings (50), which were not suitable for FS. The deficiencies in infrastructure in 45 test-checked FSs are discussed below:

- Seven FSs functioning from rented or other Government buildings had no garage to house the vehicles and, hence, were unsuitable for FS. The Department stated (November 2016) that after construction of buildings, three out of above 59 FSs were made functional during April-October 2016 in own buildings.

---

<sup>49</sup> 2013-14: 46, 2015-16: 32, 2016-17 (up to October 2016): 37

<sup>50</sup> 1 to 10 minutes - 537 calls, 11 to 30 minutes - 105 calls and 31 to 62 minutes - 8 calls

- Static water tank and first aid kits were not available in any of the test-checked 45 FSs. The Department stated (November 2016) that water vat, overhead tank and bore well were provided in each new FS. The reply was not acceptable as water vats and static water tanks were not available in 45 test-checked FSs, as observed during joint inspection and the same were confirmed by the Station Officer concerned.
- No rest room required for staff positioned round the clock duty was available in 38 out of 45 test-checked FSs.
- **Non-establishment of Control room:** Control rooms for speedy dissemination of fire call messages and monitoring the fire fighting operations, was not available at State, Range, District and FS levels. The Department stated (November 2016) that out of three control rooms planned to be set up, construction of control room building at Sambalpur had been completed while the same at Cuttack and Berhampur were not started due to land problem.

### 3.3.6.3 Shortage of equipment

SFAC had prescribed<sup>51</sup> the minimum requirement of equipment for State Headquarters, Divisional Headquarters and Fire Stations. Audit observed shortfalls in availability of equipment in 290 functional FSs in the State, as indicated in the following table:

*Table 3.3.4 Availability of facility/ equipment at FSs vis-a-vis norm*

| Name of the equipment                       | Required as per SFAC norm | Available | Shortfall (Percentage) |
|---|---------------------------|-----------|------------------------|
| Water tender                                | 878                       | 806       | 72 (8)                 |
| Ambulance                                   | 293                       | 12        | 281 (96)               |
| Motor cycle based potable water mist system | 592                       | 12        | 580 (98)               |

*(Source: Compiled from records and information furnished to Audit)*

Besides above, equipment like Turn Table Ladder, Hazmat Van, Water Bouser, Lighting Van, Control Post Van, Canteen Van, Mobile Workshop for telecommunication equipment and Breakdown Van were not available in the State, which are required for fire fighting in high rise buildings, industries, petroleum depots, etc.

Thus, the FSs were deficient in the required equipment as prescribed by SFAC.

The Department assured (November 2016) that action would be taken in this regard.

### 3.3.6.4 Deficient enforcement and prosecution

Section 17 of the OFS Act, 1993 empowered the Director or Officer-in-Charge of FS to prosecute persons/ owners who failed to comply with the preventive

<sup>51</sup> 33<sup>rd</sup> Meeting of SFAC

measures notified by the State Government. State Government, through a notification (1997), had made it mandatory for owners and occupiers of certain types of premises<sup>52</sup> to adopt specified precautions for fire prevention and fire safety measures. As per the notification, High Rise Buildings (HRBs)<sup>53</sup> were to comply with National Building Code (Part V). Further, Occupancy Certificate (OC) was to be given by concerned Development Authority only after obtaining Fire Safety Certificate (FSC) from the DG (FS). In case of clinical establishments (CE), it was mandatory to have necessary equipment and facilities for extinguishing fire, as prescribed under Rule 3 (3), Schedule A (2) of the Orissa Clinical Establishments (Control and Regulation) Rules, 1994 read with Section 38 (1) of the Factories Act, 1948. In this context, Audit observed the following:

- During 2013-16, 282<sup>54</sup> applications for FSC in respect of HRBs were received and six FSCs were issued. For the remaining 276 HRBs, FSC was not issued due to absence of adequate fire safety measures. These HRBs were being used for offices, residences, commercial establishments, clinical establishments, hotels, educational institutions, etc.

In one such HRB, a hospital<sup>55</sup>, to which FSC was not issued, a fire accident occurred on 17 October 2016 resulting in casualty of patients. However, no action was taken to prevent clinical establishments from running without FSC.

- As of March 2016, out of 623 HRBs in Bhubaneswar, only 32 HRBs had obtained Occupancy Certificates from the Bhubaneswar Development Authority. This indicated that the mechanism of Occupancy Certificate was not being enforced.
- Besides, there was no mechanism for coordination between the DG (FS), Development Authorities, Director of Medical Education and Training, Director of Higher Education, Director of Technical Education and Training for dissemination of information while issuing/renewing licenses/ permissions for setting up and running HRBs, clinical establishments, educational and professional institutions.
- Audit test-checked records at the office of DG (FS) and also conducted joint physical inspection of 11 HRBs, 10 HRBs housing CEs and 7 CEs and found that 22 premises did not have facilities/ equipment for fire safety, as detailed in **Appendix 3.3.4**. Audit observed the following in these 22 premises:
  - Though FSCs had been denied to 13 HRBs/ CEs on the ground of inadequate facility/ equipment, no action was taken against them under Section 17 of OFS Act.

---

<sup>52</sup> High rise buildings and Clinical establishments

<sup>53</sup> Buildings having height of 15 metre or above

<sup>54</sup> Bhubaneswar-132, Cuttack-90, Puri-27, Berhampur-10, Rourkela-13, Jagatsinghpur-7, Bargarh-1, Kendrapara-1 and Angul-1

<sup>55</sup> SUM Hospital in Bhubaneswar

- FSCs had been issued to seven HRBs/ CEs, despite finding deficiencies in the availability of facilities for fire safety measures.
- Two HRBs<sup>56</sup> had not applied for FSC though these were being used for commercial/ educational institution.
- In case of four<sup>57</sup> CEs at Bhubaneswar, selected for joint physical inspection to assess their fire preventive measures, the CE authorities concerned declined permission on the plea that their fire safety system work was under progress and AFO would be informed of a suitable date for joint physical inspection after completion of the work. This established the fact that CEs had been allowed to function without proper fire safety measures in place.

Despite deficiencies in complying with requirements of fire safety measures, DG (FS) had not taken action against the owners of these HRBs under Section 17 of the OFS Act.

The Department stated (November 2016) that though Orissa Fire Services Act, 1993 provided for enforcement of the provisions of the said Act, there was no scope for Fire Services wing to enforce the said provisions as Rules defining the modalities of enforcement and prosecution had not been framed. The reply indicated the lackadaisical approach of the Department to fire safety and fire prevention measures in the State.

### 3.3.7 Inspection and monitoring

No norm was fixed by the DG (FS) for periodic inspection of different FSs by the higher officers to detect the deficiencies and take action for rectification thereof. However, during 2015-16, DG (FS) allotted FSs for inspection by Inspector General {IG (FS)}, CFOs, FOs and AFOs. Audit reviewed the inspection reports and observed shortfall in inspections and absence of monitoring the follow-up action on such inspections, as indicated below:

- Only two inspections were conducted by DG (FS) during the period 2013-16 while 47<sup>58</sup> FSs were inspected by IG (7) and CFO (40).
- Out of 48 inspections conducted, Audit test-checked 10 inspection reports and found that in seven cases (70 per cent), no corrective measures had been taken to overcome the deficiencies pointed out by the inspecting officers.
- Out of 62 deficiencies like non-conducting of regular drills, non-repair of fire fighting equipment, *etc.*, pointed out by the inspecting officers, corrective measures had been taken only in four cases (6 per cent).
- Three Range FOs, conducted 105 inspections<sup>59</sup> against 291 fixed by DG (FS) to be conducted during 2015-16 (up to June 2016). Out of 166

<sup>56</sup> Ajay Binay Institute of Technology, Cuttack; Residential building of Bhusan Power and Steel Limited, Sambalpur

<sup>57</sup> Vivekananda Medical Mission Limited, Pradyumna Bal Memorial Hospital (KIMS), Capital Hospital, Hi-tech Medical College and Hospital, Bhubaneswar

<sup>58</sup> 2013-14: 16, 2014-15: 9 and 2015-16: 22

<sup>59</sup> RFO, Sambalpur: 64, RFO, Berhampur: 6 and RFO, Cuttack: 35

deficiencies pointed out by the inspecting officers, corrective measures were taken in only 15 cases.

### **3.3.8 Conclusion**

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

### **3.4 Idle expenditure on incomplete jail building**

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

Paragraph 3.7.4 of OPWD code Volume-1 stipulates that no work should be commenced by officers in charge of execution of works on land which has not been duly handed over to him by a responsible public officer.

Audit observed that the Site Selection Committee<sup>60</sup> of the district had selected and recommended (June 2009) a site admeasuring 226.20 acre at Jujomura in Sambalpur district for construction of new open air jail and allied facilities. Based on this, the Home Department entrusted execution of the work to the Odisha State Police Housing and Welfare Corporation (OSPHWC) Limited. The Additional Director General of Police (ADG) (Prison) requested (September 2009) the Divisional Forest Officer (DFO) to give necessary permission for clearing the bushes except big and valuable trees. On inspection of the site, the officials of the Forest and Environment Department, found (September 2009) forest growth and existence of valuable species and requested (October 2009) the Collector for considering environmental

---

<sup>60</sup> Headed by the Sub-Collector, Sambalpur and comprising of Tahasildar, Jujomura; Superintendent of Police, Sambalpur; Executive Engineer (Rural Works), Sambalpur, Executive Engineer, RWSS, Sambalpur, Medical Officer, PHC, Jujomura and Senior Superintendent of Circle Jail, Sambalpur as members



parameters as per the Forest Conservation Act, 1980 before taking up any construction work. However, without examining the issues raised by the DFO and without taking over possession of the site from the Collector, the Directorate of Prisons and Correctional Services accorded (November 2009) administrative approval for construction of administrative building and compound walls at an estimated cost of ₹ 1.82 crore. The amount was deposited with OSPHWC without fixing date for completion of the work.

OSPHWC commenced construction from March 2010, executing certain works valued at ₹ 1.08 crore<sup>61</sup> up to December 2012 and stopped further construction for want of permission for cutting down trees. It was in March and July 2014 that OSPHWC requested the DFO, through the Superintendent of Circle Jail, for permission to cut 127 live trees<sup>62</sup>. However, the permission had not been received till June 2016. In response to an Audit enquiry, the Tahasildar, Jujomura clarified that 73.79 out of 226.20 acre land was reserved for allotment to Jawans<sup>63</sup>. Thus, the construction of civil structure by the OSPHWC was not permissible on this stretch of land.

Despite stopping the work due to want of forest clearance, ADG (Prison) accorded (February 2013) administrative approval for other seven components of works with the estimated cost of ₹ 2.35 crore on the same site and deposited (March 2013 and March 2014) the amount with OSPHWC



*Incomplete boundary wall of Jujomura jail*

without resolving the environmental issues. As a result the projects could not be taken up for execution. During joint physical inspection of the site (May 2016) by the concerned Engineer of OSPHWC in the presence of Audit, the half completed building and compound walls were found in dilapidated condition.

Thus, execution of work without taking over possession of land and resolving environmental issues led to non-completion of the works, thereby rendering the entire expenditure of ₹ 1.08 crore unfruitful and blockage of ₹ 3.09 crore<sup>64</sup> with OSPHWC.

The ADG (Prison) stated (July 2016) that the administrative approval had been accorded in anticipation of receipt of permission for removal of bushes and small plants from the land and accordingly, construction work had been taken up. It was also stated that the said permission from DFO was not received, despite request of Prison Directorate. The DFO, however, attributed (August 2016) such delay to non-conducting of joint verification and

<sup>61</sup> Works: ₹ 98.64 lakh and supervision charges: ₹ 9.86 lakh

<sup>62</sup> Sal:15, Arjun: 40, Jamun: 22 and Kendu: 50

<sup>63</sup> Category of remaining 152.41 acre land was 'Patit'

<sup>64</sup> ₹ 4.17 crore (released amount) less ₹ 1.08 crore (utilised amount)

enumeration of trees, despite his request since July 2010 and non-pursuance of the same by the jail authorities. The fact, however, remained that commencement of works without obtaining necessary permission had led to stoppage of the works.

The matter was reported (September 2016) to the Government; their reply is awaited (December 2016).

## **Housing and Urban Development Department**

### **3.5 Idle investment in drinking water project**

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

Government of India (GoI) guidelines require selection of dependable and reliable raw-water source by the concerned State department to ensure the long term sustainability of water supply projects. Guidelines also require obtaining of clearance/permission from Ministry of Railways and Ministry of Environment and Forest, GoI during the preparation of Detailed Project Report.

The Public Health & Engineering Organisation (PHEO), Odisha took up (June 2009) the project 'Augmentation of water supply to Vyasaganar Municipality' under the Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT) of GoI with the objective of supplying 135 litres per capita per day (lpcd) water to the urban population of the municipality. The project was to be completed by December 2011. The Housing and Urban Development Department had accorded (June 2009) administrative approval and the Chief Engineer (CE), Public Health (PH-Urban), Odisha had technically sanctioned (October 2009) the project for ₹ 14.51 crore<sup>65</sup>. Subsequently, the project was split into seven packages. GoI and Government of Odisha released 80 and 20 *per cent* of the project cost respectively. Accordingly, the Executive Engineer (EE), PH Division-II, Cuttack had received ₹ 14.30 crore during 2009-10 and 2013-14 for the purpose.

Audit observed that there was inordinate delay in execution of projects in three out of seven packages due to non-completion of pre-execution formalities<sup>66</sup> in time. The delayed execution of work in package-2 led to cost escalation of ₹ 15.61 lakh. The details of delayed execution involving ₹ 2.55 crore in three packages are shown in the following table:

---

<sup>65</sup> Water supply: ₹ 14.30 crore and incentive at 1.5 *per cent* of approved cost: ₹ 0.21 crore

<sup>66</sup> Clearance from the Forest and Environment Department, road cutting permission from municipality and Railway authority and possession of land

Table 3.5.1 showing status of implementation of three packages as of September 2016

| Sl. No. | Name of the work  | Estimated cost (₹ in crore) | Date of award of work                  | Stipulated date of completion | Expenditure made (₹ in crore) | Remarks  |
|---------|---|-----------------------------|--|-------------------------------|-------------------------------|--|
| 1.      | Package-1: Construction of intake well with pump chamber seven Million Litre per Day Water Treatment Plant, four Over Ground Reservoirs and two Elevated Storage Reservoirs | 5.73                        | July 2010                              | June 2011                     | 2.21                          | The land allotted for the project was forest land and forest clearance was obtained in September 2012. Land was handed over in December 2012. Though extension of time was given thrice, the work was incomplete as of August 2016.                                  |
| 2.      | Package-6: Laying of pipeline including raw water rising main, clear water rising main and distribution of pipeline   | 1.70                        | February 2011                          | August 2011                   | 0.22                          | The permission for road cutting was obtained from Vyasagar Municipality in June 2013 and Railway authorities in April 2015. The work is still under progress.  |
| 3.      | Package-2: Construction of pump house and staff quarters  | 0.33                        | July 2010 (Re-awarded in January 2016) | November 2010<br>May 2016     | 0.12                          | The work was not taken up due to non-possession of land. The agreement was rescinded and work re-awarded (January 2016) to another contractor at ₹ 49.04 lakh. Thus, there was cost escalation of ₹ 15.61 lakh due to non-possession of land prior to award of work. |
|         | <b>Total</b>  | <b>7.76</b>                 |  |                               | <b>2.55</b>                   |  |

The third, fourth and fifth packages were of procurement of certain items such as ductile iron pipes, valves and fittings and pump sets, involving expenditure of ₹ 5.62 crore, which were to be used in other construction packages. The

items, after procurement, were kept idle as the construction works were delayed. The guarantee periods of these equipment had already lapsed as the validity for the same was 12 to 18 months from the date of supply. The external electrification including installation of substation was included in the seventh package but no expenditure was incurred till the date of Audit.

Despite spending of ₹ 8.22 crore over a period of five years, the expected outcome of providing drinking water supply to 0.53 lakh beneficiary population<sup>67</sup> could not be achieved.

Accepting the facts, the Chief Engineer, PH (Urban) stated (July 2016) that the project would be made functional very soon. However, the fact remained that the huge investment had failed to yield any result over a long period.

The matter was reported (September 2016) to the Government; their reply is awaited (November 2016).

### **Labour and Employees' State Insurance Department**

#### **3.6 Assessment, collection and utilisation of labour cess**

The Government of India (GoI) enacted (August 1996) the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (BOCW Act) which provided for constitution of a Welfare Board in each State to undertake social security schemes for safety, health and welfare of the construction workers. The State Government framed the Orissa Building and Other Construction Workers (Regulation of Employment and Conditions of Service) (OB&OCW) Rules, 2002 and constituted the Orissa Building and Other Construction Workers' Welfare Board (OB&CWWB) in January 2004. As per the notification (February 2004) of Labour & Employees' State Insurance Department (L&ESI), it is the responsibility of OB&CWWB to collect labour cess at a rate of one *per cent* of the cost of construction<sup>68</sup> through the District Labour Officers (DLOs) at district level. The cess, so collected, shall be used to carry out welfare schemes for construction workers by providing loans and advances for construction of houses, financial assistance for education of children, marriage, medical assistance, pension, personal accident scheme, *etc.* The Board functions under the administrative control of L&ESI Department. The Labour Commissioner, Odisha is the *ex officio* Member Secretary of the Board and is responsible for registration of establishments and workers along with assessment and collection of cess.

During 2011-16, the Board collected cess amounting to ₹ 838.10 crore and utilised ₹ 155.01 crore. As of 31 March 2016, the unutilised balance with the Board was ₹ 965.06 crore<sup>69</sup>. Audit test-checked the records of OB&CWWB

---

<sup>67</sup> The projected population of the town for the design year 2041 is 1.14 lakh

<sup>68</sup> Cost of construction excludes cost of land and any compensation paid or payable to worker or his/ her kin under the Workmen Compensation Act, 1923

<sup>69</sup> Opening Balance: ₹ 98.96 crore + Cess Collected: ₹ 838.10 crore + Interest: ₹ 183.01 crore = ₹ 1,120.07 crore - ₹ 155.01 crore (utilisation) = ₹ 965.06 crore

and eight<sup>70</sup> out of 32 DLOs and seven<sup>71</sup> Development Authorities covering the period 2011-16 and conducted Audit during November-December 2015 and May-July 2016. Audit observed instances of improper assessment, collection and remittances of cess as well as inefficient utilisation, as discussed in the following paragraphs.

### 3.6.1 Assessment and collection of cess

Section 7 of BOCW Act, 1996 requires that an employer of an establishment<sup>72</sup> is to be registered with the DLO and Rule 22 (2) of OB&OCW (RE&CS), Rules 2002 requires the Board to maintain a register showing the particulars of establishments to which the certificate of registration has been issued. Rule 6 of Building and Other Construction Workers Welfare Cess Rules, 1998 provides that every employer<sup>73</sup>, within thirty days of commencement of his work or payment of cess, as the case may be, should furnish to the Assessing Officer (AO) *i.e.* DLO, information like name and estimated cost of the work, number of employees engaged, date of commencement of work, *etc.* Under Rule 7, the AO is required to make an assessment order within a period of six months. In eight test-checked districts, 3,760 establishments were registered as of March 2016 and an amount of ₹ 251 crore was collected towards labour cess during 2011-16. Audit observations are as follows:

- ***Absence of database of registered establishments:*** The Board did not maintain database of establishments engaged in construction works and status of their registration to ensure that all establishments were registered. As a result, enforcement of the provisions of the Act in respect of all eligible establishments could not be ensured. The Board stated (May 2016) that instructions were issued to DLOs to monitor the construction works carried out by various establishments.
- ***Non-assessment of cess:*** Neither the registered establishments had furnished information to the AOs as required under Rule 6 nor the AOs issued notices, as required under Rule 7 (3) to them. As a result, the actual amount of cess due and realised from the eligible establishments could not be ascertained. The Board stated (March 2016) that assessment of cess in different establishments could not be carried out due to acute shortage of staff.
- ***Non-collection of cess:*** As per Rule 4 (4) of Building and Other Construction Workers Welfare Cess Rules, 1998 where approval for

<sup>70</sup> Angul, Berhampur, Bhadrak, Deogarh, Jagatsinghpur, Kendrapara, Khurda, Nabarangpur, which were selected through Stratified Random Sampling Without Replacement method

<sup>71</sup> Development Authorities of Berhampur, Bhubaneswar, Cuttack, Puri-Konark, Talcher-Angul-Meramundali, Sambalpur and Rourkela

<sup>72</sup> Any body corporate or firm, Public Health Engineering/ Public Works Division, individual or association or other body of individual which/ who employs building workers in any building or other construction works and includes an establishment belonging to a contractor, but does not include any individual who employs such workers in any building or construction work in relation to his own residence and the total cost of such construction not being more than ₹ 10 lakh

<sup>73</sup> In case of Government department and local authority where construction is done directly without any contractor, the Head of the Department and Chief Executive Officer, respectively is the employer. In other cases, the contractor is the employer

construction work by a local authority is required, every application for such approval is to be accompanied by a crossed demand draft in favour of the Board for an amount of cess payable on the estimated cost of construction. In the Standard Building Regulations (SBR) of seven<sup>74</sup> Development Authorities (DAs), there was no provision either for calling for estimated cost of the building or for deposit of labour cess, along with application for approval. It was further observed that furnishing of estimated cost of the building as envisaged in the Resolution (December 2008) of the L&ESI Department, was not insisted upon by the DAs. Audit observed that seven DAs had approved 9,656 building plans during 2011-15. However, no cess was collected in the absence of enabling provision in the SBR. Audit test-checked 443 approved building plans and worked out the estimated cost of these buildings as ₹ 3,170.44 crore<sup>75</sup>, on which labour cess amounting to ₹ 31.70 crore (*Appendix 3.6.1*) was payable. Thus, the provisions of the said Rules were not followed by the DAs and the Board was deprived of cess amounting to ₹ 31.70 crore.

The DAs (except Bhubaneswar Development Authority) attributed (January 2016 - August 2016) reasons for non-collection of cess to non-receipt of instructions from L&ESI and Housing & Urban Development (H&UD) Departments. The reply was not acceptable as the L&ESI Department had already notified the same in December 2008.

- **Non-remittance of cess to the Board:** The DLOs are required to collect cess and deposit the same within 30 days with the Board. Seven<sup>76</sup> DLOs did not deposit 42 cheques amounting to ₹ 22.26 lakh received during March 2013 to March 2014, from 16 establishments. These cheques were returned (July-August 2014 and October-November 2015) to the respective organisations for revalidation. However, the same were not received back as of March 2016. Further, in four Panchayat Samitis<sup>77</sup> and one urban local body (Bhubaneswar Municipal Corporation), labour cess amounting to ₹ 33.74 lakh collected during 2010-14, was retained by the local authorities without remitting to the Board.

The Board stated (March 2016) that draft charges had been framed against the concerned DLOs and steps had been taken for revalidation of the cheques.

---

<sup>74</sup> Berhampur Development Authority, Bhubaneswar Development Authority, Cuttack Development Authority, Puri-Konark Development Authority, Sambalpur Development Authority, Talcher-Angul-Meramundali Development Authority and Rourkela Development Authority

<sup>75</sup> Calculated by Audit on the basis of plinth area approved by Development Authorities and by adopting the minimum rate prescribed by the Revenue and Disaster Management Department and Works Department for construction of buildings

<sup>76</sup> Cuttack, Gajapati, Khurda, Jajpur, Koraput, Mayurbhanj (one Establishment each) and Sambalpur (10 Establishments)

<sup>77</sup> Bissamkatak, Brahmagiri, Delanga and Tureikela

### 3.6.2 Utilisation of labour cess

As per the provisions of the BOCW Act, 1996, construction workers aged between 18 to 60 years, who have completed 90 days of service as a building worker during the preceding 12 months and after registration and receipt of identity cards, are eligible as beneficiaries for various welfare schemes of the Board. Audit observed the following:

- **Low outreach of the welfare scheme:** Out of available funds of ₹ 1120.07 crore<sup>78</sup>, the Board utilised only ₹ 114.56 crore in welfare schemes (10.23 per cent) during 2011-16. Further, out of 14.25 lakh eligible workers, only 3.44 lakh (24.14 per cent) were covered under various welfare schemes as of March 2016. The main reason for low coverage was absence of any long term/ perspective/ annual plan for efficient utilisation of funds.
- **Non-payment of assistance:** The Board had no database of total number of applications received for assistance, in absence of which, Audit could not ascertain the actual number of applications received and rejected. During 2012-16, 58 applications<sup>79</sup> recommended by four DLOs for payment of assistance, were pending with the Board for sanction. Similarly, 80 applications were pending with the DLOs for further enquiry and process.
  - The DLOs stated (June 2016) that delay was due to verification of the applications in case of death assistance. The fact however, remained that the Board had failed to extend timely assistance even after lapse of one to four years.
- **Non-construction of labour sheds:** The Board had released ₹ 78.92 lakh (between February 2014 and December 2014) to three Urban Local Bodies (ULBs)<sup>80</sup> for construction of labour sheds for the benefit of construction workers. However, only lands were identified for construction of labour sheds as of October 2016 and construction is yet to commence. The Board had not fixed any timeline for completion of the projects.
 

The Board stated (October 2016) that the works would be started shortly by the District Administration.
- **Skill development training:** As per Rule 278 of OB&OCW Rules, 2002 the Board is to extend ₹ 2,000 per month subject to a maximum training period of six months, as stipend, to the registered beneficiary undergoing training for skill development. The Board, however, had not scheduled any training programme during 2011-16.
- **Non-receipt of Utilisation Certificate (UC):** The Board had not received utilisation certificates for ₹ 2.35 crore released to DLOs

<sup>78</sup> Opening balance: ₹ 98.96 crore, Cess collected: ₹ 838.10 crore and Interest earned: ₹ 183.01 crore

<sup>79</sup> 2012: Five; 2013: Four; 2014:Two; 2015: 26; 2016: 21

<sup>80</sup> Dhenkanal Municipality: ₹ 32.30 lakh; Kamakhyanagar NAC: ₹ 28.71 lakh; Jharsuguda Municipality: ₹ 17.91 lakh



during 2012-16 against the grants released for welfare schemes. In absence of UC and non-monitoring of status of utilisation of grants, extension of benefits to the beneficiaries could not be ascertained.

### **3.6.3 Conclusion**

The objective of the BOCW Act, 1996 to bring all the labourers to an organised set up had not been achieved as the Board had not identified all establishments engaged in civil construction. The failure of the DAs to adopt the provisions of the OB&OCW Rules, 2002 resulted in non-payment of labour cess by the establishments. The outreach of the welfare measures was not commensurate with the amount of cess collected, as only 10.23 *per cent* of available funds were utilised for the purpose. The Board failed to extend timely assistance to the beneficiaries.

The matter was reported (September 2016) to the Government; their reply is awaited (December 2016).

## **Rural Development Department**

### **3.7 Unfruitful expenditure in construction of bridge without approach road**

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

The Rural Development (RD) Department, Government of Odisha (GoO) is responsible for construction of roads in rural areas. The funds are received under Pradhan Mantri Gram Sadak Yojana (PMGSY) from Government of India (GoI) as well as under various State schemes. Paragraph 3.2.3 of OPWD code stipulates that administrative approval for a work shall be obtained in two stages; first for preparation of Detailed Project Report (DPR) and the second after land acquisition, forest clearance, preparation of detailed alignment drawings, submission of detailed estimate, *etc.* Further, Paragraph 3.7.4 of OPWD code stipulates that the work should be commenced only after the land is duly handed over by a responsible Civil Officer to the implementing agency.

Audit observed (March 2016) that the DPR prepared (September 2008) by the Executive Engineer (EE), Rural Works Division, Nimapara for construction of High Level bridge over Dhanua river at 8/53<sup>81</sup> km on Bhanpur-Toriabandha road stipulated requirement of Government land for construction of the bridge and approach road. Thereafter, the estimate prepared by the EE, after conducting survey and investigation, was approved for ₹ 4.03 crore by the Superintending Engineer in September 2008. The Ministry of Rural Development, GoI accepted the proposal in February 2009 and sanctioned ₹ 3.44 crore. The RD Department of GoO granted administrative approval in

---

<sup>81</sup> A milestone mark on the road



February 2009 and the work was awarded (August 2010) to a contractor for ₹ 4.13 crore for completion by February 2012.

The contractor, however, could not complete the work within the stipulated period due to presence of electrical line over the bridge alignment and non-availability of Government land for building the approach road. The EE requested the Collector, Puri in January 2013 for acquisition of private land after lapse of 10 months. In the meantime, the Chief Engineer sanctioned (July 2012) ₹ 2.28 lakh for shifting of electrical lines, which had not been deposited with electrical authorities as of June 2016. The contractor completed the construction of bridge in March 2015 and was paid ₹ 3.46 crore. As there was no immediate possibility of land acquisition for the approach road from the private parties, the contract was closed in October 2015 on the request of the contractor. In the absence of approach road, the bridge remained unused.

Audit observed that the field survey and investigation was not proper as it had failed to identify availability of Government land without any encumbrance for constructing approach road before preparing estimate and submitting the proposal to the GoI. This necessitated requirement of private land for building the approach road to the bridge. Thus, the preparation of the proposal, estimate and grant of administrative approval was not as per the provisions of the Paragraph 3.2.3 of OPWD code. Further, commencement of the work, without ensuring availability of land for approach road, violated the provisions of Paragraph 3.7.4 of OPWD Code. This resulted in non-completion of work despite expenditure of ₹ 3.46 crore.

The EE stated (March 2016) that the work was taken up on the assurance of the local people to provide land, which was denied later and that private land would be acquired as per the land acquisition policy. The reply was not acceptable, as there were no minutes of Transect Walk<sup>82</sup> indicating consent of the land owners to provide land for constructing the approach road. Moreover, requirement of private land had neither been spelt out in the DPR nor acquired prior to commencement of execution of work as per the codal provisions.

Thus, improper field survey and commencement of execution without handing over the required land resulted in non-completion of work, leading to unfruitful expenditure of ₹ 3.46 crore. Besides, the objective of providing connectivity to the village Toriabandha having population of 1,451 could not be fulfilled.

The matter was reported (September 2016) to the Government; their reply is awaited (December 2016).

---

<sup>82</sup> As per the PMGSY guidelines, it is a process of consultation with the local community through the mechanism of the Gram Panchayat in order to determine the most suitable alignment, sort out issues of land, elicit necessary community participation in the project, etc.

**Housing & Urban Development Department, Women & Child Development Department and Rural Development Department**

**3.8 Loss of interest due to imprudent fund management**

**Parking of funds in saving bank accounts instead of flexi accounts violating instructions of the Finance Department, resulted in loss of interest of ₹ 3.65 crore.**

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

Flexi deposit accounts are offered by banks which provide high returns on deposits in addition to the liquidity associated with savings account.

Audit observed that Government organisations/ authorities sustained loss of interest of ₹ 3.65 crore during 2011-16, due to non-adherence of the above instructions of FD, as discussed below:

- The District Social Welfare Officer (DSWO), Mayurbhanj had maintained two current accounts<sup>83</sup> for transaction of the scheme funds received from the Government. During 2013-16, funds ranging from ₹ 0.09 crore to ₹ 35.60 crore had been lying in these accounts, which did not earn any interest. The unutilised fund in the current account could have earned interest of ₹ 2.50 crore in flexi account. On being pointed out in Audit, the W&CD Department /DSWO intimated (November 2016) that the funds had been transferred from the current account to saving bank accounts. The fact, however, remained that non-observance of instructions of FD had resulted in loss of interest of ₹ 2.50 crore.
- The Odisha State Water and Sanitation Mission, Bhubaneswar had retained the unutilised programme funds of Water and Sanitation Support Organisation (WSSO) and Swachh Bharat Mission (*Gramin*) ranging from ₹ 0.59 crore to ₹ 419.10<sup>84</sup> crore in two saving bank accounts during 2013-16, in disregard of instructions of FD. This resulted in loss of interest amounting to ₹ 0.72 crore. The Chief Engineer, RWS&S (Sanitation) and the Director, WSSO, Odisha stated (August 2016) that funds had been kept in flexi accounts from July 2016.
- During 2011-16, the Cuttack Development Authority (CDA) had retained unutilised Grants-in-aid ranging from ₹ 2.59 crore to ₹ 3.55 crore in current/ savings account<sup>85</sup> and had earned interest of

<sup>83</sup> State Bank of India, Baripada and Axis Bank, Baripada

<sup>84</sup> 2013-14: Minimum- ₹ 2.96 crore; Maximum- ₹ 14.51 crore; 2014-15: Minimum- ₹ 0.92 crore; Maximum- ₹ 5.26 crore; 2015-16: Minimum- ₹ 0.59 crore; Maximum- ₹ 419.10 crore

<sup>85</sup> Odisha State Cooperative Bank, Cuttack (1 April 2013 – 6 September 2013); HDFC Bank Limited, Cuttack (7 September 2013-31 March 2016)

₹ 0.27 crore. Had the amount been kept in flexi account, interest of ₹ 0.70 crore could have been earned. The Finance and Accounts Member, CDA stated (August 2016) that non-operation of flexi deposit account was not intentional and efforts would be made to convert all the accounts to flexi accounts from August 2016.

Thus, failure of the Government organisations/ authorities<sup>86</sup> to adhere to the instructions of the FD resulted in loss of interest of ₹ 3.65 crore during 2011-16.

The matter was reported (September 2016) to the respective departments; replies from Housing and Urban Development and Rural Development Departments are awaited (December 2016).

### **Scheduled Tribes & Scheduled Caste Development, Minorities & Backward Classes Welfare Department**

#### **3.9 Follow-up Audit on Micro Projects for development of Particularly Vulnerable Tribal Groups**

##### **3.9.1 Introduction**

There are 62 tribal communities in the State of which 13 communities<sup>87</sup> belong to Particularly Vulnerable Tribal Groups (PVTGs) having low level of literacy, declining or stagnant population, pre-agricultural level of technology and economically backward. The population of PVTGs was 89,208 in 21,802 households (2015<sup>88</sup>) spread over 12 districts of the State. The State Government had no scheme exclusively for PVTGs as of March 2016. However, Government of India (GoI) has launched a scheme *viz.*, Conservation-*cum*-Development (CCD) Plan<sup>89</sup> for them. Besides, two other schemes *viz.*, Special Central Assistance (SCA) to Tribal Sub Plan (TSP) and Grants under Article 275 (1) of GoI, to extend benefits to PVTGs in addition to other categories of STs. All these three schemes are implemented by the Scheduled Tribes & Scheduled Caste Development, Minorities & Backward Classes Welfare (SSD) Department of the State Government. The schemes for PVTGs are implemented through 17 Micro Projects (registered societies). Each Micro Project is governed by a Governing Body (GB) headed by the Collector and a Special Officer, who is the chief executive.

A Performance Audit on Micro Projects for development of Primitive Tribal Groups<sup>90</sup> in the State was conducted and incorporated in the Report of the C&AG of India, Government of Odisha for the year ended March 2009, wherein four recommendations had been made. The SSD Department had

<sup>86</sup> OSWSM- ₹ 0.72 crore, CDA- ₹ 0.43 crore, and DSWO, Mayurbhanj- ₹2.50 crore

<sup>87</sup> Bonda, Chuktia Bhunjia, Didayi, Dongaria Kandha, Hill Kharia, Mankirdia, Birhor, Juang, Kutia Kandha, Lanjia Saora, Lodha, Paudi Bhuyan and Saora

<sup>88</sup> As per the survey report (2015) of Scheduled Castes and Scheduled Tribes Research & Training Institute, Government of Odisha

<sup>89</sup> A scheme implemented by Government of India for socio-economic development of PVTGs

<sup>90</sup> Earlier named as Primitive Tribal Group (PTG), which has been renamed as PVTG

accepted (November 2012) all the recommendations. A Follow-up Audit was conducted to assess the extent of implementation of assurances against the recommendations. Audit test-checked the records of SSD Department and six out of 17 Micro Projects<sup>91</sup>, during April to July 2016, covering the period 2013-16. Out of the four recommendations accepted by the Government, only one recommendation was partially implemented, while the remaining three were not implemented at all. The Audit findings are discussed in the following paragraphs.

#### **Audit findings**

#### **Recommendations not implemented**

### **3.9.2 Non-inclusion of PVTGs in CCD Plan**

***Recommendation-1: The State Government and the Governing Bodies should plan to provide special care programmes for stepping up the sources of livelihood and socio-economic conditions needed for the PTGs.***

As per the guidelines issued (April 2008 and April 2015) by the Ministry of Tribal Affairs, GoI, each State has to prepare a long term Conservation-cum-Development (CCD) Plan on the basis of requirement assessed through baseline and other specific surveys. For implementation of the scheme, Micro Project located in or near the habitation was to be created, if not already existing. Audit examined CCD Plan for the period 2012-17 and observed the following deficiencies.

A mention had been made in Paragraph 2.4.2.2 of Audit Report (AR) for the year ended March 2009 on non-inclusion of 4,241 households with 15,243 population of Hill Kharia, Mankirdia and Lanjia Saora PVTGs in CCD Plan. The Department had stated (November 2012) that Hill Kharia, Mankirdia and Lanjia Saora tribals were outside the boundary area of Micro Projects and had been covered under other schemes/ programmes.

Audit observed that the Department had decided (January 2011) to identify additional villages adjacent to the Micro Project areas for their inclusion in the CCD Plan. Accordingly, four out of six sampled Micro Projects submitted (January 2012 to December 2015) proposals to the Department for inclusion of additional 260 villages with 40,241 population (8,202 households) comprising Juang, Lodha and Paudi Bhuyan PVTGs. However, these PVTGs were not included in CCD Plan 2012-17 in four<sup>92</sup> Micro Projects. Suggestion of the Secretary, Ministry of Tribal Affairs (MOTA), GoI (March 2014) to examine reasons for non-inclusion of Juang tribe in the CCD Plan and submission of a proposal to GoI for their inclusion, was not addressed by the Department. Non-coverage of PVTGs in CCD Plan had adverse impact on

---

<sup>91</sup> Paudi Bhuyan Development Agency (PBDA), Jamardihi; Juang Development Agency (JDA), Gonasika; Chuktia Bhunjia Development Agency (CBDA), Sunabeda (Nuapada); Lodha Development Agency (LDA), Morada; Paudi Bhuyan Development Agency (PBDA), Khuntagaon and Lanjia Saora Development Agency (LSDA), Puttasing. These units are selected through stratified random sampling without replacement method

<sup>92</sup> JDA, Gonasika; LDA, Morada; LSDA, Puttasing and PBDA, Khuntagaon

their population as was evident from the decline in population of two categories of PVTGs, as indicated in Table 3.9.1 below:

*Table 3.9.1: Census/Year-wise Birhor and Mankirdia Population in Odisha*

| Sl. No. | Name of the PVTG | 1991 | 2001 | 2011 | Decadal change (2001-11) |
|---------|------------------|------|------|------|--------------------------|
| 1       | Birhor           | 825  | 702  | 596  | -15.10                   |
| 2       | Mankirdia        | 1150 | 130  | 31   | -76.15                   |

*(Source: Census 2011)*

Despite decline in their population, excluding them on the ground that they were living outside the boundary of Micro Projects, was unjustified and against the spirit of the scheme.

The Department stated (October 2016) that the proposals of Micro Projects for inclusion of additional villages inhabited by PVTGs in CCD Plan, had been sent to MoTA, GoI for consideration.

### 3.9.3 Human Resource Management

**Recommendation-3: Government may provide adequate technical manpower support to Micro Projects on priority.**

#### 3.9.3.1 Inadequate manpower support to Micro Projects

A mention was made in Paragraph 2.4.8 of the AR for the year ended March 2009 that the percentage of vacancies to sanctioned strength was 25 in 17 Micro Projects and there were vacancies in some key posts, which had adversely affected implementation of the programmes. The Department had stated (November 2012) that cadre restructuring at Micro Project level was under active consideration.

Audit observed that against the sanctioned strength of 85 in sampled six Micro Projects, men in position were 39, registering vacancy of 54 *per cent* as of March 2016. The vacancy included critical posts like Junior Agriculture Officer, Project Manager, Social Mobiliser (100 *per cent* each), Junior Engineer (33 *per cent*) and Welfare Extension Officer (67 *per cent*). This indicated that no action had been taken by the Government to fill up the vacant posts.

The Department stated (October 2016) that steps were being taken to fill up the vacant posts.

### 3.9.4 Monitoring and Evaluation

**Recommendation-2: Government may ensure timely review meetings of GB of all Micro Projects to plan and monitor proper implementation of special care programme for PTGs.**

Deficiencies in monitoring, evaluation and internal audit were mentioned in Paragraph 2.4.9 of the AR for the year ended March 2009. The Department had stated (November 2012) that meetings of Governing Body (GB) were held at regular intervals. However, Audit observed the following shortcomings:

- **Annual General Meetings (AGM):** The Micro Projects were required to hold AGM once in a year to discuss the Audit Report on Annual

Accounts. However, none of the sampled Micro Projects had prepared Annual Accounts and no AGM was conducted during 2013-16.

- **GB Meetings:** GB<sup>93</sup> of a Micro Project was required to meet quarterly and give approval to Annual Action Plans, besides reviewing the progress and performance of Micro Projects. In three sampled Micro Projects, against the requirement of 72 GB meetings during 2013-16, 16 meetings were held, registering a shortfall of 56 meetings. The GBs, however, did not discuss the performance of Micro Projects.
- **District Level Committee:** As required under CCD Plan, a committee comprising Chief District Medical Officer, District Forest Officer, Executive Engineer (PWD) and one representative from NGO of the district was required to supervise implementation of programmes and submit a report to the District Collector by April after the end of the financial year. However, the committee was not constituted in any of the Micro Projects.
- **Monitoring by Odisha Tribal Development Society (OTDS):** OTDS, the State Level Nodal Society, was required to monitor and evaluate the schemes implemented for development of tribal areas of the State. Though ₹ 40 lakh was received by OTDS (2013-14) for project management and monitoring, the funds remained unutilised as of March 2016. The decision of the Governing Council<sup>94</sup> to chalk out a specific action plan for saturating housing needs of PVTGs in a convergence mode, was also not acted upon. Thus, there was no improvement in Monitoring.

The Department stated (October 2016) that review of schemes/ programmes had been taken up periodically by the Department and the Collectors and assured of complying with the same.

**Recommendation partially implemented**

### 3.9.5 Implementation of projects

**Recommendation-4: With primitive techniques of agro-based production, PTGs require special attention and extension of various social welfare schemes in concerted manner with enhanced scale of various interventions. The State Government may also consider supplementing the GoI provisions.**

#### 3.9.5.1 Implementation of Income Generating Schemes (IGS)

The guidelines of the Department (December 2006) for utilisation of SCA to TSP grants, *inter alia*, envisaged that only activities, which would increase employment/ income generation of tribal and infrastructure incidental thereto, should be taken up. It further stipulated that SCA to TSP was an additive to the State Plan and not an open ended scheme, under which funds could be utilised in violation of the guidelines, prescribed for implementation of IGS and infrastructure projects.

---

<sup>93</sup> Comprised of Collector as Chairperson and Special Officer as Member Secretary

<sup>94</sup> Decided in second meeting of Governing Council held on 15 May 2015

Mention had been made in Paragraphs 2.4.4.1, 2.4.4.2 and 2.4.4.3 of AR for the year ended March 2009 about shortfall in execution of projects, non-monitoring of economic activities of Self Help Groups and non-establishment of marketing facilities, *etc.* In this connection, Audit observed the following:

- As per the work orders issued by the Micro Projects, the stipulated period of completion of activities/ works ranged from 1 to 10 months. Under three schemes, 3,757 activities/ works were targeted for execution in 17 Micro Projects during 2013-16. Out of these, only 1,948 activities/ works (52 *per cent*) were executed during the same period. In six sampled Micro Projects, out of 1,371 activities/ works planned for execution, 836 activities/ works (61 *per cent*) were completed. Out of 535 incomplete<sup>95</sup> activities/ works in six sampled Micro Projects, 404 remained incomplete, even after lapse of more than two years. Despite delay in completion, the Special Officers of sampled Micro Projects had not taken up the matter with the executing agencies for completion. The reasons for non-completion of works were delay in approval of Annual Action Plans (AAPs) and failure of the executing agencies (*i.e.*, line Departments) in completing the works in time.
- On scrutiny of records of 296 activities/ works Audit observed that, in 43 projects (15 *per cent*), an amount of ₹ 1.27 crore was utilised in projects like construction of roads, boundary walls, *etc.*, which were not incidental to income generation. Further, 1,258 agricultural implements (iron ploughs) procured by Paudi Bhuyan Development Agency, Jamardihi at a cost of ₹ 8.30 lakh during 2013-14, were not used by the beneficiaries, as reported by them during beneficiary interviews by Audit.
- Marketing centres were constructed only in four<sup>96</sup> Micro Projects with expenditure of ₹ 17.38 lakh, which covered only 3 out of 129 villages of six sampled Micro Projects.
- Neither the sampled Micro Projects nor the Department had set sector-wise target for implementation of various projects and achievement. Further, the Department had not fixed any benchmark for development of each PVTG to assess/ measure improvement in socio-economic condition/ human development indices of PVTGs due to intervention of the schemes/ programmes, though this had been recommended (August 2011) by the Committee on Welfare of SCs & STs, GoI.
- During survey of 120 beneficiaries, Audit observed the following:
  - 87 beneficiaries (73 *per cent*) stated that they were not provided with any irrigation facilities;
  - 87 beneficiaries (73 *per cent*) stated that they did not get assistance for setting up of poultry farms; and
  - 38 beneficiaries (32 *per cent*) stated that they did not get assistance for taking up horticulture activities.

<sup>95</sup> 2013-14: 228, 2014-15: 176, 2015-16: 131

<sup>96</sup> Sunabeda, Jamardihi, Khuntagaon and Morada



Audit further observed that in 17 Micro Projects, 1,479 PVTG youth were trained in different trades like masonry, preparation of phenyl/ bleaching powder, incense sticks, mushroom cultivation, *etc.*, during 2013-16 and employment was provided to 796 youth<sup>97</sup> (54 *per cent*). In six sampled Micro Projects, though training was imparted to 105 youth, incurring expenditure of ₹ 14.37 lakh, no placement service was rendered for ensuring their employment. In KKDA, Belghar, PVTG youths were not identified for skill development trainings.

The Department stated (October 2016) that the Special Officers, Micro Projects had been instructed to follow the guidelines.

### **3.9.5.2 Infrastructure development**

As required under CCD guidelines, Micro Projects were required to coordinate with line Departments for creation of infrastructural facilities like, housing, connectivity, electrification, drinking water, *etc.*, in areas falling under Micro Projects, in addition to their own responsibility to create infrastructural facilities under CCD Plan, SCA to TSP and Grants under Article 275(1).

Mention had been made in Paragraph 2.4.5 of the AR for the year ended March 2009 that the physical achievement in various components of infrastructure development fell short by 1 to 23 *per cent* due to lack of aggressive approach by the implementing authorities. The Department had stated (November 2012) that infrastructure was developed in respect of connectivity to villages, AWCs, literacy, drinking water, health care, fire proof houses, electricity, *etc.*, in a phased manner.

Audit observed the following deficiencies in creation of infrastructural facilities:

- Connectivity to 165 out of 541 PVTG villages in the State, including 35 villages of six sampled Micro Projects, was not established as of March 2016. During beneficiary interviews, 31 out of 120 beneficiaries stated that connectivity to 11 villages was not available.
- Drinking water facilities were not available in 43 out of 541 villages of 17 Micro Projects as of March 2016. This included seven<sup>98</sup> villages in two sampled Micro Projects. Out of this, in four villages under PBDA, Khuntagaon, the solar pumps became defunct during July 2015 to February 2016 and no steps were taken to repair these. In the remaining three villages, water supply facility was not created. In the absence of drinking water facilities, the villagers were using '*Chua water*'<sup>99</sup>.
- In 17 Micro Projects, 246 villages were not electrified as of March 2016. This included 40 (31 *per cent*), out of 129 villages in six sampled projects.
- The Special Officers of the sampled Micro Projects did not take up the matter with the line departments for providing required road and

---

<sup>97</sup> Locally employed: 464 and self-employment: 332

<sup>98</sup> Koked (CBDA, Sunabeda); Sareikela, Tilkuda, Phuljhar Bhuyansahi, Bhatiasahi, Pattamund school sahi, Sanjalbhudhandishi (PBDA, Khuntagaon)

<sup>99</sup> *Chua water* means water obtained from digging sand/ earth



electricity connection as well as ensuring availability of safe drinking water to the PVTG habitats. Only in February 2016, the Department took up the matter with the line Departments for creation of different infrastructural facilities in these areas.

- Out of 21,802 households in 17 Micro Projects, 5,365 (including 1,438 in six sampled Micro Projects) were not provided with any kind of *pucca* house. Scrutiny of 117 case records indicated that 49 houses remained incomplete as of March 2016, after incurring an expenditure of ₹ 11.55 lakh, even after lapse of three to nine years since these were taken up. Funds of ₹ 17 lakh received (October 2012) for construction of *pucca* houses remained unutilised by PBDA, Khuntagaon as of March 2016. However, the Micro Projects had not extended any technical support to them to complete the houses.

The Department assured (October 2016) that steps would be initiated to take up these works on priority basis.

### 3.9.5.3 Health

The guidelines framed by the GoI for implementation of CCD Plan, *inter alia*, envisaged that health, immunisation and nutritional needs of all pregnant and nursing mothers would be provided under the plan. Anganwadi Centres (AWCs), functioning under the Women & Child Development (W&CD) Department are focal points for addressing malnutrition through providing supplementary nutrition<sup>100</sup>. Audit observed the following:

- AWCs were not set up in 226 PVTG villages under 14 Micro Projects as of March 2016. In absence of AWCs, beneficiaries of 16 villages of six sampled Micro Projects were tagged to the nearest AWCs located at a distance of 1 to 8 km. The SSD Department had not taken up the issue with the W&CD Department for setting up of AWCs in these villages.
- To address health and nutritional needs of PVTGs, W&CD Department had released (July 2014) ₹ 56.17 lakh to the SSD Department for implementation of different activities in convergence with facilitating non-Government organisations (FNGO). The SSD Department refunded (April 2015) the amount citing shortage of manpower and non-engagement of FNGOs in Micro Projects. Thus, nutritional needs of malnourished children remained unaddressed.
- In six sampled Micro Projects, out of 216 children identified as severely underweight and Severe Acute Malnourished, 60 children were not referred to hospitals. During 2012-13, 19 infant deaths occurred due to malnutrition under PBDA, Khuntagaon Micro Project. However, no remedial measures were taken by Micro Projects to eradicate malnutrition.
- Health care services were delivered through 41<sup>101</sup> Health Centres across all the Projects in the State including 13 Health Centres in the

<sup>100</sup> Children in the age group six months to six years and pregnant & lactating mothers

<sup>101</sup> 33 Primary Health Centres (PHCs)/ 8 Community Health Centres (CHCs) under all the Micro Projects and 11 (PHCs)/ 2 (CHCs) in sampled Micro Projects

sampled Micro Projects, covering a population of 32,475. However, delivery of health care services was affected as the beneficiaries had to cover a distance of 5 to 80 Kms to a PHC/ CHC. In six sampled Micro Projects, against the sanctioned strength of 30 Doctors, 26 were available and the remaining four posts were lying vacant for more than one to four years. In two PHCs of two projects<sup>102</sup>, health services were delivered by Pharmacists due to absence of Doctors since 2014-15. In absence of health care services and lack of transportation facilities, PVTG habitants were deprived of timely health care facilities.

- During 2013-16, a provision of ₹ 4.28 crore was made for mobile health unit, organising health camps, *etc.*, in test-checked Micro Projects, against which ₹ 16.38 lakh was released. Out of this, only ₹ 6.25 lakh were utilised in conducting 13 health camps. Due to non-utilisation of funds, mobile health units/ assistance to serious patients, creation of village herbal gardens, *etc.*, could not be addressed.

The Department stated (October 2016) that health camps had been organised periodically and Supplementary Nutrition was being supplied through AWCs. The reply was not acceptable as adequate number of health camps were not organised, as reported by the test-checked Micro Projects.

#### **3.9.5.4 Education and social security**

The guidelines framed by the GoI for implementation of CCD Plan stressed on ensuring 100 *per cent* physical enrolment, improving literacy rate and arresting dropout rate, particularly of girl students, as well as providing social security to the needy. Audit observed the following:

- The sampled Micro Projects did not maintain data of number of children at school going age *vis-a-vis* actual enrolment in primary schools. In 19 educational institutions, 849 girl students dropped out from schools during 2013-16. The average literacy rate of male and female in 17 Micro Projects was 44.10 and 34.26 respectively in 2015-16, against the State average of 82.40 and 64.36.
- Odisha Model Tribal Education Society, the nodal agency for promoting education for tribals in the State, procured (August 2013) 190 computers at a cost of ₹ 74.13 lakh for installation in 19 educational institutions. However, in absence of modules/ course contents as well as teachers trained in computers, all the computers remained idle in six sampled Micro Projects.
- As of March 2016, 1,758 eligible beneficiaries in the State and 511 beneficiaries in sampled Micro Projects did not get assistance under Old Age Pension (OAP). The BDOs stated (July 2016) that the left-out beneficiaries would be covered in subsequent years.

The Department stated (October 2016) that the existing teachers would be provided training in computers and steps had been taken to cover all eligible beneficiaries under OAP.

---

<sup>102</sup> Juang Development Agency, Gonasika and Lodha Development Agency, Morada

### 3.9.5.5 Non-implementation of Forest Right Act

A mention had been made in Paragraph 2.4.4.4 of AR for 2009 that record of rights of forest land had not been recorded in the names of heads/ spouses of PTG families, who were in occupation of the forest land prior to 13 December 2005, under Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006. The Department had stated (November 2012) that individual forest right titles had been issued.

Audit observed that titles to land were distributed to 17,884 out of 21,459 claimants across Micro Projects in the State leaving 3,575 claimants (17 per cent). In six sampled Micro Projects, 1,186 out of 9,571 claimants, were not given titles to land.

The Department attributed reasons for non-distribution of titles to want of evidences of occupation and non-awareness among claimants to fill up the claim form properly. The fact, however, remained that the Department had neither conducted awareness campaigns nor surveys, as required under the Act, to sensitise and identify beneficiaries.

### 3.9.6 Other observations

A mention had been made in Paragraph 2.4.3.1 of AR for 2009 regarding deficiencies in Financial Management. The Department had stated (November 2012) that the delays in release of funds were due to belated receipt of funds from GoI and had also assured of adjusting outstanding advances as well as timely submission of UCs. Audit, however, observed that there was no improvement in these issues, as discussed below:

- During 2013-16, the Department had delayed release of ₹ 69.81 crore to 17 Micro Projects by 16 to 146 days<sup>103</sup> from the dates of receipts of grants from GoI. The Department attributed (July 2016) the delay to obtaining approval of higher authorities and shortage of manpower.
- Advances amounting to ₹ 1.92 crore<sup>104</sup> given to 273<sup>105</sup> officials/ NGOs in the sampled Micro Projects during November 1990 and March 2016 remained unadjusted, even after lapse of more than two months to 25 years. The Department assured (October 2016) of taking steps to adjust/ recover the advances.
- Against utilisation of ₹ 33.14 crore by six sampled Micro Projects during 2013-16, UCs for ₹ 17.28 crore (52 per cent) were not furnished to Government as of March 2016, despite stipulation in the sanction orders to submit the same by the end of the concerned financial year. The Department stated (October 2016) that Micro Projects had been instructed to submit UCs timely.

### 3.9.7 Conclusion

Performance Audit was conducted in the year 2009 on Micro Project for development of Particularly Vulnerable Tribal Groups. Audit highlighted the

<sup>103</sup> 16 to 60 days: 6 cases (₹ 51.34 crore); 61 to 90 days: 2 cases (₹ 5.72 crore); 91 to 120 days: 2 cases (₹ 8.04 crore); 121 to 146 days: 2 cases (₹ 4.71 crore)

<sup>104</sup> Including unclassified amount of ₹ 0.02 crore

<sup>105</sup> Including advances pending against 13 retired staff: ₹ 5.08 lakh and four deceased employees : ₹ 0.77 lakh

deficiencies in implementation of various schemes for development of PTGs in earlier Performance Audit. Though the Government had accepted all the recommendations, none of the recommendations have been fully implemented, even after a lapse of 7 years.

Audit verified the records of the SSD department along with six test-checked Micro Projects and observed that shortage of manpower still persisted, which affected implementation of various projects. Supervision and monitoring was not adequate to address the bottlenecks in implementation of projects. Targeted numbers of projects under Income Generation Scheme were not completed. Facilities like provision of road connectivity, drinking water, electricity, *etc.*, were not created adequately. Besides, there were deficiencies in addressing malnutrition, healthcare services, education, *etc.*

## **Finance Department**

### **3.10 Lack of response to Audit**

Regulation 197 of Regulations on Audit and Accounts, 2007 requires that the officer-in-charge of the audited entity should send the reply to Inspection Report (IR) paragraphs to the respective Audit Offices within four weeks of their receipt.

Review of IRs issued up to March 2016 pertaining to 24 departments showed that 41,586 paragraphs relating to 9,858 IRs were outstanding at the end of June 2016. Year-wise position of outstanding IRs and paragraphs are detailed in *Appendix 3.10.1*. Of these, 4,075 IRs containing 12,450 paragraphs were outstanding for more than 10 years (*Appendix 3.10.2*). Of the above outstanding IRs, even the first reply from the Heads of offices was not received in respect of 1,624 IRs. The departments from which majority of replies were awaited were Panchayati Raj, Housing & Urban Development (H&UD), School & Mass Education (S&ME), Women & Child Development (W&CD) and Revenue & Disaster Management (R&DM).

The Finance Department stated (November 2016) that the annual programme for holding Triangular Committee meetings had been chalked out for discussion of outstanding paragraphs.

#### **3.10.1 Follow-up action on earlier Audit Reports**

Major irregularities observed in Audit are included in the Audit Reports of the Comptroller and Auditor General of India that are presented to the State Legislature. According to the instructions (December 1993) of the Finance Department (FD), the Administrative Departments are required to furnish the explanatory notes on the transaction paragraphs, Performance Audits (PA), *etc.*, included in the Audit Reports within three months of their presentation to the State Legislature.

As of September 2016, 10 out of 24 departments did not submit explanatory notes in respect of 33 paragraphs (25 individual and 8 PAs) featured in the C&AG's Audit Reports from the years 2007-08 to 2013-14 (*Appendix 3.10.3*).

The Finance Department stated (November 2016) that all departments had been instructed to submit compliances within three months which would be monitored through the Departmental Monitoring Committees.

### 3.10.2 Response to the recommendations of the Public Accounts Committee (PAC)

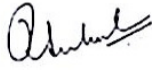
The Odisha Legislative Assembly constitutes PAC every year to examine the Reports of C&AG and the reports of such examination are presented to the Assembly. On the basis of the recommendation of a High Powered Committee headed by Shri S.L. Shakhder, Finance Department had instructed (December 1993) all the departments to submit Action Taken on the recommendations of PAC within four months after presentation of the reports to the Legislature.

It was observed that out of 630 recommendations (*Appendix 3.10.4*) made by the PAC from the 3<sup>rd</sup> Report of tenth Assembly (1990-95) to the 4<sup>th</sup> Report of fifteenth Assembly (2014-19), final actions taken on 19 recommendations from five departments (Higher Education, Law, Panchayati Raj, Revenue & Disaster Management and Rural Development) were awaited (September 2016).

The Finance Department stated (November 2016) that all departments had been instructed to submit compliances on the Action Taken Notes, without further delay.

Bhubaneswar  
The

11 MAR 2017

  
(R. Ambalavanan)  
Accountant General (G&SSA)  
Odisha

Countersigned

New Delhi  
The

2 MAR 2017

  
(Shashi Kant Sharma)  
Comptroller and Auditor General of India