

Overview

Panchayati Raj Institutions and Urban Local Bodies fall under Panchayati Raj and Drinking Water Department and Housing and Urban Development Department respectively. This Report of the Comptroller and Auditor General of India (C&AG) on Government of Odisha includes results of one Performance Audit, two detailed Compliance Audit paragraphs and six Draft paragraphs of PRIs and ULBs. These include:

- Performance Audit on Mahatma Gandhi National Rural Employment Guarantee Act.
- Detailed Compliance Audit on Implementation of Rajiv Awas Yojana in the State.
- Detailed Compliance Audit on Implementation of Swachh Bharat Mission in the State.

An overview of the significant audit observations is discussed below:

Panchayati Raj and Drinking Water Department

Implementation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

- The per annum average income of the households (HHs) in all the 30 districts ranged from ₹ 671 to ₹ 1,630. This was against the target of ₹ 12,600 to ₹ 17,400 for a minimum of 100 days in a financial year. At this wage rate, MGNREGS had hardly impacted the goal of sustainable development in poverty alleviation.

(Paragraph 2.1.6)

- The Orissa Rural Employment Guarantee Council could hold only four meetings since November 2007 as against required 18 meetings. The reason was non-availability of the Chairman (Chief Minister) to attend the meetings.

(Paragraph 2.1.7.1)

- The failure of the Government to provide adequate staff adversely affected maintenance of MGNREGS accounts, grievance redressal, online entry of muster roll, verification and issue of job cards.

(Paragraph 2.1.7.2)

- The State Government had not identified and trained volunteers to engage with special category beneficiaries to ascertain their needs and requirements. Special attention was not focussed on vulnerable sections of the rural society as desired under the scheme.

(Paragraph 2.1.7.3)

- Labour groups were not formed in any of the eight test-checked districts. As such, the collective approach towards achieving the output was missing.

(Paragraph 2.1.7.4)

- In 102 out of 120 test-checked Gram Panchayats, the labour budget was not approved by Gram Sabhas. These were directly prepared at Panchayat Samiti level and submitted to the Zilla Parishad for approval without assessment of demand from Gram Panchayat level.

(Paragraph 2.1.8)

- There was delay in payment of wages of ₹ 3,114.58 crore. Against ₹ 53.19 crore payable as compensation, only ₹ 15.18 lakh was paid. During 2012-17, out of 338.46 lakh payable transactions, 9.50 lakh transactions involving ₹ 91.46 crore were rejected. Reasons for rejection included invalid bank codes (IFSC), non-existing accounts, closed bank accounts and non-tallying of account description.

(Paragraph 2.1.11)

- In 23 test-checked Panchayat Samitis, 11,843 labourers had applied for employment for 1,22,430 days during 2014-17. However, they were neither provided employment nor unemployment allowance.

(Paragraph 2.1.12)

- In the test-checked Gram Panchayats, 1,389 earthen roads were constructed at a cost of ₹ 32.21 crore during 2012-17. Earthen road work was not admissible due to lack of durability and all-weather connectivity.

(Paragraph 2.1.15.2)

- Due to faulty and delayed approval of plantation projects, 12 executing agencies incurred unfruitful expenditure of ₹ 7.38 crore.

(Paragraph 2.1.15.4)

- Material worth ₹ 15.74 crore was purchased without approval of District Level Convergence Committee in four test checked districts. In three Panchayat Samitis and Director Horticulture, Kalahandi, material involving ₹ 5.23 crore was purchased without floating tenders.

(Paragraph 2.1.15.8)

- Deputy Director of Horticulture (DDH), Kalahandi purchased 34,200 gabions at a cost of ₹ 1.18 crore from Bhubaneswar Regional Co-operative Marketing Society (BRCMS) Limited (November and December 2016). BRCMS was selected without floating any tender. The gabions were 50 *per cent* of the specified size, whereas full payment was made to BRCMS. This resulted in excess payment of ₹ 58.99 lakh.

(Paragraph 2.1.15.8)

- In 11 test checked Panchayat Samitis, wages of ₹ 6.17 lakh were shown as paid to 944 labourers for 3674 mandays in manipulated Muster Rolls.

(Paragraph 2.1.16)

- Panchayati Raj Institutions did not operate flexi accounts for depositing scheme funds during 2013-16 which led to loss of interest of ₹ 1.41 crore.

(Paragraph 3.1)

- Two Training-cum-production centres constructed in Joda and Balisankara Panchayat Samitis remained idle over four to eight years, thereby making an expenditure of ₹ 17.26 lakh infructuous.

(Paragraph 3.2)

- Improper cash management and lack of supervisory control by higher authorities in 11 Gram Panchayats and disbursement of Old Age Pension against deceased beneficiaries in 14 Panchayat Samitis led to misappropriation of Government money of ₹ 10.12 lakh.

(Paragraph 3.3)

Housing and Urban Development Department

Implementation of Rajiv Awas Yojana (RAY) in the State

- The project costs in 10 Detailed Project Reports increased by ₹ 73.45 crore due to inadequate surveys and evaluation by the Executive Officer/Municipal Commissioners.

(Paragraph 5.1.3.5)

- Jajpur Municipality spent ₹ 4.14 crore on construction of transit house for temporarily displaced slum dwellers. However, it used the building as a market complex depriving the beneficiaries of the intended benefit.

(Paragraph 5.1.4.3)

- In Rangamatia slum cluster, Bhubaneswar Municipal Corporation had permitted unauthorised cost escalation of ₹ 25.16 crore due to delay in award of work.

(Paragraph 5.1.4.5(i))

- Payment of tender premium of ₹ 1.84 crore was made to National Buildings Construction Corporation Limited beyond the admissible limit.

(Paragraph 5.1.4.5(ii))

- Bhubaneswar Municipal Corporation had utilised ₹ 4.69 crore meant for Transit House towards housing and infrastructure without refunding the same.

(Paragraph 5.1.4.5(iii))

- Bhubaneswar Municipal Corporation had incurred unfruitful expenditure of ₹ 1.19 crore on closed projects.

(Paragraph 5.1.4.5(iv))

Implementation of Swachh Bharat Mission

- Government prepared Odisha Urban Sanitation Strategy and Odisha Urban Sanitation Policy without preparing City Sanitation Plan of all ULBs and consolidating these into a State level sanitation plan. This was in contravention of the Swachh Bharat Mission guidelines.

(Paragraph 5.2.2)

- The total fund released was only 29 *per cent* of the funds required for the year 2015-17. Against this, utilisation of funds was only 15.87 *per cent*.

(Paragraph 5.2.2)

- Government did not take any step for mobilisation of additional resources. It shifted the responsibility for the balance amount completely to the beneficiary. This adversely affected the objective of construction of Individual Household Latrines.

(Paragraph 5.2.2)

- The achievement against target fixed for Individual Household Latrines in Annual Action Plans of 2015-17 was only five *per cent*.

(Paragraph 5.2.2)

- Nine *per cent* of targeted Community Toilet seats were taken up and only two *per cent* of toilets were completed as of March 2017. Out of targeted Hybrid Toilets seats, only 11 *per cent* Hybrid Toilets were taken up and one *per cent* was completed as of March 2017. In Public Toilet category, the achievement was only seven *per cent* of mission target.

(Paragraph 5.2.2)

- Government of Odisha dispensed with release of 1st incentive of ₹ 2,000 (December 2016) and instructed all Urban Local Bodies to issue 100 *per cent* work order for IHHLs by January 2017. This was in violation of Government of India orders.

(Paragraph 5.2.5.2)

- In Choudwar Municipality, two officials misappropriated sale proceeds of Public Distribution System commodity amounting to ₹ 66.41 lakh during 2014-16. Out of this, ₹ 50.96 lakh was yet to be recovered.

(Paragraph 5.3)

- In Balangir Municipality, non-specification of the bucket size of Drain Cleaners and non-utilisation of Mobile Toilets led to idling of machines for more than three years. This also resulted in idle expenditure of ₹ 27.86 lakh. In Athagarh Notified Area Council, non-utilisation of Cesspool Tanker for more than six years led to unfruitful expenditure of ₹ 6.50 lakh.

(Paragraph 5.4)

- Construction of Night Shelter by Cuttack Municipal Corporation on a piece of land without verifying its title in the land records resulted in wasteful expenditure of ₹ 9.79 lakh.

(Paragraph 5.5)